

## **24BA1102 ESSENTIALS OF ORGANIZATIONAL BEHAVIOR L T P C**

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### **COURSE OBJECTIVES**

- To familiarize the basic concepts of management and to understand the organization functions.
- To get the knowledge about the Organizational and individual behavior at work place.
- To analyze the various management approaches.

### **UNIT -I NATURE AND THEORIES OF MANAGEMENT 12**

Management Concept - Management Approaches - Management Theories - Managerial Functions and Roles- Recent Trends in Management.

### **UNIT -II MANAGEMENT FUNCTIONS 12**

Planning– Organizing – Staffing – Decision Making–Controlling - Organizational Structure and Design - Impact of Technology on organizational design - Mechanistic (vs) Adoption structures.

### **UNIT -III ORGANIZATIONAL BEHAVIOUR 12**

Concept of Organizational Behaviour- Intra Behaviour, Inter Behaviour, Group Behaviour- Attitudes and Beliefs- Emotions- Perception and Learning- Motivation and Job Performance.

### **UNIT -IV GROUP DYNAMICS 12**

Groups and Teams - Group Dynamics - Power and Politics - Organizational Climates and Culture - Stress Management.

### **UNIT -V COMPARATIVE MANAGEMENT 12**

Comparative Management Theories, Styles and Approaches - Japanese Management Practices- Best Management Practices and Diversity in Global - Cross Cultural Organizational Behaviour.

**TOTAL: 60 PERIODS**

### **TEXT BOOKS**

1. S S Khanka Organizational Behaviour, S.Chand & Co Publications, 2020.
2. Nahar Amandeep, Rao PCK, Nigah Rajesh Kumar, Sultan Chand & Sons Publications, 2021.
3. Dr. Neeru Vasishth, Organisational Behaviour, Taxmann Publications Pvt Ltd, 2012 Edition.

### **REFERENCE BOOKS**

1. Koontz – Essentials of Management – MC Graw Hill 11e, 2020.
2. Stephen P. Robbins, Timothy A. Judge, Essentials of Organisational Behaviour, Pearson (2019)
3. Robbins,S.P. (2002) Organisational Behaviour: Concepts, Controversies, Applications, Prentice Hall.
4. Stephen P. Robbins, Timothy A. Judge, Organisational Behavior-Person 18e, 2022.
5. Don Hellriegel, Susan E. Jackson and John W, Jr Slocum, Management: A competency-Based Approach, Thompson South Western,11th edition, 2008.

Mapping of COs and POs COs			POs		
PO1	PO2	PO3	PO4	PO5	
CO1	3	3	3	3	3
CO2	2	3	2	2	3
CO3	2	2	3	2	3
CO4	3	2	3	3	3
CO5	3	3	3	3	3
AVG	2.60	2.60	2.80	2.60	3.00

## UNIT – I

### FOCUS AND PURPOSE OF ORGANISATIONAL BEHAVIOUR

#### **MEANING:**

Organisational behaviour is the study and application of knowledge about how people – as individuals and as groups – act within organization.

#### **DEFINITION:**

According to Fred Luthans, “Organisational behaviour is to understand, predict and controlling human behaviour at work”.

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

#### **NEED AND IMPORTANCE:**



#### **NATURE OF ORGANISATIONAL BEHAVIOUR:**

- Integral part of Management
- Inter-Disciplinary Approach
- Field of Study
- Analysis of Behaviour
- Goal-Oriented
- Human Tool

- Fulfilment of Employees' needs
- Oriented Towards Organisational objectives

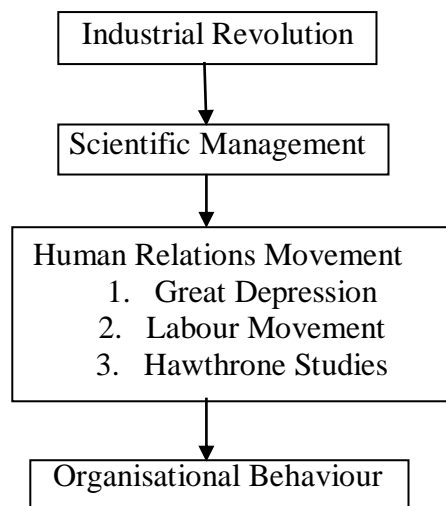
### **SCOPE OF ORGANISATIONAL BEHAVIOUR:**

- Skill Development.
- Personal growth through insight into human behaviour.
- Enhancement of Organisational and individual effectiveness.
- Sharpening and refining of common sense.

<https://www.youtube.com/watch?v=SheMhZeajyk>

### **EVOLUTION OF OB:**

The historical development of organisational behaviour includes various phases which are as follows:



#### **1. Industrial Revolution:**

Industrial revolution brought about materialism, discipline, monotony /boredom, job displacement, impersonality, work interdependence, and related behavioural phenomena. Robert Owen the father of personnel management, Andrew Ure, J.N.Tata were recognise the importance of people at work.

#### **2. Scientific Management:**

The Scientific Management school is primarily attributed to the ideas and works of Fredrick W.Taylor who is known as “Father of scientific Management”. Workers should be scientifically selected with right attitudes for the job and ability and then properly trained to perform the work.

#### **3. Human Relations Movement:**

In 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 workers conditions.

### **Human Relation Assumptions:**

1. Organisations are social system
2. They are motivated by many needs
3. Team work is essential for co-operation

4. Leadership should be modified
5. Job satisfaction will lead to higher job

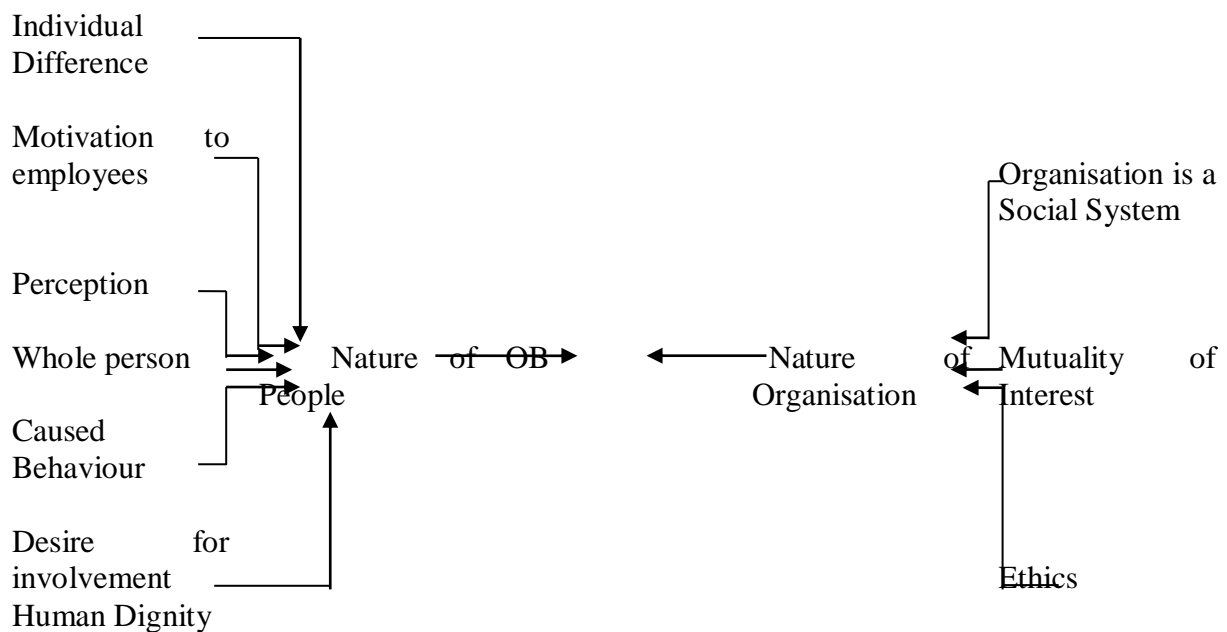
### Contribution to Human relations:

1. **Great Depression:** The consequence of the depression were wide spread unemployment, decline of purchasing power, collapse of markets, and lowering of the standard of living of people.
2. **Labour movement:** Labour formed strong unions and this had the desired effect on management.
3. **Hawthorne studies:** Dominate the academic discussion on historical development.

### Organisational Behaviour:

Human relations became more mature & research based, the new term that arose in describe it was 'Organisational Behaviour'. The positive Organisational Behaviour emphasises confidence, hope, optimism, and other positive attributes at work.

### FUNDAMENTAL CONCEPTS OF OB:



### ORGANISATIONAL BEHAVIOUR PROCESSES:

#### 1. Individual Processes:

Individual behaviour is the foundation of organisational performance. Understanding individual behaviour, therefore is crucial for effective management. Each person is a physiological system composed of a number of sub-systems – digestive, nervous, circulatory and reproductive as well as attitudes, perception, learning capabilities, personality, needs, feelings, values

#### 2. Interpersonal and Team processes:

People generally do not choose to live or work alone. Almost all our time is spent interacting with others. Team processes is must. Team members must be skilful in eliminating barriers to achieving their goals, solving problems, maintaining productive interaction among team members and overcoming obstacles to team effectiveness.

### 3. Organisational processes:

Individual enter organisations to work, earn money and pursue career goals. They do so through the organisation's culture which is the set of shared assumptions and understanding about how things really work, ie., which policies, practices, and norms are important in the organisation.

### 4. Change Processes:

The management of change involves adapting an organisation to the demands of the environment and modifying the actual behaviour of employees.

#### *Six basic strategies for achieving change are:*

1. People Approaches,    2. Cultural Approaches,    3. Technological approaches.
4. Design Approaches,    5. Task approaches    6. Strategy Approaches.

<https://www.youtube.com/watch?v=tyruQcjHZC4>

#### **DISCIPLINES CONTRIBUTING TO OB:**

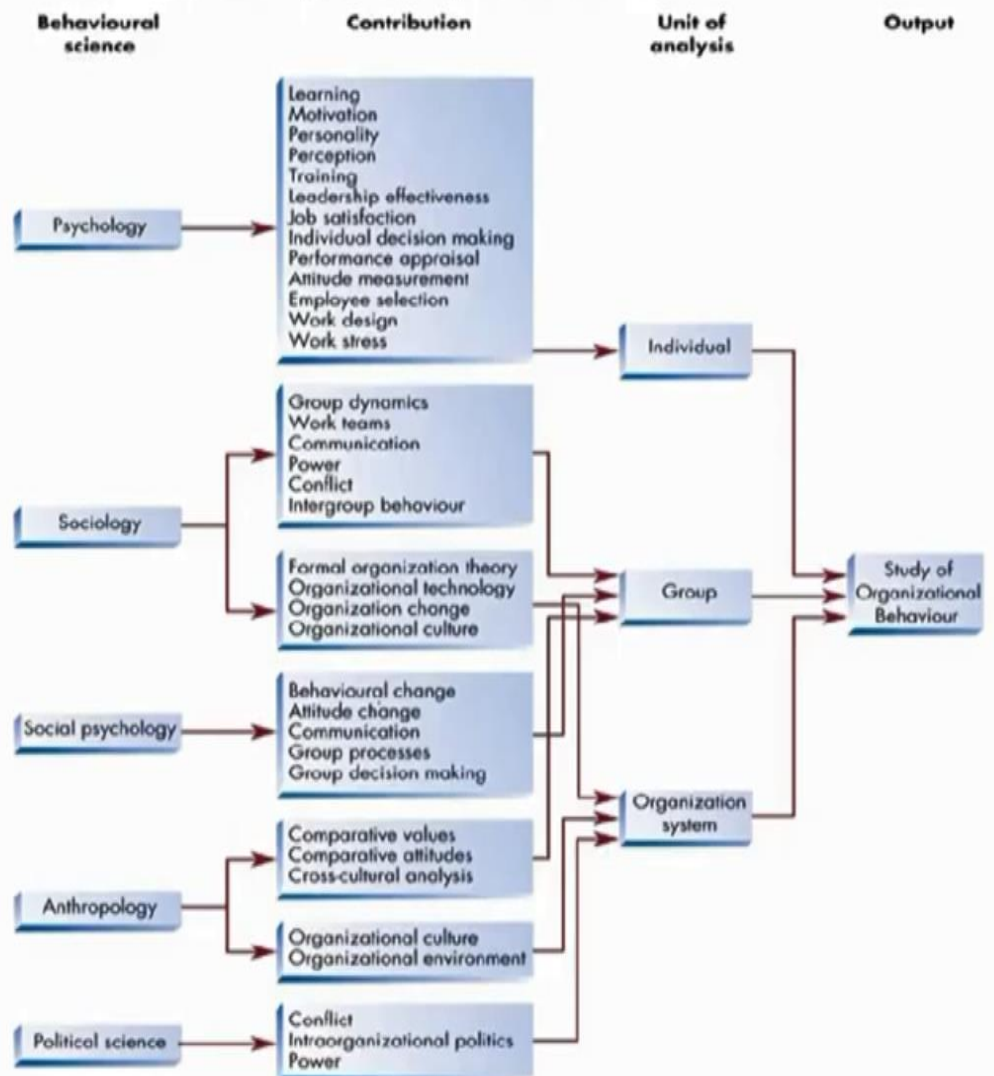
1. Psychology
2. Medicine
3. Sociology
4. Social Psychology
5. Anthropology
6. Political Science
7. Engineering
8. Economics





Estd. 1990

## Contributing Discipline of OB



### ORGANISATIONAL BEHAVIOUR MODELS:

1. Autocratic Model
2. Custodial Model
3. Supportive Model
4. Collegial Model

- **Autocratic Model:**

Might is bright right is the motto of the theory. It depends upon power'  
Employees are to follow their boss otherwise they are penalised.

#### Main features:

- a. Only Management decides right or wrong
- b. Obedient orientation and employees
- c. Useful approach

<b>Merits</b>	<b>Demerits</b>
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Authority is delegated by right of command over people to whom is apples	There is no interaction between employee and the manager
Supervision is very close to obtain the required performance	In this model the communication is one way
Employees are motivated by physiological needs	Human cost is very high

- **Custodial Model:**

To develop better employee relationships, so that insecurity and frustration Could be dispelled (dismiss).

**Main features**

- Employee dependence on the organisation.
- Emphasises rewards
- Promote employee satisfaction

Merits	Demerits
It is based on the economic resource of the organisation rather than on the personal dependence on the boss.	Unwillingness to do the right performance
Managerial orientation moved towards to pay for employees benefits	This model only emphasise on material reward and dependence on organisation

- **Supportive Model:**

Leadership motivates the people to work and not the power of money.

**Main features:**

- Supports employee job performance
- Management's lifestyle reflects support
- Creates sense of participation
- Limited application

Merits	Demerits
It helps the employees to grow	It is less developed because employee need structure are often at lower level and their social condition are different
Helps in solving the problems of employees in achieving work	
The employees feel participation and work involvement	

- **Collegial Model:**

The term relates to a body of persons having a common purpose. It is based on the mutual contribution by employer and employees.

**Main features:**

- Creates Favourable working climate
- Foster teamwork
- Fulfilment of employees

Merits	Demerits
Employees feel responsible and give quality work to the organisation	It is used less because the rigid work environment made it difficult to develop
There is considerable job freedom	

More useful for unprogrammed work	
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### CHALLENGES AND OPPORTUNITIES FOR ORGANISATION BEHAVIOUR:

- Globalisation of business
- Workforce diversity
- Changed Employee Expectations
- Increasing Quality consciousness
- Managing change
- Ethics and social responsibility

### LIMITATIONS OF OB:

#### ❖ Behavioural bias:

- ✓ Overemphasising the employee satisfaction
- ✓ Overemphasising the production output

#### ❖ The Law of Diminishing Returns:

- ✓ Too much OB emphasis produce negative results
- ✓ Optimum desirable practice
- ✓ Does not apply to every human situation
- ✓ A system concept

#### ❖ Unethical manipulation of people:

- ✓ Misuse of OB knowledge and techniques
- ✓ Ignores ethical relationship



## **UNIT – II**

### **PLANNING**

#### **DEFINITION:**

According to Koontz O'Donnell - "Planning is an intellectual process, the conscious determination of courses of action, the basing of decisions on purpose, acts and considered estimates".

#### **NATURE AND PURPOSE OF PLANNING:**

##### **Nature of Planning:**

##### **1. Planning is goal-oriented:**

Every plan must contribute in some positive way towards the accomplishment of group objectives. Planning has no meaning without being related to goals.

##### **2. Primacy of Planning:**

Planning is the first of the managerial functions. It precedes all other management functions.

##### **3. Pervasiveness of Planning:**

Planning is found at all levels of management. Top management looks after strategic planning. Middle management is in charge of administrative planning. Lower management has to concentrate on operational planning.

##### **4. Efficiency, Economy and Accuracy:**

Efficiency of plan is measured by its contribution to the objectives as economically as possible. Planning also focuses on accurate forecasts.

##### **5. Co-ordination:**

Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of all activities, we cannot have united efforts.

##### **6. Limiting Factors:**

A planner must recognize the limiting factors (money, manpower etc) and formulate plans in the light of these critical factors.

##### **7. Flexibility:**

The process of planning should be adaptable to changing environmental conditions.

##### **8. Planning is an intellectual process:**

The quality of planning will vary according to the quality of the mind of the manager.

## Purpose of Planning:

As a managerial function planning is important due to the following reasons:-

### 1. To manage by objectives:

All the activities of an organization are designed to achieve certain specified objectives. However, planning makes the objectives more concrete by focusing attention on them.

### 2. To offset uncertainty and change:

Future is always full of uncertainties and changes. Planning foresees the future and makes the necessary provisions for it.

### 3. To secure economy in operation:

Planning involves the selection of most profitable course of action that would lead to the best result at the minimum costs.

### 4. To help in co-ordination:

Co-ordination is, indeed, the essence of management, the planning is the base of it. Without planning it is not possible to co-ordinate the different activities of an organization.

### 5. To make control effective:

The controlling function of management relates to the comparison of the planned performance with the actual performance. In the absence of plans, a management will have no standards for controlling other's performance.

### 6. To increase organizational effectiveness:

Mere efficiency in the organization is not important; it should also lead to productivity and effectiveness. Planning enables the manager to measure the organizational effectiveness in the context of the stated objectives and take further actions in this direction.

## Features of Planning:

- It is primary function of management.
- It is an intellectual process
- Focuses on determining the objectives
- Involves choice and decision making
- It is a continuous process
- It is a pervasive function

## Classification of Planning:

On the basis of content:

- **Strategic Planning**

- It is the process of deciding on Long-term objectives of the organization.
- It encompasses all the functional areas of business

- **Tactical Planning**

- It involves conversion of detailed and specific plans into detailed and specific action plans.
- It is the blue print for current action and it supports the strategic plans.

On the basis of time period:

- **Long term planning**

- Time frame beyond five years.
- It specifies what the organization wants to become in long run.
- It involves great deal of uncertainty.

- **Intermediate term planning**

- Time frame between two and five years.
- It is designed to implement long term plans.

- **Short term planning**

- Time frame of one year or less.
- It provide basis for day to day operations.

## PLANNING PROCESS:

The various steps involved in planning are given below,

### a) Perception of Opportunities:

Although preceding actual planning and therefore not strictly a part of the planning process, awareness of an opportunity is the real starting point for planning. It includes a preliminary look at possible future opportunities and the ability to see them clearly and completely, knowledge of where we stand in the light of our strengths and weaknesses, an understanding of why we wish to solve uncertainties, and a vision of what we expect to gain. Setting realistic objectives depends on this awareness. Planning requires realistic diagnosis of the opportunity situation.

### b) Establishing Objectives:

The first step in planning itself is to establish objectives for the entire enterprise and then for each subordinate unit. Objectives specifying the results expected indicate the end points of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, policies, procedures, rules, budgets and programs.

### **c) Considering the Planning Premises:**

Another logical step in planning is to establish, obtain agreement to utilize and disseminate critical planning premises. These are forecast data of a factual nature, applicable basic policies, and existing company plans. Premises, then, are planning assumptions – in other words, the expected environment of plans in operation. This step leads to one of the major principles of planning.

### **d) Identification of alternatives:**

Once the organizational objectives have been clearly stated and the planning premises have been developed, the manager should list as many available alternatives as possible for reaching those objectives. The focus of this step is to search for and examine alternative courses of action, especially those not immediately apparent.

### **e) Evaluation of alternatives**

Having sought out alternative courses and examined their strong and weak points, the following step is to evaluate them by weighing the various factors in the light of premises and goals. One course may appear to be the most profitable but require a large cash outlay and a slow payback; another may be less profitable but involve less risk; still another may better suit the company in long-range objectives.

### **f) Choice of alternative plans**

An evaluation of alternatives must include an evaluation of the premises on which the alternatives are based. A manager usually finds that some premises are unreasonable and can therefore be excluded from further consideration. This elimination process helps the manager determine which alternative would best accomplish organizational objectives.

### **g) Formulating of Supporting Plans**

After decisions are made and plans are set, the final step to give them meaning is to numberize them by converting them to budgets. The overall budgets of an enterprise represent the sum total of income and expenses with resultant profit or surplus and budgets of major balance sheet items such as cash and capital expenditures.

### **h) Establishing sequence of activities**

Once plans that furnish the organization with both long-range and short-range direction have been developed, they must be implemented. Obviously, the organization can not directly benefit from planning process until this step is performed.

## **TYPES OF PLANS / COMPONENTS OF PLANNING:**

In the process of planning, several plans are prepared which are known as components of planning.

Plans can be broadly classified as

**a) Strategic plans**

**b) Tactical plans**

**c) Operational plans**

**d) Contingency plans**

Operational plans lead to the achievement of tactical plans, which in turn lead to the attainment of strategic plans. In addition to these three types of plans, managers should also develop a contingency plan in case their original plans fail.

**a) Strategic plans:**

A strategic plan is an outline of steps designed with the goals of the entire organization as a whole in mind, rather than with the goals of specific divisions or departments.

*It is further classified as*

**i) Mission:**

. The mission is a statement that reflects the basic purpose and focus of the organization which normally remain unchanged. The mission of the company is the answer of the question : why does the organization exists? Properly crafted mission statements serve as filters to separate what is important from what is not, clearly state which markets will be served and how, and communicate a sense of intended direction to the entire organization.

Mission of Ford: “we are a global, diverse family with a proud inheritance, providing exceptional products and services”.

**ii) Objectives or goals:**

Both goal and objective can be defined as statements that reflect the end towards which the organization is aiming to achieve. However, there are significant differences between the two. A goal is an abstract and general umbrella statement, under which specific objectives can be clustered. Objectives are statements that describe—in precise, measurable, and obtainable terms which reflect the desired organization’s outcomes.

**iii) Strategies:**

Strategy is the determination of the basic long term objectives of an organization and the adoption of action and collection of action and allocation of resources necessary to achieve these goals.

### **b) Tactical plans:**

A tactical plan is concerned with what the lower level units within each division must do, how they must do it, and who is in charge at each level. Tactics are the means needed to activate a strategy and make it work.

### **c) Operational plans**

The specific results expected from departments, work groups, and individuals are the operational goals. These goals are precise and measurable

#### **i) Single-use plans**

It apply to activities that do not recur or repeat. A one-time occurrence, such as a special sales program, is a single-use plan because it deals with the who, what, where, how, and how much of an activity.

#### **ii) Standing plans**

Standing plans are usually made once and retain their value over a period of years while undergoing periodic revisions and updates. The following are examples of ongoing plans:

### **d) Contingency plans**

Intelligent and successful management depends upon a constant pursuit of adaptation, flexibility, and mastery of changing conditions. Strong management requires a “keeping all options open” approach at all times — that's where contingency planning comes in. Contingency planning involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances.

### **OBJECTIVES:**

Objectives may be defined as the goals which an organization tries to achieve. Objectives are described as the end- points of planning. According to Koontz and O'Donnell, "an objective is a term commonly used to indicate the end point of a management programme. "Objectives constitute the purpose of the enterprise and without them no intelligent planning can take place.

### **Features of Objectives:**

- The objectives must be predetermined.
- A clearly defined objective provides the clear direction for managerial effort.
- Objectives must be realistic.
- Objectives must be measurable.
- Objectives must have social sanction.
- All objectives are interconnected and mutually supportive.
- Objectives may be short-range, medium-range and long-range.



- Objectives may be constructed into a hierarchy.

### Advantages of Objectives:

- Clear definition of objectives encourages unified planning.
- Objectives provide motivation to people in the organization.
- When the work is goal-oriented, unproductive tasks can be avoided.
- Objectives provide standards which aid in the control of human efforts in an organization.
- Objectives serve to identify the organization and to link it to the groups upon which its existence depends.
- Objectives act as a sound basis for developing administrative controls.
- Objectives contribute to the management process: they influence the purpose of the organization, policies, personnel, leadership as well as managerial control.

### Process of Setting Objectives:

- Objectives are required to be set by management in every area which directly and vitally affects the survival and prosperity of the business.
- The objectives to be set in various areas have to be identified.
- While setting the objectives, the past performance must be reviewed, since past performance indicates what the organization will be able to accomplish in future.
- The objectives should be set in realistic terms i.e., the objectives to be set should be reasonable and capable of attainment.
- Objectives must be consistent with one and other.
- Objectives must be set in clear-cut terms.
- For the successful accomplishment of the objectives, there should be effective communication.

## MANAGEMENT BY OBJECTIVES (MBO)

### Definition

“MBO is a process whereby the superior and the managers of an organization jointly identify its common goals, define each individual's major area of responsibility in terms of results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members.”

### Features of MBO

1. MBO is concerned with goal setting and planning for individual managers and their units.
2. The essence of MBO is a process of joint goal setting between a supervisor and a subordinate.
3. Managers work with their subordinates to establish the performance goals that are consistent with their higher organizational objectives.
4. MBO focuses attention on appropriate goals and plans.
5. MBO facilitates control through the periodic development and subsequent evaluation of individual goals and plans.

### The typical MBO process consists of:

- 1) Establishing a clear and precisely defined statement of objectives for the employee
- 2) Developing an action plan indicating how these objectives are to be achieved
- 3) Reviewing the performance of the employees
- 4) Appraising performance base done objective achievement



#### 1) Setting objectives:

For Management by Objectives (MBO) to be effective, individual managers must understand the specific objectives of their job and how those objectives fit in with the overall company objectives set by the board of directors.

#### 2) Developing action plans

Actions plans specify the actions needed to address each of the top organizational issues and to reach each of the associated goals, who will complete each action and according to what timeline. An overall, top-level action plan that depicts how each strategic goal will be reached is developed by the top level management. The format of the action plan depends on the objective of the organization.

#### 3) Reviewing Progress:

Performance is measured in terms of results. Job performance is the net effect of an employee's effort as modified by abilities, role perceptions and results produced. Effort refers to the amount of energy an employee uses in performing a job.

#### 4) Performance appraisal:

Performance appraisals communicate to employees how they are performing their jobs, and they establish a plan for improvement. Performance appraisals are extremely

important to both employee and employer, as they are often used to provide predictive information related to possible promotion.

### **STRATEGIES:**

According to Koontz and O' Donnell, "Strategies must often denote a general programme of action and deployment of emphasis and resources to attain comprehensive objectives".

### **Characteristics of Strategy:**

- It is the right combination of different factors.
- It relates the business organization to the environment.
- It is an action to meet a particular challenge, to solve particular problems or to attain desired objectives.
- Strategy is a means to an end and not an end in itself.
- It is formulated at the top management level.
- It involves assumption of certain calculated risks.

### **Strategic Planning Process / Strategic Formulation Process:**

#### **1. Input to the Organization:**

Various Inputs (People, Capital, Management and Technical skills, others) including goals input of claimants (Employees, Consumers, Suppliers, Stockholders, Government, Community and others) need to be elaborated.

#### **2. Industry Analysis:**

Formulation of strategy requires the evaluation of the attractiveness of an industry by analyzing the external environment. The focus should be on the kind of compaction within an industry, the possibility of new firms entering the market, the availability of substitute products or services, the bargaining positions of the suppliers, and buyers or customers.

#### **3. Enterprise Profile:**

Enterprise profile is usually the starting point for determining where the company is and where it should go. Top managers determine the basic purpose of the enterprise and clarify the firm's geographic orientation.

#### **4. Orientation, Values, and Vision of Executives:**

The enterprise profile is shaped by people, especially executives, and their orientation and values are important for formulation the strategy. They set the organizational climate, and they determine the direction of the firm though their vision.

#### **5. Mission (Purpose), Major Objectives, and Strategic Intent:**

Mission or Purpose is the answer to the question: What is our business? The major Objectives are the end points towards which the activates of the enterprise are directed.

#### **6. Present and Future External Environment:**

The present and future external environment must be assessed in terms of threats and opportunities.

### **7. Internal Environment:**

Internal Environment should be audited and evaluated with respect to its resources and its weaknesses, and strengths in research and development, production, operation, procurement, marketing and products and services.

### **8. Development of Alternative Strategies:**

Strategic alternatives are developed on the basis of an analysis of the external and internal environment. Strategies may be specialize or concentrate. Alternatively, a firm may diversify, extending the operation into new and profitable markets.

### **9. Evaluation and Choice of Strategies:**

Strategic choices must be considered in the light of the risk involved in a particular decision. Some profitable opportunities may not be pursued because a failure in a risky venture could result in bankruptcy of the firm.

### **10. Medium/Short Range Planning, Implementation through Reengineering the Organization Structure, Leadership and Control:**

Implementation of the Strategy often requires reengineering the organization, staffing the organization structure and providing leadership. Controls must also be installed monitoring performance against plans.

### **11. Consistency Testing and Contingency Planning:**

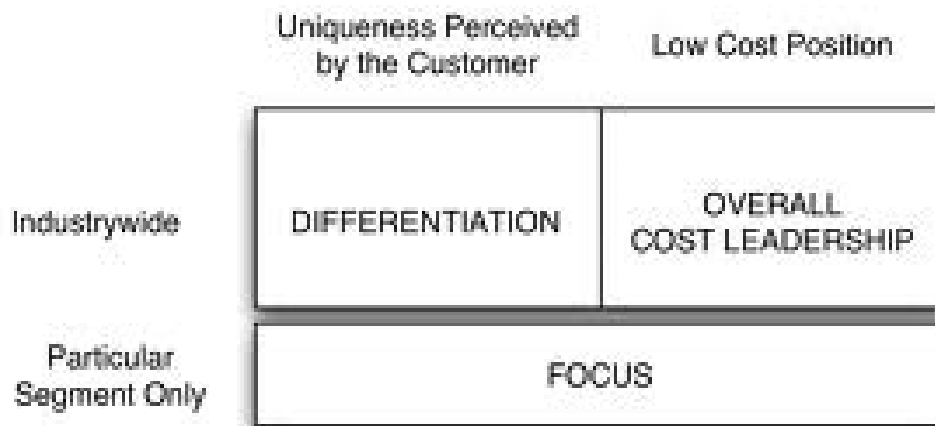
The last key aspect of the strategic planning process is the testing for consistency and preparing for contingency plans.

## **TYPES OF STRATEGIES:**

According to Michel Porter, the strategies can be classified into three types. They are

- a) Cost leadership strategy
- b) Differentiation strategy
- c) Focus strategy

## STRATEGIC ADVANTAGE



### a) Cost Leadership Strategy

This generic strategy calls for being the low cost producer in an industry for a given level of quality. The firm sells its products either at average industry prices to earn a profit higher than that of rivals, or below the average industry prices to gain market share..

Firms that succeed in cost leadership often have the following internal strengths:

- Access to the capital required to make a significant investment in production assets; this investment represents a barrier to entry that many firms may not overcome.
- Skill in designing products for efficient manufacturing, for example, having a small component count to shorten the assembly process.
- High level of expertise in manufacturing process engineering.
- Efficient distribution channels.

### b) Differentiation Strategy

A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition.

Firms that succeed in a differentiation strategy often have the following internal strengths:

- Access to leading scientific research.
- Highly skilled and creative product development team.
- Strong sales team with the ability to successfully communicate the perceived strengths of the product.

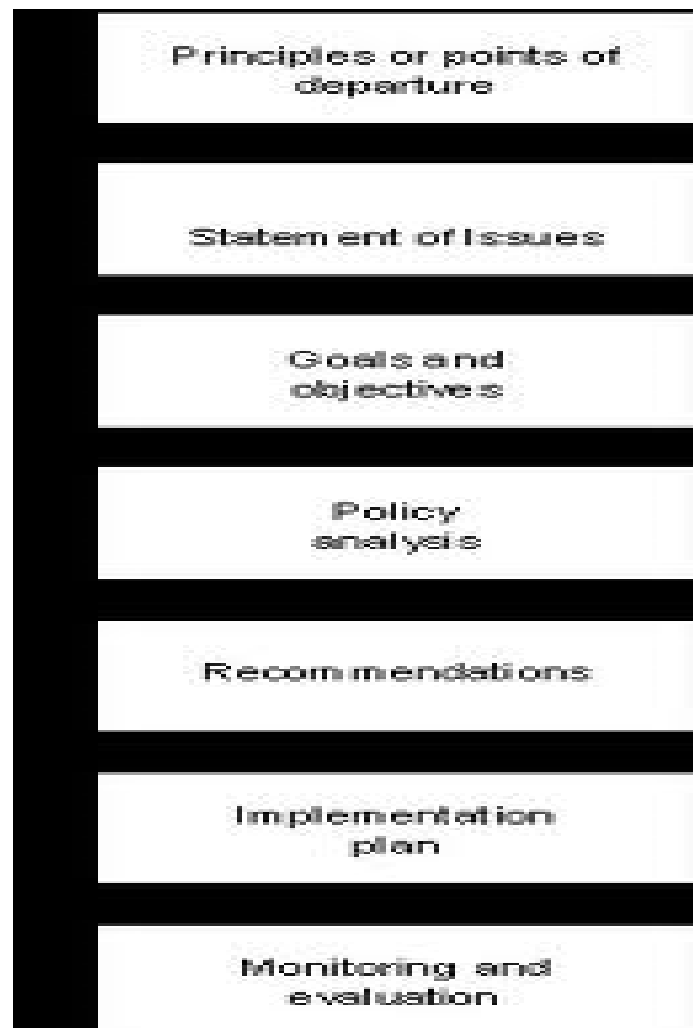
- Corporate reputation for quality and innovation.

### c) Focus Strategy

The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. The premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly.

### POLICIES:

Policies are general statements or understandings that guide managers' thinking in decision making. They usually do not require action but are intended to guide managers in their commitment to the decision they ultimately make.





## Essentials of Policy Formulation:

The essentials of policy formation may be listed as below:

- A policy should be definite, positive and clear. It should be understood by everyone in the organization.
- A policy should be translatable into the practices.
- A policy should be flexible and at the same time have a high degree of permanency.
- A policy should be formulated to cover all reasonable anticipatable conditions.
- A policy should be founded upon facts and sound judgment.
- A policy should conform to economic principles, statutes and regulations.
- A policy should be a general statement of the established rule.

## Importance of Policies

Policies are useful for the following reasons:

- They provide guides to thinking and action and provide support to the subordinates.
- They delimit the area within which a decision is to be made.
- They save time and effort by pre-deciding problems and
- They permit delegation of authority to managers at the lower levels.

## Nature of Planning:

Planning is a dynamic process, it is very essential for every organization to achieve their ultimate goals, but, there are certain principles which are essential to be followed so as to formulate a sound plan. They are only guidelines in the formulation and implementation of plans.

1. **Principle of Contribution:** The purpose of planning is to ensure the effective and efficient achievement of corporate objectives,
2. **Principle of Sound and Consistent Premising:** Premises are the assumptions regarding the environmental forces like economic and market conditions, social, political, legal and cultural aspects, competitors actions, etc.
3. **Principle of Limiting factors :** The limiting factors are the lack of motivated employees, shortage of trained personnel, shortage of capital funds, government policy of price regulation, etc.
4. **Principle of Commitment:** A commitment is required to carry-on the business that is established.
5. **Principle of Coordinated Planning:** Long and short-range plans should be coordinated with one another to form an integrated plan, this is possible only when latter are derived from the former.

6. **Principle of Timing:** Number of major and minor plans of the organisation should be arranged in a systematic manner.
7. **Principle of Efficiency:** Cost of planning constitute human, physical and financial resources for their formulation and implementation as well. Minimizing the cost and achieving the efficient utilization of resources shall has to be the aim of the plans.
8. **Principle of Flexibility:** Plans are supposed to be flexible to favour the organisation to cope-up with the unexpected environments.
9. **Principle of Navigational Change:** Since the environment is always not the same as predicted, plans should be reviewed periodically
10. **Principle of Acceptance:** Plans should be understood and accepted by the employees, since the successful implementation of plans requires the willingness and cooperative efforts from them

### **Importance (purpose) of Planning**

- Planning provides directions
- Planning reduces the risks of uncertainty
- Planning reduces overlapping and wasteful activities
- Planning promotes innovative ideas
- Planning facilitates decision making
- Planning establishes standards for controlling.

### **DECISION MAKING:**

The word decision has been derived from the Latin word "decidere" which means "cutting off". Thus, decision involves cutting off of alternatives between those that are desirable and those that are not desirable.

In the words of George R. Terry, "Decision-making is the selection based on some criteria from two or more possible alternatives".

### **Characteristics of Decision Making**

- Decision making implies that there are various alternatives and the most desirable alternative is chosen to solve the problem or to arrive at expected results.
- The decision-maker has freedom to choose an alternative.
- Decision-making may not be completely rational but may be judgemental and emotional.
- Decision-making is goal-oriented.
- Decision-making is a mental or intellectual process because the final decision is made by the decision-maker.
- A decision may be expressed in words or may be implied from behaviour.

- Choosing from among the alternative courses of operation implies uncertainty about the final result of each possible course of operation.
- Decision making is rational. It is taken only after a thorough analysis and reasoning and weighing the consequences of the various alternatives.

## TYPES OF DECISIONS

### a) Programmed and Non-Programmed Decisions:

Herbert Simon has grouped organizational decisions into two categories based on the procedure followed. They are:

#### i) Programmed decisions:

Programmed decisions are routine and repetitive and are made within the framework of organizational policies and rules. These policies and rules are established well in advance to solve recurring problems in the organization.

Programmed decisions have short-run impact. They are, generally, taken at the lower level of management.

#### ii) Non-Programmed Decisions:

Non-programmed decisions are decisions taken to meet non-repetitive problems. Non-programmed decisions are relevant for solving unique/ unusual problems in which various alternatives cannot be decided in advance.

### b) Strategic and Tactical Decisions:

Organizational decisions may also be classified as strategic or tactical.

#### i) Strategic Decisions:

Basic decisions or strategic decisions are decisions which are of crucial importance. Strategic decisions a major choice of actions concerning allocation of resources and contribution to the achievement of organizational objectives.

#### ii) Tactical Decisions:

Routine decisions or tactical decisions are decisions which are routine and repetitive. They are derived out of strategic decisions. The various features of a tactical decision are as follows:

- Tactical decision relates to day-to-day operation of the organization and has to be taken very frequently.
- Tactical decision is mostly a programmed one. Therefore, the decision can be made within the context of these variables.
- The outcome of tactical decision is of short-term nature and affects a narrow part of the organization.

## DECISION MAKING PROCESS:

### 1. Specific Objective:

The need for decision making arises in order to achieve certain specific objectives. The starting point in any analysis of decision making involves the determination of whether a decision needs to be made.

## 2. Problem Identification:

A problem is a felt need, a question which needs a solution. In the words of Joseph L Massie "A good decision is dependent upon the recognition of the right problem". The objective of problem identification is that if the problem is precisely and specifically identifies, it will provide a clue in finding a possible solution.

### Diagnosis:

Diagnosis is the process of identifying a problem from its signs and symptoms. A symptom is a condition or set of conditions that indicates the existence of a problem.

### Analysis:

Diagnosis gives rise to analysis. Analysis of a problem requires:

- Who would make decision?
- What information would be needed?
- From where the information is available?

Analysis helps managers to gain an insight into the problem.

## 3. Search for Alternatives:

A problem can be solved in several ways; however, all the ways cannot be equally satisfying. Therefore, the decision maker must try to find out the various alternatives available in order to get the most satisfactory result of a decision. A decision maker can use several sources for identifying alternatives:

- His own past experiences
- Practices followed by others and
- Using creative techniques.

## 4. Evaluation of Alternatives:

After the various alternatives are identified, the next step is to evaluate them and select the one that will meet the choice criteria. /the decision maker must check proposed alternatives against limits, and if an alternative does not meet them, he can discard it.

## 5. Choice of Alternative:

The evaluation of various alternatives presents a clear picture as to how each one of them contribute to the objectives under question. A comparison is made among the likely outcomes of various alternatives and the best one is chosen.

## 6. Action:

Once the alternative is selected, it is put into action. The actual process of decision making ends with the choice of an alternative through which the objectives can be achieved.

## 7. Results:

When the decision is put into action, it brings certain results. These results must correspond with objectives, the starting point of decision process, if good decision has been made and implemented properly.

### Characteristics of Effective Decisions:

An effective decision is one which should contain three aspects. These aspects are given below:

- **Action Orientation:**

Decisions are action-oriented and are directed towards relevant and controllable aspects of the environment. Decisions should ultimately find their utility in implementation.

- **Goal Direction:**

Decision making should be goal-directed to enable the organization to meet its objectives.

- **Effective in Implementation:**

Decision making should take into account all the possible factors not only in terms of external context but also in internal context so that a decision can be implemented properly.

### **Authority and Responsibility:**

The right to give order is called authority. The obligation to accomplish is called responsibility. Authority and Responsibility are the two sides of the management coin. They exist together. They are complementary and mutually interdependent

### **INTER-DEPARTMENTAL CO-ORDINATION:**

The Front Office plays a major role in delivering hospitality to guests. It sets the stage for a pleasant or an unpleasant visit. The front office communicates the guest requirements to other departments, which work in close co-operation and co-ordination to deliver required products and services.

In order to maintain the desired level of service, **the front office department communicates with the following department of the hotel –**

1. Sales and Marketing
2. Housekeeping
3. Food and Beverage department
4. Maintenance or Engineering department
5. Security department
6. Banquet department
7. Finance Controller
8. Human Resource department

### **Impact of Technology on Organizational Design:**

Three factors have been found to have an effect on the design of an organization.

The most appropriate design for an organization seems to be contingent on such variables as,

- ✓ its environment,
- ✓ the complexity of its technology and
- ✓ Its size.

The organization's environment is an external variable, its technology has internal as well as external aspects; and its size is principally an internal factor.

Organizations are influenced by the broader environment in which they exist. Government policy, societal values and social norms, economic trends, and the rate of technological change and innovation are general environmental factors that affect virtually any organization. And every business must adjust to its customers, competitors, suppliers and creditors – all of which are part of its immediate environment.

### **Mechanistic Vs. Organic/ Adoptive Structures:**

Some of the pioneering work on the relationship between organization design and



environment was done by Tom Burns and G.M. Stalker. They found that successful organizations were designed differently in different environments. They distinguished between two types of organization design: *a mechanistic design and an organic design.*

**A mechanistic Design** follows Weber's bureaucratic model very closely in that it is characterized by specialized activities, specific rules and procedures, an emphasis on formal communication and a well-defined chain of command. *Because mechanistic designs tend to be inflexible and resistant to change, this type of design is more successful in a stable environment.* The U.S. Army offers a good example of a mechanistic design.

**In an organic design,** task activities are loosely defined. There are very few rules and procedures, and great emphasis is laid on self-control, participative problem solving and horizontal communication. *Organic designs are more successful in dynamic, rapidly changing environments that require adaptability to change.* Apple's early organization design was organic. The personal computer industry (which Apple pioneered) was rapidly changing, and this design was well suited to those early days of a new industry.

#### *Comparison of Mechanistic and Organic Organizations*

Mechanistic	Organic
<ol style="list-style-type: none"> <li>1. Tasks highly specialized; little regard paid to clarifying relationship between tasks and organizational objectives.</li> <li>2. Tasks tend to remain rigidly defined unless altered formally by top management</li> </ol>	<ol style="list-style-type: none"> <li>1. Tasks are more interdependent. Emphasis on relevance of tasks and organizational objectives.</li> <li>2. Tasks are continually adjusted and redefined through interaction of organization members.</li> </ol>



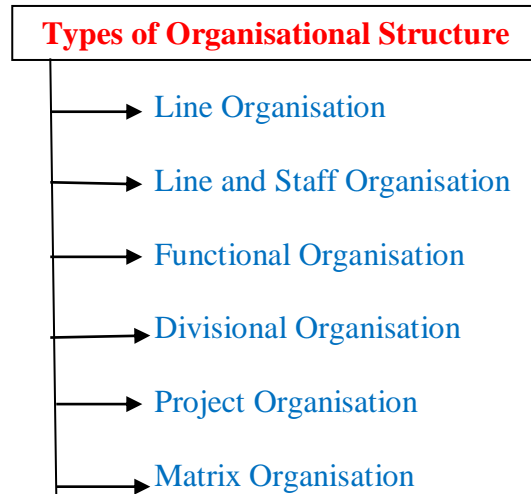
<p>3. Specific role definition (rights, obligations, and technical methods prescribed for each member)</p> <p>4. Hierarchical structure of control, authority and communication. Sanctions derive from employment contract between employee and organization.</p> <p>5. Information relevant to situation and operations of the organization formally assumed to rest with chief executive.</p> <p>6. Communication is primarily vertical between superior and subordinate.</p> <p>7. Communications primarily take the form of (a) instructions and decisions issued by superiors and (b) information and request for decisions supplied by inferiors.</p> <p>8. Insistence on loyalty to organization and obedience to superiors</p> <p>9. Importance and prestige attached to identification with organization and its members.</p>	<p>3. Generalized role definition (members accept general responsibility for task accomplishment beyond individual role definition)</p> <p>4. Network structure of control, authority, and communication. Sanctions derive more from community of interest than from contractual relationship.</p> <p>5. Leader not assumed to be omniscient; knowledge centers identified where located throughout organization.</p> <p>6. Communication is both vertical and horizontal, depending on where needed information resides.</p> <p>7. Communications primarily take the form of information and advice.</p> <p>8. Commitment to organization's tasks and goals more highly valued than loyalty or obedience.</p> <p>9. Importance and prestige attached to affiliations and expertise in external environment.</p>
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### **ORGANISATIONAL STRUCTURE:**

Organisation structure refers to the hierarchical arrangement of various positions in an enterprise. Organisational structure defines the formal relationship into managerial hierarchy.

According to Koontz and Donnel, "Organisation structure is the establishments of authority relationships with provision for coordination between them, both vertically and horizontally in the enterprise structure".

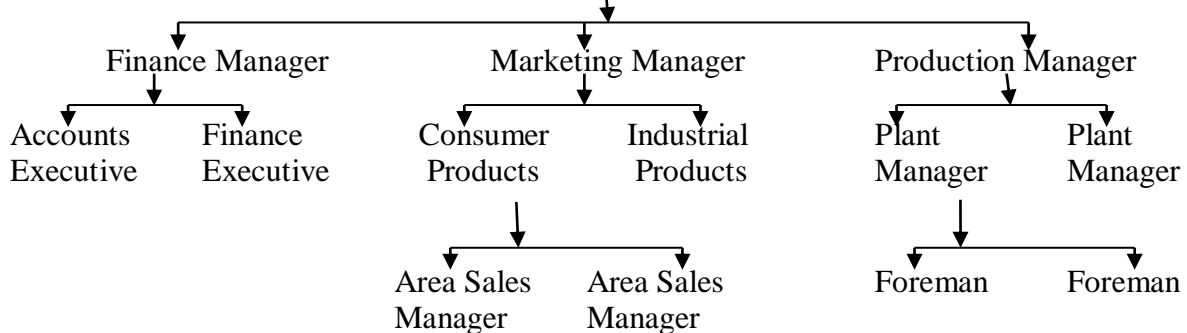
## TYPES OF ORGANISATIONAL STRUCTURE:



### 1. Line Organisation / Military Organisation:

A line organisation is one in which all managers have direct authority over their respective subordinates, through the chain of command. Authority flows directly from top to bottom through various managerial positions.

#### Chief Executive

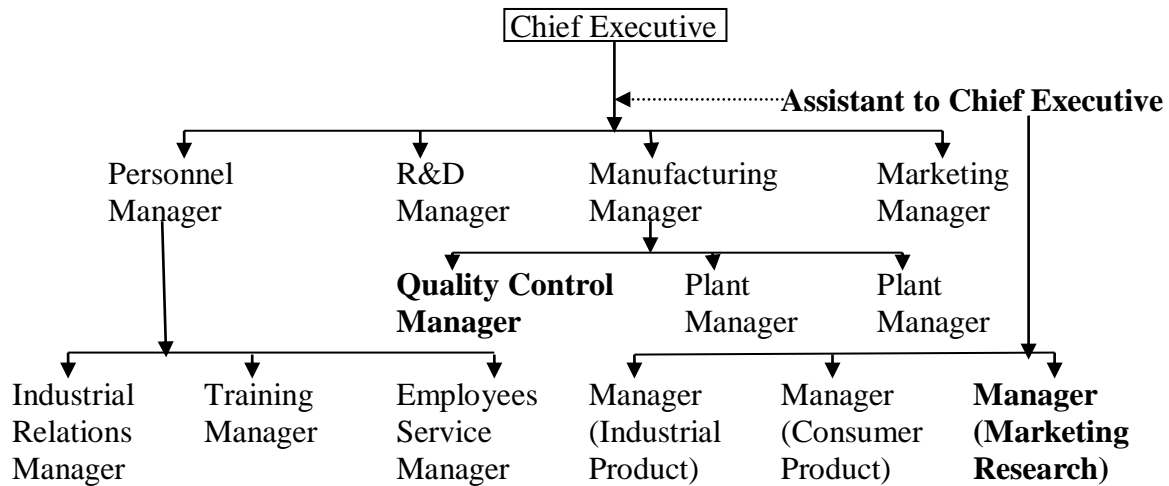


### 2. Line and Staff Organisation:

Line and staff organisation is a modification of line organisation and it is more complex than line organisation. The power of command always remains with the line executives and staff supervisors guide, advice and counsel the line executives. Personal Secretary to the Managing Director is a staff official.

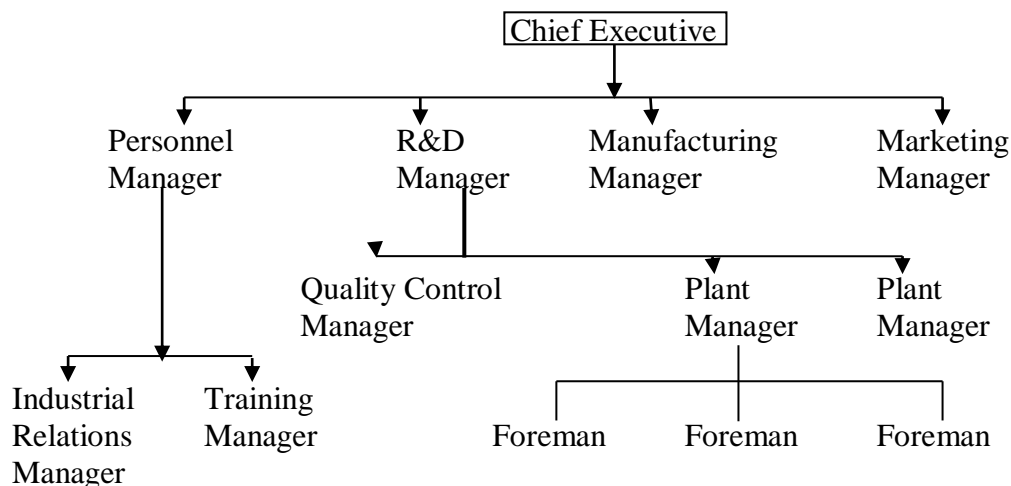
#### Specified Staff Positions in an Organisation include:

1. Assistant to Chief Executive
2. Quality Control Manager
3. Personnel Manager, and
4. Manager [Marketing Research]



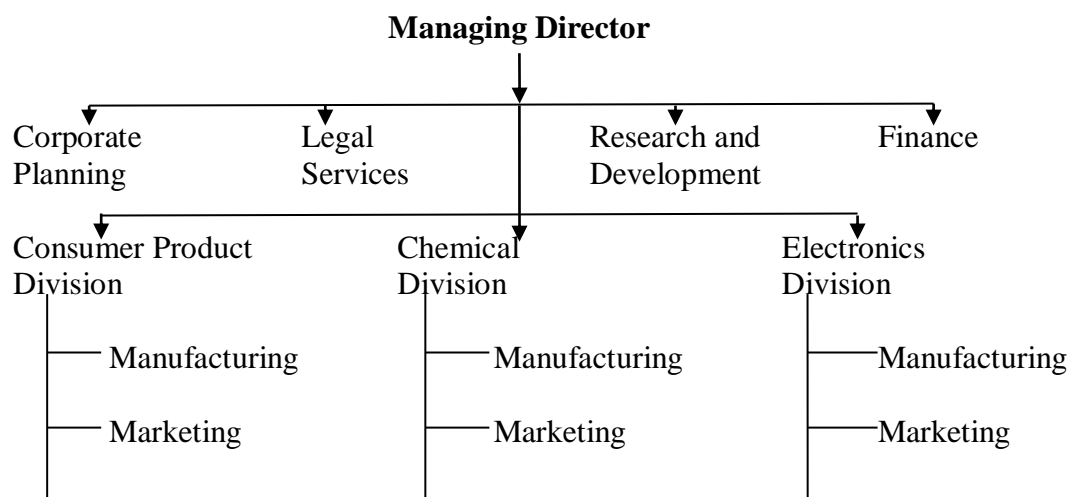
### 3. Functional Organisation:

It is a limited form of line authority given to functional experts over certain specialised activities under the normal supervision of managers belonging to other departments.



### 4. Divisional Structure:

Divisional structure, also called profit decentralisation is built around business units. In this form, the organisation is divided into several fairly autonomous units.



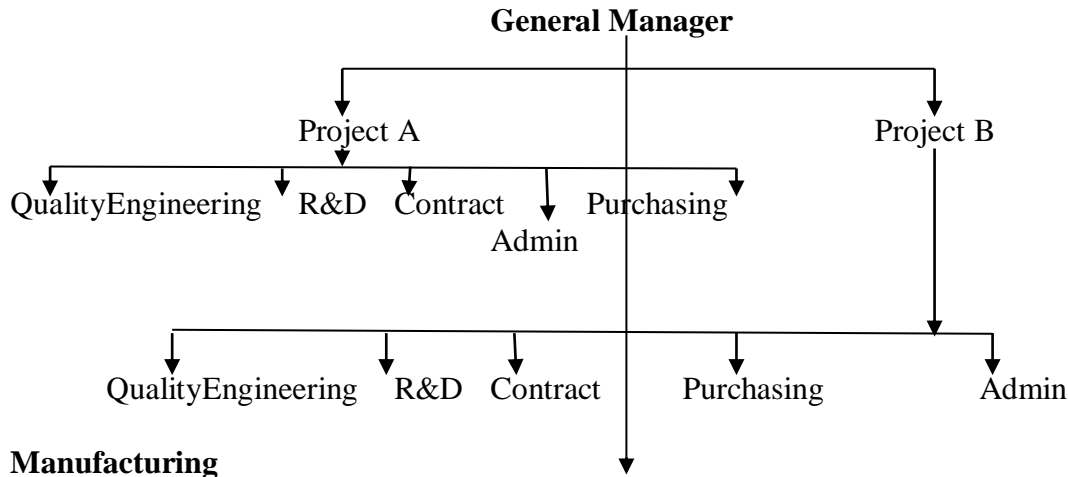
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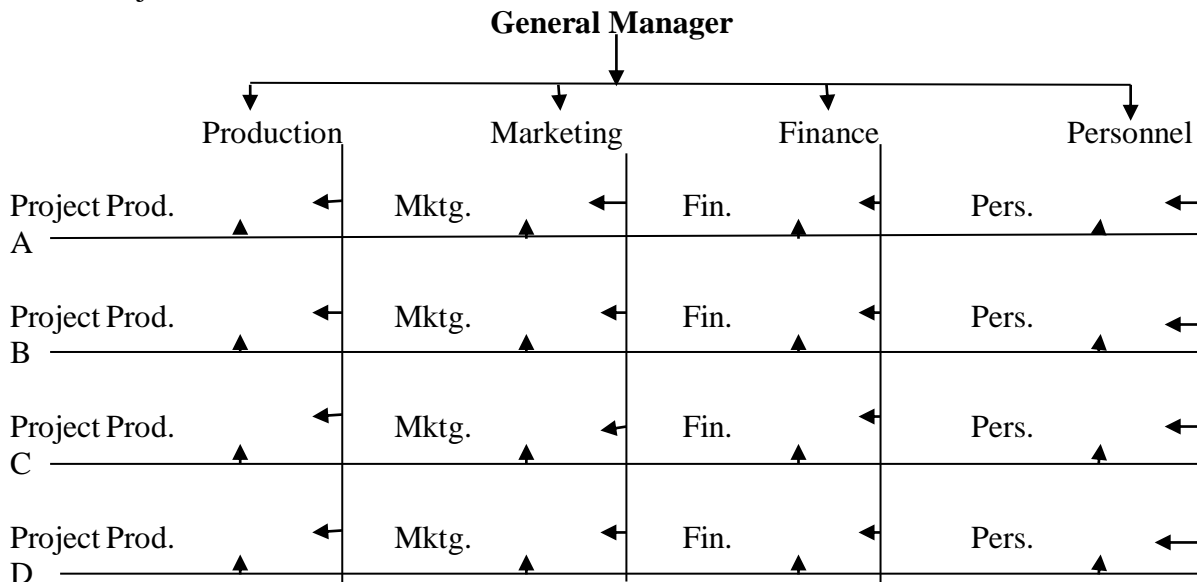
### 5. Project Organisation:

A project organisation is composed of a core of functional departments, through its main units are specific programmes or projects.



### 6. Matrix Organisation:

Matrix design is one of the latest types of organisational designs which have been developed to establish flexible structure to achieve a series of project objectives.



### FORMATION OF ORGANISATIONAL STRUCTURE:

- Determination of Organisational Goals and Identification of Related Activities
- Grouping of Activities
- Delegation of Authority

### IMPORTANCE OF ORGANISATIONAL STRUCTURE:

- Coordination
- Source of support and security
- Chain of Command
- Decision-making

- Efficiency

### **DIFFERENCES BETWEEN FORMAL AND INFORMAL ORGANISATION:**

Basis of Distinction	Formal Organisation	Informal Organisation
Meaning	It is an <u>official structure</u> of activities, roles and authority relationship <u>executed by management</u> for achieving organisational goals	It is a system of <u>social relations</u> which emerges on its own in a <u>natural manner within the formal organisation</u> to meet the social and cultural needs of the members of the organisation
Formation	It is created <u>deliberately/ (purposely)</u>	It emerges on its own as a result of <u>social interactions among people</u>
Purpose	It is created to <u>achieve organisational goals</u>	It emerges <u>to meet the social and cultural needs</u> of the members of the organisation
Rigidity versus Flexibility	It is <u>more rigid/</u> (inflexible)	It is <u>more flexibility</u>
Structure	It has a <u>clear and well-defined structure</u> which is pyramid shaped	It <u>does not have a clear and well defined structure</u>
Use of Communication	It makes more use of <u>formal communication</u>	It makes more use of <u>informal communication</u>

### **Nature and Purpose of Organizing or Organization:**

There are two essential Concepts regarding with Organizing:

- **Organization as a Process:** The concept of organizing can be considered as a process, because a large number of events or activities are done under the process of organizing with-a-view to accomplish the preset goals in an appropriate way.
- **Organization as a Structure of Relationship:** Organization refers to a structure of relationship due to involvement of a large number of groups.
- **Organization is a group of Individuals:** Organization can consider as a group of individuals who comes together and make co-operative relationship with each-other and contributing their efforts with a view to attain preset goals
- **Organization is a process:** The feature of organization can put to be as a process, because a large number of events are done under organizing process towards the attainment of predetermined goals, such as determination of various activities, grouping of activities, allocation of work among-st the employees and delegation of authority as well. Hence, organization is a process.
- **Organization is a 'Means' not an 'End':** Organization is a means to reach out the goals of an enterprise. In fact organization provides such platforms to enterprise



where all the activities are clearly predefined, as a result of this enterprise easily obtain its goals.

- **Organization is an important Function of Management:** It is an essential feature of organisation.
- **Organization is related to its Objectives:** Organization is directly concerned with the objectives of enterprise. In the absence of objectives there is no life of organization. If there is an organization then the objectives must be attached with it. Hence, Organization is related with its goals.
- **Communication is the life of organization:** It is also an important feature of organization. Communication can be treated as a life of organization, because in the lack of proper network of communication there is no existence of organization. Infact the foundation of an organization properly depends on communication. On the whole it is clear that organization is the system of communication.

• **DISTINGUISH FORMAL AND INFORMAL ORGANISATION:**

Formal Organisation	Informal Organisation
1. It is created deliberately and is consciously Planned.	1. It is natural and arises spontaneously.
2. It is based on delegation of authority and may grow to immense size.	2. It arises on account of social interaction of people and tends to remain small.
3. It is deliberately impersonal and the emphasis is on authority and functions.	3. It is personal with emphasis on people and their relationships.
4. Rules, duties and responsibilities are written and clearly defined.	4. It has unwritten rules and traditions.
5. It is shown on the organisation chart.	5. It has no place in the formal chart. It cuts across formal channels.
6. It provides for division of labour and has a definite structure.	6. It is structure less and develops out of social contacts.
7. Formal authority attached to a position.	7. Informal authority attaches to a person.
8. Formal authority flows downwards.	8. Informal authority flows upwards or horizontally.
9. Formal organisation is created to meet	9. Informal organisation arises from man's



Organizational goals. 10. It is permanent and stable.	quest for social satisfaction. 10. It is relatively fickle and unstable.
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## ORGANISATION CHART

An organizational chart is a diagrammatical form, which shows important aspects of an organisation including the major functions and their respective relationships, the channels of supervision and the relative authority of each employee who is in charge of each respective function”.

### Decentralization:

They are related terms but no interchangeable. Delegation a process but decentralization is the situation produced by larger delegation. Thus the amount of delegation determines the extent of decentralization. No organization is possible without delegation but there can be an organization without decentralization.

*The degree of decentralization in an organization is high in the following circumstances.*

1. The number of decisions made at the lower levels is large
2. The more important decisions are made at lower levels
3. When most of the activities are decentralized

### Factors Affecting the Degree of Decentralization

#### 1. Significance of the Decision:

Decision involving high investment. Competitive strength or relation to employee's morale motivation etc is not decentralized. The top-management restores such power.

#### 2. Size of organization:

as the organization grows it is difficult to perform all activities. It may be advisable to divide the organization into a number of semi-autonomous units on product basis or territorial basis.

#### 3. History of the organization:

Decentralization also depends on whether it has developed as a set or the departments were set-up later and basically retained by the top management.

#### 4. Territorial Dispersing of Activities:

Physical separation of plants may call for some decentralized decision making .

#### 5. Top management attitude and philosophy:

It may be due to the belief of the top management of decentralization.

## **6. State control techniques:**

In an organization where the control system is self-correcting and reports of deviations from the standards are promptly sent the chief, he can go for large measure of decentralization.

## **7. Availability of competent subordinate managers:**

The chief in favour of decentralization may find himself handicapped due to the incompetent subordinates.

## **8. Uniformity of policy:**

Where the uniformity of policy is of critical nature centralization may be favoured.

## **9. Diversity of product lines:**

Where several lines of products with different items in each line are dealt in by a company, the specialized knowledge for handling dissimilar units may make decentralization necessary.

## **10. Technological developments:**

The new technology of a specific product may demand a good deal of decentralization for those concerned with its production.

## **11. Environmental influences:**

Government control and regulations, tax policies, trade unionism, competition etc. influence the level of decentralizations.

## **12. Desire for independence:**

It depends on the individuals or groups to desire the degree of independence: they may also be frustrated by the delay in getting decisions by long lines of communication.

## **13. decentralized performance:**

Certain facts such as economics of division of labour, the opportunities of using machines, raw materials etc., will be considered. The kind of decentralization may be geographic or physical in nature.

## **14. Recentralization of authority:**

Some time the organization may recentralize authority once decentralized. It means centralization of authority over a certain type of activity. It may be due to top management feel that they lost control over subordinates of falls in business etc.

## **15. Decentralization not necessarily participative management.**

## **16. The desired degree of decentralization.**

## **Advantages of decentralization:**

### **1. It reduces the burden of top executives:**

It enables the top management to concentrate on their primary job of policy formulation, planning Co-ordinating etc. and relieve them from routine and time consuming operations.

### **2. It simplifies the problem of management succession:**

It develops future managers by experience. It also helps during expansion. It also helps during expansion.

### **3. It helps in taking prompt and accurate action:**

It helps to get decision-making, authority and responsibility at the place of action and results in prompt action. The problem of communication is also simplified.

### **4. It facilitates diversification:**

Decentralization is suitable when there are many products and helps to higher efficiency of their respective departments.

### **5. It motivates subordinates for high goals:**

The satisfaction due to power, prestige, status and independence leads to high morale, initiative etc.

### **6. It leads to effective supervision:**

The autonomous units are independent as regards authority to make changes in work assignment, take disciplinary action, change production schedule or to recommend promotion schedule or to recommend promotions. This helps for effective supervision.

### **7. It leads to effective control:**

Decentralization requires centralized control. By making both measurement and accountability more clear, decentralization promotes effective control:

1. It improves the performance of managers.
2. The results for which managers can be held to account for are more easily determined.
3. These can be a quicker response to environmental factors.

### **Disadvantages of decentralization:**

#### **1. Increased costs:**

It is suitable for large organization. The overhead costs will be high relation to the division.

#### **2. Need for generalist manager:**

Capable managers are highly needed and decentralization and decentralization needs more number of able managers.

#### **3. Greater need for control at policy level:**

The independence generated by decentralization requires adequate establishment of policies at the centralized level. Inadequacies of controls have forced certain organization to recentralize the operations.

#### **4. Lack of divisibility of all operations:**

Even a large enterprise which does not adopt the divisional structure is prevented from this structure of decentralization.

5. It increases the problem of co-ordination.

6. The manager may see his position threatened when the subordinate becomes very effective.

7. Difficult to take decisions at emergencies.

Elaborate the types of training in organizations and performance appraisal methods

### **DELEGATION OF AUTHORITY:**

Delegation of authority is “the process a manager follows in dividing the work assigned to him so that he performs that part which only he, because of his unique organizational placement can perform effectively and so that he can get others to help with what remains”. In simple words, to delegate means to entrust authority to a subordinate.

### **STEPS INVOLVED IN THE PROCESS OF DELEGATION**

#### **1. Determination of results expected**

First of all, a manager has to define the results he wants to obtain from his subordinates for the achievement of organizational objectives.

#### **2. Assignment of duties**

The manager then assigns specific duties or tasks to each subordinate. He must clearly define the function of each subordinate. While assigning duties and responsibilities,

he must ensure that the subordinates understand and accept their duties. Duties should be assigned according to the qualifications, experience and aptitude of the subordinates.

### **3. Granting of authority**

Assignment of duties is meaningless unless adequate authority is given to subordinates. They can discharge their responsibilities without adequate authority. By granting authority, subordinates are permitted to use resources, to take decisions and to exercise discretion.

### **4. Creating accountability for performance**

The subordinates to whom authority is delegated must be made answerable for the proper performance of assigned duties and for the exercise of the delegated authority. The extent of accountability depends upon the extent of delegation of authority and responsibility. A person cannot be held answerable for the acts not assigned to him by his superior.

## **PROBLEMS INVOLVED IN DELEGATION:**

### **On the part of Delegator**

1. Some managers may not delegate authority because of their lure for authority. They are autocrats and think that delegation will lead to reduction of their influence in the organisation. They want to make their presence felt and desire that subordinates should come frequently for approval. They like to dominate the whole show.
1. Some managers feel that none can do the job as well as they can do. They think that if they delegate, work will not be done as it ought to be done. They consider themselves indispensable and do not want to give other people's ideas a chance.
2. When a manager is incompetent his work methods and procedures are likely to be faulty. He keeps all the authority to himself for fear of being exposed. He is afraid that if he lets the subordinates make decisions they may outshine him. He is afraid of losing his importance.
3. Few managers are inclined to accept the risk of wrong decisions which the subordinates might take. Therefore, they do not delegate authority and take all the decisions themselves. They are unwilling to take calculated risk.
4. A manager may not delegate authority because he feels that the subordinates are not capable and reliable. He lacks confidence in his subordinates.
5. A manager is not likely to delegate authority when he cannot issue suitable directions to guide the activities of subordinates.

6. A manager will hesitate to delegate authority if he has no means to ensure that the authority is being properly used by the subordinates.

### On the part of Subordinates

1. Subordinates may not like to accept delegation when they lack self-confidence.
2. Some subordinates are unwilling to accept authority due to the desire to play safe by depending on the boss for all decisions. They have a love for spoon-feeding.
3. A subordinate who is afraid of committing mistakes and does not like to be criticized by the boss is likely to avoid delegation of authority.
4. When the subordinates are already overburdened with duties, they do not like additional responsibility through delegation.
5. Subordinates are likely to avoid delegation when adequate information working facilities and resources are not available for proper discharge of duties.
6. Subordinates may not come forward to accept delegation of authority when no incentives are available to them.

### On the part of the Organisation

Sometimes superiors want to delegate authority and subordinates like to accept delegation. But delegation may be hampered due to weaknesses in the organisation structure. Some of these weaknesses are as follows:

1. Inadequate Planning
2. Splintered authority.
3. Lack of unity of command.
4. Absence of effective control techniques.
5. Non-availability of competent managers.
6. Unclear authority relationships.
7. Environment of mutual distrust.

### Controlling:

Controlling may be defined as the process of analyzing actual operations and seeing that actual performance is guided toward expected performance.

According to **Koontz and O'Donnell**, "the managerial function of controlling is the measurement and correction of the performance of activities of subordinates in order to make sure that enterprise objectives and the plans devised to attain them are being accomplished".



## **NATURE OF CONTROLLING:**

### **1. Control is an essential function of management**

This function is performed by every manager at all levels of the organisation. Control is in fact a follow-up action to the other functions of management. The other managerial functions cannot be completed effectively without performing the control function.

### **2. Control is an ongoing process**

It involves continuous measurement of results and review of standards. It does not stop anywhere "Just as the navigator continually takes reading to ascertain whether he is relative to a planned course, so should the business manager continually take reading to assure himself that his enterprise or department is on course".

### **3. Control is forward-working**

Control is forward working because past cannot be controlled. However, always the past performance is measured and in the light of such measurement corrective action for a future period is identified.

### **4. Control involves measurement**

Control is a process of measurement, comparison and verification. It involves a check on the performance of individuals and does not curtail the freedom of action.

### **5. The essence of control is action.**

The purpose of control is achieved only when corrective action is taken to correct deviations and performance is adjusted to predetermined standards.

### **6. Control is an integrated system**

It is set of interlocking sub-systems or a coordinated structure of activities.

## **ADVANTAGES OF CONTROLLING:**

1. It enables management to verify the quality of various plans and policies. A control system ensures the achievement of objectives.
2. Control helps managers to discharge their responsibilities.
3. Control keeps the subordinates under check and creates discipline among them.
4. Effective control ensures efficiency and effectiveness in the organisation.
5. Control helps in achieving coordination which is the essence of management.

## **TECHNIQUES OF CONTROL:**

### **1. Budgetary Control:**

A budget is a statement expressed in financial terms, e.g., sales revenue, total expenditure, etc., or in physical terms, e.g., units of output, number of employees etc.

As a financial plan, a budget indicates estimated revenues and costs for a certain future period. A budget serves as an important device of managerial control. It provides a standard by which actual operations can be evaluated. A business enterprise may prepare and use various types of budgets some which are given below:

- (i) Master Budget

- (ii) Functional Budgets
  - (a) Sales Budget
  - (b) Production Budget
  - (c) Materials Budget
  - (d) Cash Budget
  - (e) Production Overheads Budget
  - (f) Distribution Overheads Budget
  - (g) Administrative Overheads Budget
- (iii) Capital and Revenue Budgets
- (iv) Fixed and Flexible Budgets
- (v) Zero-Base Budgeting.

## 2. Break-Even Analysis:

A business is said to be break even when its total sales are equal to its total costs. It is a point of no profits no loss. At this point, contribution is equal to fixed cost. A concern which attains break even point at less number of units will definitely be better from another concern where break even point is achieved at more units of production.

$$\text{BEP} = \frac{\text{Total Fixed Cost}}{\text{Contribution Per unit.}}$$

The technique of break even analysis can be made easy with the help of graph or mathematical formula. Graphical representation of break even point is known as the break even chart. Break Even Chart shows the profitability at various levels of activity and indicates the point at which neither profit nor loss is made.

Break even point is known as 'no profit, no loss point'. So the chart is also known as break even chart. At this point, the total costs are recovered and profit begins.

## 3. Programme Evaluation and Review Technique (PERT):

PERT is an integrated management control system designed to plan time and cost of completing a project. A programme consists of several activities and sub-activities. These activities must be completed in a proper sequence to minimize time and costs involved.

## 4. Critical Path Method (CPM):

CPM is used for planning and controlling the most logical sequence of activities for completing a project. It is helpful in the optimum use of resources. Like PERT, it identifies the critical elements of a project and facilitates control by exception.

CPM is widely used for construction projects and plant maintenance. Under CPM every activity is critical but in case of PERT only some of the activities are treated as critical. CPM is generally applied where activity timings are relatively well known. But PERT is more useful in projects where timings are uncertain.

### **Control as a management process:**

**A. Controlling**, one of the four major functions of POLCA management, is the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals.

1. Controlling is largely geared to ensuring that the behavior of individuals in the organization contributes to reaching organizational goals.

2. Controls encourage wanted behaviors and discourage unwanted behaviors.

**B. A control system** is a set of mechanisms that are designed to increase the probability of meeting organizational standards and goals.

### **C. Controls can play five important roles in organizations.**

1. Control systems enable managers to cope with uncertainty by monitoring the specific activities and reacting quickly to significant changes in the environment.

2. Controls help managers detect undesirable irregularities, such as product defects, cost overruns, or rising personnel turnover.

3. Controls alert managers to possible opportunities by highlighting situations in which things are going better than expected.

4. Controls enable managers to handle complex situations by enhancing coordination within large organizations.

5. Controls can decentralize authority by enabling managers to encourage decision making at lower levels in the organization while still remaining in control.

### **D. Control responsibilities differ according to managerial level.**

1. **Strategic control** involves monitoring critical environmental factors that could affect the viability of strategic plans, assessing the effects of organizational strategic actions, and ensuring that strategic plans are implemented as intended.

a. Strategic control is typically the domain of top-level managers who must insure core competencies are developed and maintained.

b. Long time frames are involved, although shorter time frames may be appropriate in turbulent environments.

2. **Tactical control** focuses on assessing the implementation of tactical plans at departmental levels, monitoring associated periodic results, and taking corrective action as necessary.

a. Tactical control is primarily under the direction of middle managers, but top-level managers may at times get involved.

- b. Time frames are periodic, involving weekly or monthly reporting cycles.
- c. Tactical control involves department-level objectives programs, and budgets.
- 3. **Operational control** involves overseeing the implementation of operating plans, monitoring day-to-day results, and taking corrective action when required.
  - a. Operational control is the responsibility of lower-level managers.
  - b. Control is a day-to-day process.
  - c. The concern is with schedules, budgets, rules, and specific outputs of individuals.
- 4. For controls and three levels to be effective they must operate in concert with one another.

### **THE CONTROL PROCESS:**

A. The basic process used in controlling has several major steps.

#### **1. Determine areas to control.**

a. It is impractical, if not impossible, to control every aspect of an organization's activities. Major controls are based on the organizational goals and objectives developed during the planning process.

#### **2. Develop standards spelling out specific criteria for evaluating performance and related employee behaviors.**

a. Standards are often incorporated into the objectives set in the planning process.

b. Standards serve three main purposes related to employee behavior.

- 1) Standards help employee understand what is expected and how their work will be evaluated.
- 2) Standards provide a basis for detecting job difficulties that are related to personal limitations of organization members.
- 3) Standards help reduce the potential negative effects of **goal incongruence**, a condition in which there are major incompatibilities between the goals of an organization member and those of the organization.

#### **3. Make a decision about how and how often to measure performance related to a given standard.**

a. MBO is a popular technique for coordinating the measurement of performance throughout an organization.

b. The means of measuring performance depends upon the performance standards that have been set, as well as data, such as units produced, quality of output, or profits.

c. Most organizations use combinations of both quantitative and qualitative performance measures.

d. The period of measurement usually depends upon

- 1) The importance of the goal to the organization
- 2) How quickly the situation is likely to change
- 3) The difficulty and expense of rectifying a problem if one were to Occur

**4. Compare performance against standards.**

a. Reports that summarize planned versus actual results are often developed.

b. **Management by exception** is a control principle which suggests that managers should be informed of a situation only if control data show a significant deviation from standards.

c. Managers may compare performance and standards through personal observation.

d. The 360-degree feedback system described in chapter 10 is being used by a number of organizations as an evaluation approach.

**5. Recognize above-standard performance both to give precognition to top performing employees and also to aid improving performance on regular bases.**

**6. Assess the reason why standards are not met, and take corrective action.**

**7. Adjust standards and measures as necessary.**

a. Standards and measures need to be checked for relevance.

b. Managers must decide whether the cost of meeting certain standards is worth the resources consumed.

c. Exceeding a standard may signal opportunities, the potential to raise standards, and/or the need for possible adjustments in organizational plans.

**B. Managers can take a number of approaches to deciding what to control.**

1. **Resource dependence** is an approach based on the view that managers need to consider controls mainly in areas in which they depend on others for resources consider control mainly in areas in which they depend on others for resources necessary to reach organizational goals.

a. **Strategic control points** are performance areas chosen for control because these are particularly important in meeting organizational goals.

Strategic control points meet four conditions.

- 1) Dependence on a resource is high because the resource is important and limited in availability.
- 2) The probability that the expected resource flow will be unacceptable is high because of anticipated problems with quantity, quality, or timeliness.
- 3) Instituting a control system is feasible.
- 4) The cost of instituting the control system is acceptable.



2. Managers need to develop an alternative to controls if they are needed, but cannot be instituted due to problems of feasibility or cost.

a. The dependence relationship can be changed so that controls are unnecessary, e.g., lining up several suppliers.

b. The nature of the dependence relationship can be changed so that a control system is feasible and/or cost-effective, e.g., job simplification or vertical integration.

c. Organizational goals can be changed so that the resources in question are no longer necessary.

### Types of controls:

A. Controls can be classified according to their timing or place in the productive cycle.

1. **Feed forward control** focuses on the regulation of inputs to ensure that they meet the standards necessary for the transformation process.

a. The emphasis is upon preventing problems.

b. Other names for feed forward control are “preliminary control,” “precontrol,” “preventative control” and “steering control.”

2. **Concurrent control** involves the regulation of ongoing activities that are part of the transformation process to ensure that conform to organizational standards.

a. Checkpoints are in place to determine whether to continue the process, take corrective action, or stop work altogether.

b. Other names for concurrent control are “screening” and “yes-no control.”

c. This type of control is not appropriate for work that requires creativity or innovation.

3. **Feedback control** is regulation exercised after a product or service has been completed in order to ensure that the final output meets organizational standards and goals.

a. Feedback control is used when feed forward and concurrent controls are not feasible or are too costly.

b. Feedback control serves a number of functions:

1) To serve as a final means to check for deviations not detected earlier

2) To provide information that will facilitate the planning process

3) To provide information regarding employee performance

c. Other names for feedback control are “post action control” or “output control.”

4. **Multiple control systems** are systems that use two or more of the feed forward, Concurrent, and feedback control processes and involve several strategic control points.



1. Multiple control systems develop because of the need to control various aspects of a productive cycle, including inputs, transformation, and outputs.
  2. Computer software companies provide examples of processes complex enough to require multiple controls.
- C. The degree to which human discretion is part of a control process determines whether it is cybernetic or non-cybernetic.
1. A **cybernetic control system** is a self-regulated control system that, once it is put into operation, can automatically monitor the situation and take corrective action when necessary, e.g., a heating system or some computerized inventory systems.
  2. A **non-cybernetic control system** is a control system that relies on human discretion as a basic part of its process.

### **DIRECT CONTROL Vs. PREVENTIVE CONTROL**

#### **DIRECT CONTROL:**

1. Cause of negative deviations from standards.  
Uncertain, lack of knowledge, experience or judgment.
2. Questionable assumptions underlying direct control.
  - Assumption that the performance can be measured
  - Assumption that the personal responsibility exists
  - Assumption that the time expenditure is warranted
  - Assumption that the mistakes can be discovered in time
  - Assumption that the person responsible will take corrective steps.

#### **PREVENTIVE CONTROL:**

##### **Assumption:**

- Qualified managers can make a minimum of errors.
- Management fundamentals can be used to measure performance
- Application of management fundamentals can be evaluated

##### **Advantages**

1. Greater accuracy
2. Encourage self control
3. Lighten the managerial burden
4. Impressive

Thus control is a very important process through which the managers can ensure that actual activities confirm to planned activities. It is mainly used to measure progress, to uncover deviations and to indicate corrective action.

## UNIT -III

### INDIVIDUAL BEHAVIOUR

Individual's Behaviour is viewed as being driven by the meanings they give to various situations or the way they see things and therefore behave. Individual behaviour is complex and every individual is different from another. The challenge of an effective organisation is in successfully matching the task, the manager and the subordinate.

#### NATURE OF INDIVIDUAL BEHAVIOUR:

##### → **Field of study and not a discipline-**

An academic discipline or field of study is a branch of knowledge that is taught and researched as part of higher education. There is no consensus/ (agreement) on how some academic disciplines should be classified.

##### → **Applied science-**

Applied science is a discipline that is used to apply existing scientific knowledge to develop more practical applications, for example: technology or inventions.

##### → **Humanistic and optimistic-**

- Humanistic psychologists look at human behavior not only through the eyes of the observer, but through the eyes of the person doing the behaving.
- The definition of optimistic is a feeling or attitude of being positive or hopeful about the future.

##### → **Inter-Disciplinary approach-**

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

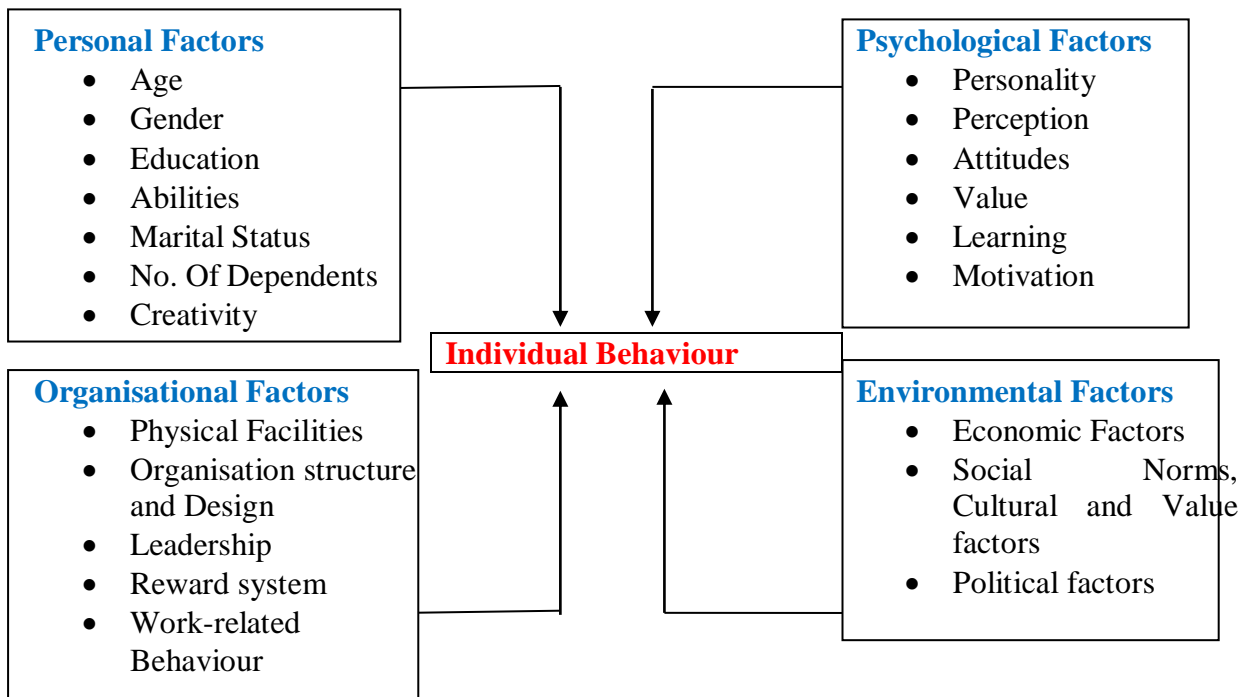
##### → **Normative and value-centred-**

- Normative means creating or stating particular rules of behaviour.
- The value of something such as a quality, attitude, or method is its importance or usefulness.

##### → **Oriented towards organisational objectives-**

Since OB is applied science it is oriented towards organizational creative, independent and capable of achieving organizational objectives.

## FOUNDATIONS OF INDIVIDUAL BEHAVIOUR:



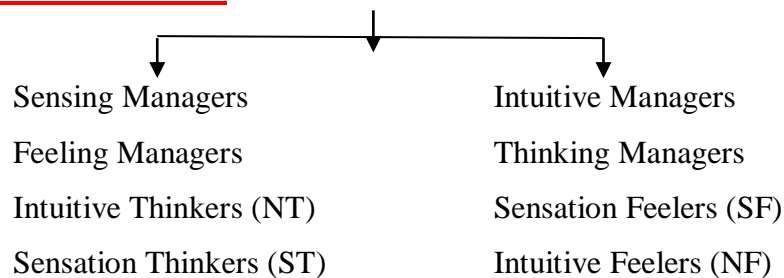
## PERSONALITY:

The Term personality has been derived from Latin word “Personare” which means “to speak through”. Personality is used in terms of influencing others through external appearance.

According to Schiffman and Kanuk, “Personality can be defined as those inner psychological characteristics that both determine and reflect how a person responds to his or her environment”.

<https://www.youtube.com/watch?v=MiR3RnBtuF8>

## TYPES OF PERSONALITY:



*Sensing Managers is to be an effective leader and manager, who need to be able to communicate and connect the commitment of both detecting and intuitive.*

*Intuitive Managers is one who have Intuitive decision-making ability is also known as 'sixth sense' and involves being able to gather information that other individuals may miss.*

*A Feel-Good-Manager (FGM) is a person whose main task is it to make or keep employees happy, and to maintain top performance levels.*

<https://www.youtube.com/watch?v=jFTqDTVDz0k>

### **Following are the three types of personality:**

#### **1. Extrovert Personality**

This type has the *tendency to live mostly outside the like to live with others*. Those individuals are highly *socialized and have contact with outside people* in the society. They want to *join other groups who are more in number*.

These type of people are drivers, excessive drinkers, smokers, robbers, thieves, wicked persons etc.

#### **2. Introvert Personality**

*Introvert is opposite to extrovert*. Those people are always live alone in their rooms and do not want to go outside. *They have their own imaginary world*.

They are teachers, scientists, thinkers and philosophers.

#### **3. Ambivert Personality**

Between extrovert and introvert personalities there is a third one type called ambivert. People belonging to *this type enjoy both the groups and attend them*. They have middle mind and want to live in both parties. Sometimes they join outside people but sometimes they live in their own rooms.

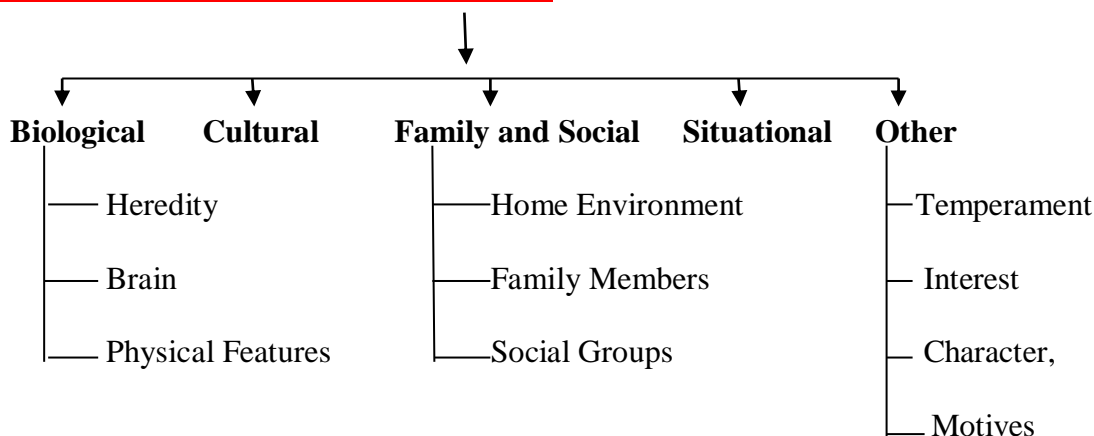
#### ***Personality Development Tips***

1. Should be a better listener
2. Good conversation
3. Be positive in outlook and attitude
4. More reading and building interest
5. Should be a good courteous/ genteel
6. Interaction with new people
7. Helpful to other people
8. Give respect if you want respect
9. Confident about yourself

#### ***Five Personality Traits***

1. Openness to experience
2. Conscientiousness- one's inner sense of what is right.
3. Extraversion
4. Agreeableness
5. Neuroticism- feeling worried and nervous.

## FACTORS INFLUENCING PERSONALITY:



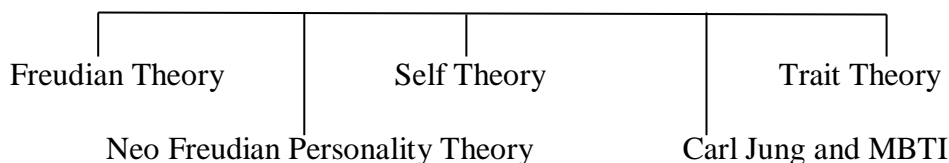
<https://www.youtube.com/watch?v=4fYtjb5-UA>

IQ Test For Genius Only - How Smart Are You ?

<https://www.youtube.com/watch?v=uhiBAQmkdb0>

## THEORIES OF PERSONALITY:

### Theories of Personality



#### 1. Freudian Theory:

Freud, the *Father of Psychoanalytic theory*, proposed that individual's personality is the product of a struggle among three interacting forces – *the Id, the ego, and the superego*.

#### 2. Neo Freudian Personality Theory:

According to this Neo-Freudian's *social relationships played a vital role* in the formation and development of personality. Its *concerned with the individual's efforts* to reduce tensions, such as anxiety [worry].

#### 3. Self Theory:

Self theory, termed as field theory, emphasises the *totality and interrelatedness of all behaviours*. This approach treats the organism as a whole to a greater degree than do any of the other theoretical formulations.

#### *The four factors are*

1. Self-Image
2. Ideal-Self
3. Looking Glass-Self
4. Real-Self

#### 4. Trait Theory:

Trait theorists are concerned with the construction of personality test that pinpoints *individual differences in terms of specific traits*. Trait theorists advocated that personality tests will indicate the individual differences in terms of specific traits.

#### Big Five Traits model:

Core Traits	Descriptive characteristics of High scorers
1. Extraversion	Sociable, outgoing, talkative, assertive[confident], gregarious[expressive]
2. Agreeableness	Cooperative, warm, caring, good-natured, trusting
3. Conscientiousness	Dependable, hardworking, organised, self-disciplined, responsible
4. Emotional stability	Calm, secure, happy, unworried
5. Openness to experience	Curious/[interest], intellectual, creative, cultured, artistically/[Creatively] sensitive, flexible, imaginative

#### 5. Carl Jung and MBTI:

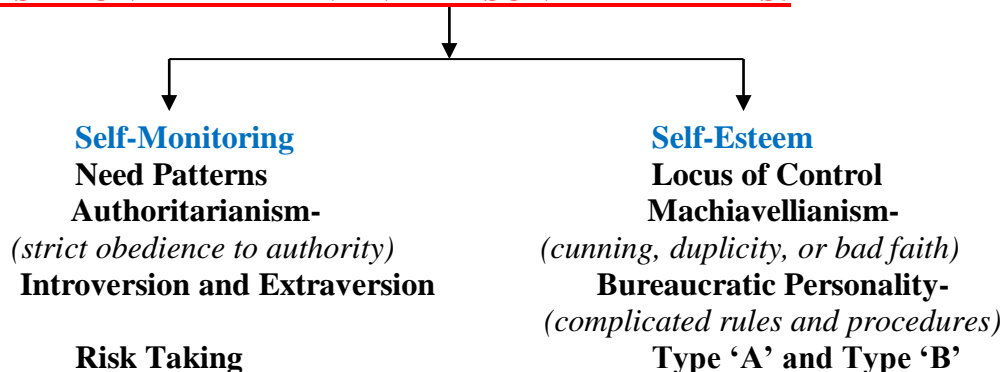
One approach to applying personality theory in organisations is the Jungian approach. Jung suggested that *human similarities and differences could be understood by combining preferences*. We prefer and choose one way of doing things over another.

The Myers–Briggs Type Indicator (MBTI) is an introspective/ (reflective) self-report questionnaire with the purpose of indicating differing psychological preferences in how people perceive the world around them and make decisions.

#### The MBTI model:

1. Understanding and developing yourself
2. Understanding and developing others
3. Understanding what motivates others
4. Understanding other's strengths and weakness
5. Allocating and agreeing tasks and project responsibilities

#### ORGANISATIONALLY RELEVANT PERSONALITY TRAITS:



#### LEARNING:

Learning is an *important psychological process determining human behaviour*. It is a continuous process and it occurs all the time. Learning may be defined as the sum total of *behavioural changes resulting from experience at training*.



According to Sanford, “Learning is a relatively enduring change in behaviour brought about as consequence of experience”.

According to Martyn Sloman, “Learning is the process by which a person constructs knowledge, skills and capabilities”.

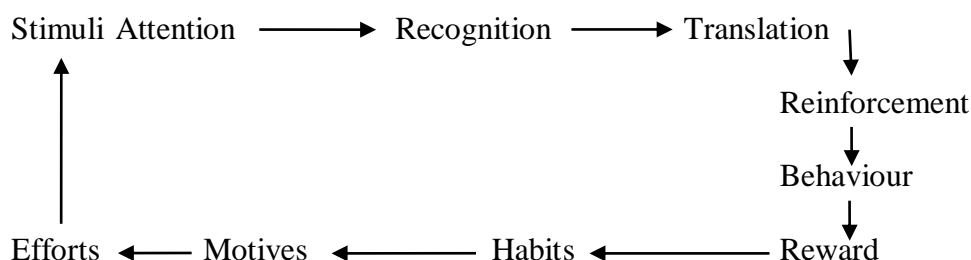
### CHARACTERISTICS OF LEARNING:

- Learning is growth
- Learning is adjustment
- Learning is organising experience
- Learning involves acquisition of knowledge and skills
- Learning is a process of conditioning
- Learning involves change
- Learning is continuous
- Learning is Transferable

### TYPES OF LEARNERS:

- **Divergers:** Who *learn by observing and feeling* and have the ability to view concrete/ actual situations from different angles. They do well in generating ideas.
- **Assimilators:** Who *learn by observing and thinking* and are able to understand a wide range of information and put it in a concise and logical form.
- **Convergers:** Who *learn by doing and thinking*, tend to focus on solutions by seeking out practical use of information.
- **Accommodators:** Who *learn by doing and feeling* and tend to rely more heavily on people for information while making decisions.

### LEARNING PROCESS:



## **LEARNING THEORIES:**

<https://www.youtube.com/watch?v=59I5ItGiNM>

### **1. Connectionist Learning Theory:**

The theory minimises the importance of reinforcement to learning.

Reinforcement is employed in conjunction with two fundamentally different methods of learning connections Classical and Operant conditioning.

#### **a. Classical Conditioning:**

In classical conditioning theory an individual responds to some Stimulus [incentives/motivation] that would not ordinarily produce such a response.

#### **b. Operant Conditioning:**

Operant conditioning is a type of conditioning in which desired voluntary behaviour leads to a reward or prevents a punishment. People learn to behave to get something they want or to avoid something they don't want.

### **2. Observational Learning/Social Learning Theory:**

Observational learning, also called social learning theory, occurs when an

Observer's behaviour changes after viewing the behaviour of a model.

*Social learning involves several processes are*

- a. Attention Processes
- b. Retention Processes
- c. Motor Reproduction Process
- d. Reinforcement Processes

### **3. Cognitive Learning Theory:**

Instead of viewing learning as the development of connections between stimuli and responses, cognitive theorists stress the importance of perception, problem solving, and insight. Cognitive learning can range from very simple information acquisition to complex, creative problem solving.

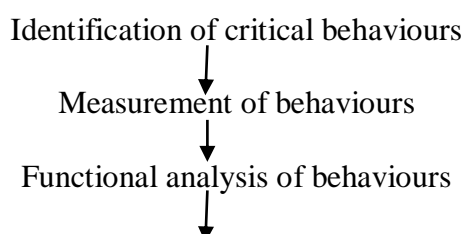
<https://www.youtube.com/watch?v=c4qt8cc3bdM>

## **ORGANISATIONAL BEHAVIOUR MODIFICATION:**

Organisational behaviour modification represents the application of reinforcement [strengthening] theory to individuals in the work setting. OB modification can be applied for motivating the employees and also for enhancing organisational effectiveness.

According to Stephen P. Robbins, "OB modification is a program where managers identify performance-related employee behaviours and then implement an intervention strategy to strengthen desirable behaviours and weaken undesirable behaviours".

## **PROCESS OF OB MODIFICATION:**



Development of intervention strategy

↓  
Evaluation

### **OB MODIFICATION STRATEGIES**

- Organisational Culture
- Emotional Labour
- Professional Ethos[culture]
- Positive Reinforcement

### **SIGNIFICATION OB MODIFICATION**

- It deals with observed behaviour
- Behaviour modification presents a set of tools by which people can learn new behaviour
- It provides managers various tools for effectively controlling
- It is comparatively easy to understand.

### **LIMITATIONS OB MODIFICATION**

- It restrict freedom of choice of behaviour
- It is based on the assumption that individual behaviour is controlled by his environment
- It is an exercise in over simplification
- It ignores the internal causes of behaviour

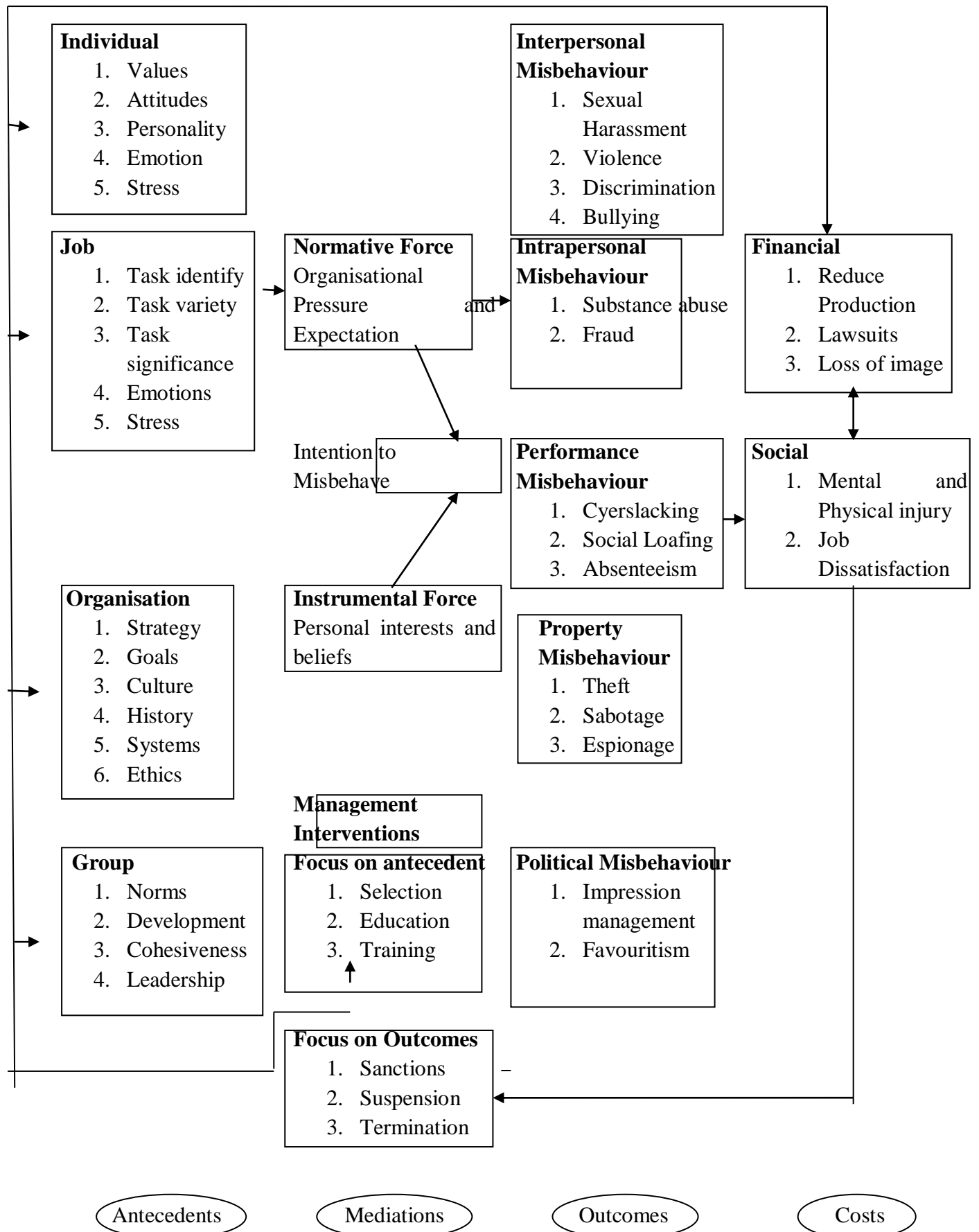
### **ORGANISATIONAL MISBEHAVIOUR**

It is commonly accepted that organisations expect employees to do a number of things at work, these expectations are not always met and fulfilled. When this happens, they are said to misbehave.

### **TYPES OF ORGANISATIONAL MISBEHAVIOUR:**

- Sexual Harassment [irritation/trouble]
- Bullying [maltreatment]
- Incivility [bad manners / lack of respect]
- Fraud
- Substance abuse [neglect] at work
- Cyber slacking
- Sabotage [damage]

## MANAGEMENT INTERVENTION IN ORGANISATIONAL MISBEHAVIOUR:



## ATTITUDES

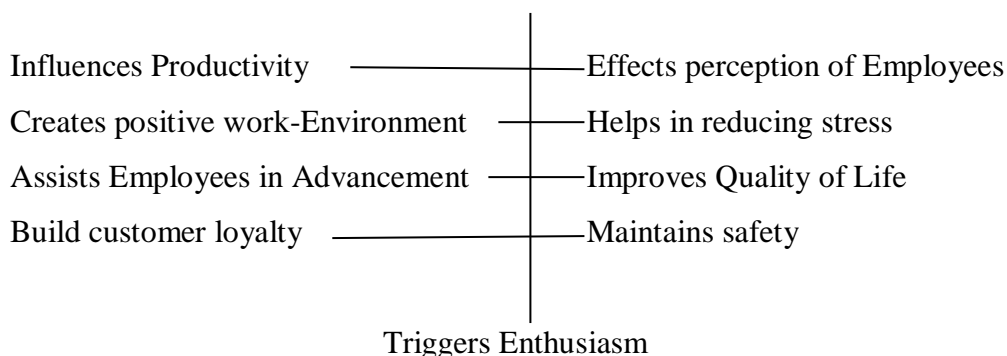
Attitude is a state of mind of an individual towards something. It may be defined as a tendency to feel and behave in a particular way towards objects, people or events.

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

## CHARACTERISTICS OF ATTITUDES:

- Attitudes have an object
- Attitudes have Direction, Degree and Intensity
- Attitudes have structure
- Attitudes are learned

## Importance of Attitudes



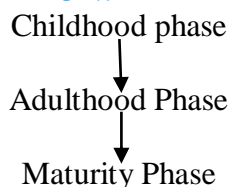
## COMPONENTS OF ATTITUDES:

- # Cognitive [intelligence] Component
- # Affective Component
- # Behavioural Component

## ATTITUDE FORMATION:

Attitude formation is the process by which an individual develops a favourable or unfavourable evaluation of an object, i.e., attitude formation is based on experience that lead a person to hold a specific attitude.

## PROCESS OF ATTITUDE FORMATION:





## FACTORS INFLUENCING ATTITUDE FORMATION:

- Psychological Factors
- Family Factors
- Social Factors
- Organisational Factors
- Economic Factors
- Political Factors

## ATTITUDES MEASUREMENT:

### Attitude Measurement

Thurstone Type of Scale	—	Likert Scales
Semantic Differential	—	Repertory Grid
Opinion Surveys	—	Interviews
Self-Fulfilling Prophecy[Forecast]		

## ATTITUDES MEASUREMENT:

### • *Thurstone Type of Scale-*

A Thurstone scale has a number of “agree” or “disagree” statements. It is a unidimensional scale to measure attitudes towards people. Developing the scale is time consuming and relatively complex compared to other scales (like the Likert scale).

### Thurstone Scales

YES	NO	People with AIDS are like my parents.
YES	NO	People with AIDS deserve what they got.
YES	NO	It's easy to get AIDS.

### • *Likert Scales-*

A **Likert scale** is a psychological measurement device that is used to gauge attitudes, values, and opinions. It functions by having a person complete a questionnaire that requires them to indicate the extent to which they agree or disagree with a series of statements. The Likert scale is named after its creator, Rensis Likert, who developed it in 1932. In survey research, Likert scales are the most commonly used type of scale.

**Eg- (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree)**

Very Interested 5	Somewhat Interested 4	Neutral 3	Not Very Interested 2	Not at All Interested 1
Very Much 5	Somewhat 4	Undecided 3	Not Really 2	Not at All 1
Very Much Like Me 5	Somewhat Like Me 4	Neutral 3	Not Much Like Me 2	Not at All Like Me 1
Very Happy 5	Somewhat Happy 4	Neutral 3	Not Very Happy 2	Not at All Happy 1
Almost Always 5	Sometimes 4	Every Once In a While 3	Rarely 2	Never 1

- Semantic Differential-**

The semantic differential is a scale used for measuring the *meaning* of things and concepts. There are two aspects of meaning: denotative and connotative. The semantic differential measures *connotative* meaning.

- Denotation* - what a name or concept refers to (*denote* - to mark out plainly, to indicate)
- Connotation* - the suggestive significance of a word, apart from its explicit and recognized meaning

*denotation*

=

eagle,

bird



*connotation* = strength, power

- Repertory Grid**

The *repertory grid* is an interviewing technique which uses nonparametric factor analysis to determine an idiographic measure of personality. It was devised by George Kelly in around 1955 and is based on his personal construct theory of personality.

## Rep Grid Example: FRUIT

RATINGS GRID											
1											5
Juicy	3	5	1	4	5	1	4	1	3	4	fleshy

Images by straymuse, tjyobazee, Brybs, nkze, btklamf, ppreacher, ei800cao, contributors to stx.hu

- Opinion Surveys-**

An opinion poll, often simply referred to as a poll or a survey, is a human research survey of public opinion from a particular sample.

Do you agree, disagree or have no opinion that this company has:

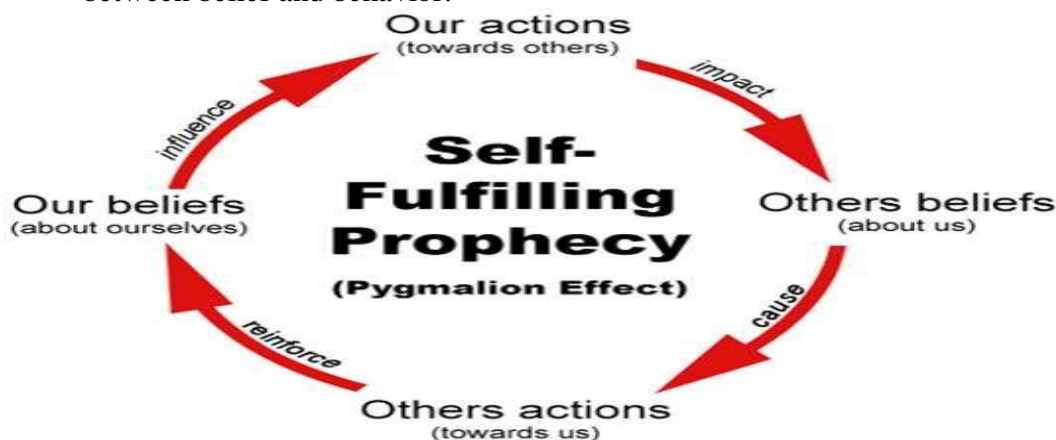
	Agree	Not Sure	Disagree
A good vacation policy	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Good management feedback	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Good medical insurance	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
High wages	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

- Interviews-**

An *interview* is a conversation where questions are asked and answers are given. In common parlance, the word "*interview*" refers to a one-on-one conversation with one person acting in the role of the interviewer and the other in the role of the interviewee.

- Self-Fulfilling Prophecy [Forecast]-**

A self-fulfilling prophecy is a prediction that directly or indirectly causes itself to become true, by the very terms of the prophecy itself, due to positive feedback between belief and behavior.



### CHANGING ATTITUDE:

Once formed, attitudes have tendency to persist and are very difficult to change. The main difficulty in changing attitudes is resistance on the part of people to change. To be more specific, attitudes can be changed by changing any one or more of the following factors:

1. Change in ideas and beliefs
2. Change in feelings or emotions
3. Change in situation
4. Change in behaviour

### BARRIERS TO CHANGING ATTITUDES

- ✓ Prior commitment
- ✓ Inadequate information
- ✓ Lack of choice
- ✓ Lack of Trust

- ✓ Unequal status in outcomes
- ✓ Lack of institutional support

## OVERCOMING BARRIERS TO ATTITUDINAL CHANGE

- ✚ Making available new information
- ✚ Using Fear
- ✚ Removing discrepancy[disagreement]
- ✚ Impact exerted[apply] by friends or peers
- ✚ Co-opting approach.

## VALUES:

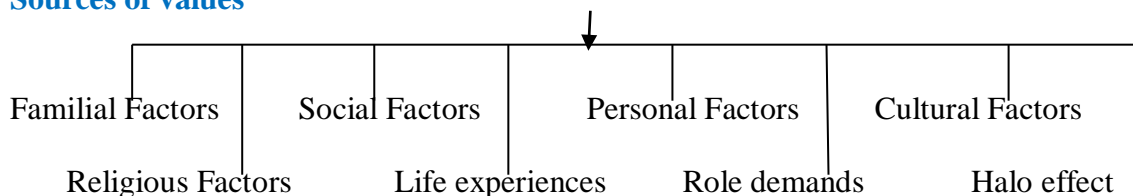
A Value system is viewed as a relatively permanent perceptual framework which influences the nature of an individual's behaviour. A value may be defined as a concept of a desirable, an internalised standard of evaluation a person possesses.

According to Milton Rokeach, "Values are global beliefs that guide actions and judgements across a variety of situation".

## CHARACTERISTICS OF VALUES:

- Part of culture
- Learned Responses
- Inculcated
- Social Phenomenon
- Gratifying Responses
- Adaptive process

## Sources of values



## TYPES OF VALUES

1. Terminal Values
2. Instrumental values

Terminal values ("ends")	Instrumental Values ("means")
Comfortable life	Ambition
Happiness: satisfaction in life	Courage
Peace and harmony in the world	Honesty
Prosperity; wealth	Helpfulness
Sense of Accomplishment	Independence

## CLASSIFICATION OF VALUES

- Human values
- Social values
- Business values
- Community values
- Family values
- Professional values
- National values
- Secular values
- Spiritual values

## IMPORTANCE OF VALUES

- ✓ Values effect individual's thoughts and action
- ✓ Values influences employee's motivation
- ✓ Values relate to belief system
- ✓ Values form core of identity
- ✓ Values works as unifying force
- ✓ Values influence attitude and behaviour
- ✓ Values creates credibility
- ✓ Values provides guidelines for decision-making and conflict resolution

## PERCEPTIONS:

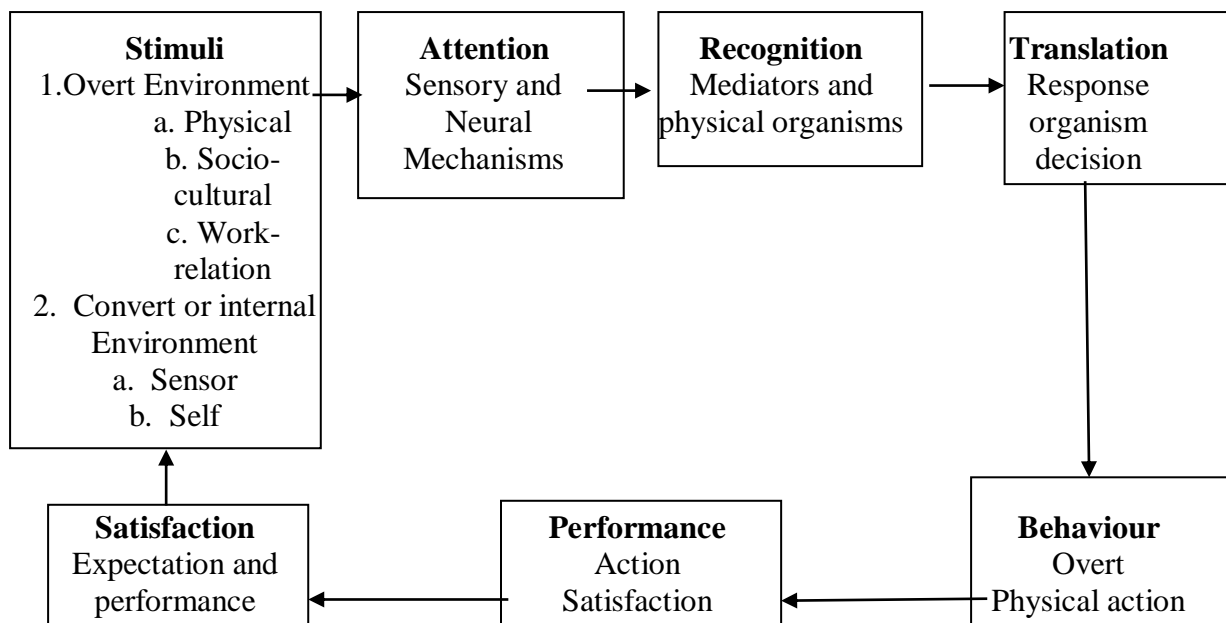
Perception can be defined as a process by which individuals select, organise, and interpret their sensory impressions, so as to give meaning to their environment. People's behaviour is influenced by their perception of reality, rather than the actual reality.

According to Joseph Reitz, "perception includes all those processes by which an individual receives information about the environment – seeing, hearing, feeling, tasting and smelling".

## CHARACTERISTICS OF PERCEPTION

- Intellectual process
- Cognitive or psychological process
- Subjective process
- Lens providing worldview
- Socially co-created
- Culturally influenced
- Self-Fulfilling

## COMPONENTS OF PERCEPTION



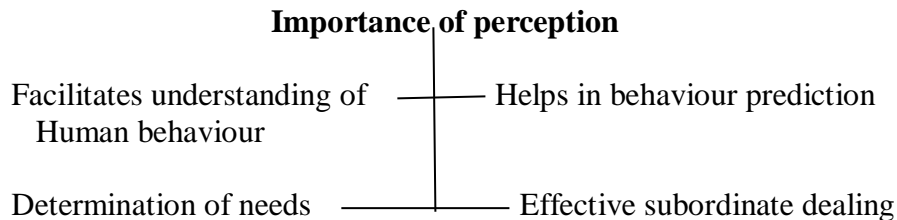


evaluation

Reaction  
Retrospection

Mental state

## IMPORTANCE OF PERCEPTION:

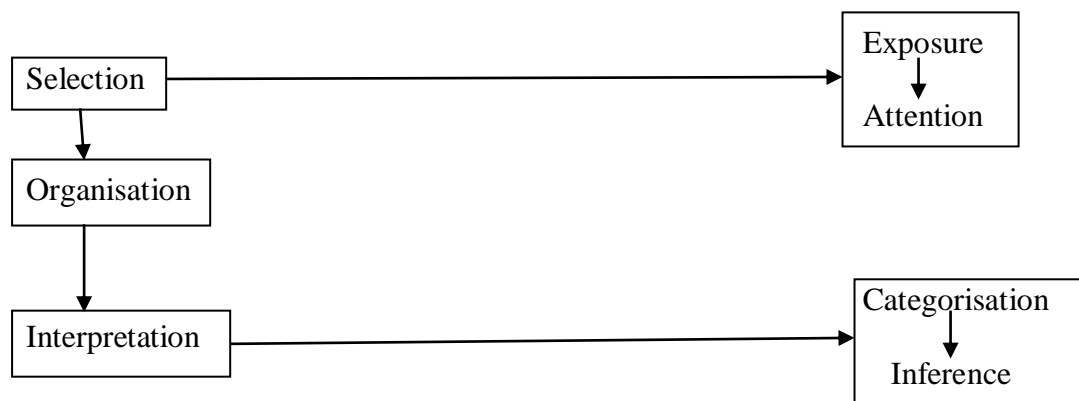


## FACTORS INFLUENCING PERCEPTION :

1. **Characteristics of the Perceiver(Internal factors)**
  - a. Needs and motives
  - b. Self Concept
  - c. Beliefs
  - d. Past Experience
  - e. Current psychological state
  - f. Expectations
2. **Characteristics of the target or perceived (External Factors)**
  - a. Size
  - b. Intensity
  - c. Frequency
  - d. Status
  - e. Contrast
3. **Characteristics of the situation**

## PERCEPTUAL PROCESS

Perception is a process consists of several sub-processes. One can take an input-throughout-output approach to understand the dynamic of the perceptual process.



## MANAGERIAL APPLICATIONS OF PERCEPTION:

1. Motivation
2. Hiring
3. Performance Expectations
4. Performance Appraisal
5. Employee Effort
6. Employee Loyalty
7. Building Relationships
8. Self-Assessment and Development

## MOTIVATION:

Motivation is derived from the word motive. Motive refers to the needs, wants, drives, impulses within individuals. Motivation can be described as the driving force within individuals that propels them to action.

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

## NATURE OF MOTIVATION

- Motivation is a psychological concept
- Motivation is a continuous process
- Motivation is dynamic and situational
- Motivation is not easily observed phenomenon
- Motivation is a goal-oriented process
- Motivation is influenced by social and cultural norms
- Entire individual is motivated
- Goals lead to motivation

## IMPORTANCE OF MOTIVATION

- ❖ Motivation sets in motion the action of people
- ❖ Motivation improves the efficiency of work performance
- ❖ Ensures achievement of organisational goals
- ❖ Motivation creates friendly and supportive relationship
- ❖ Motivation leads to the stability in the workforce
- ❖ Acceptance of Organisational changes

## TYPES OF MOTIVATION

### 1. Positive Versus Negative Motivation

- a. Positive Motivation: Positive motivation involves identifying employee potentialities and makes him realise the possible result by achieving his potentialities.
- b. Negative Motivation: Negative motivation, fear of consequences of doing something or not doing something keeps the worker in the desired direction.st utility.

### 2. Rational Versus Emotional Motivation

- a. Rational Motivation: Traditionally the term rationality is associated with persons who carefully weigh the pros and cons of all the alternatives and then choose the one that gives them the greatest utility.

- b. Emotional Motivation: As against this emotional motive are those goals, which are selected on the basis of emotion's involvement.

### 3. Primary Motivation Versus Secondary Motivation

- a. Primary Motivation: Primary motivations are basically related to human needs for psychological satisfaction.
- b. Secondary Motivation: Secondary motives is learned and realised as a result of development. Secondary motives do not remain secondary in a developed organisation, rather that become essential for moving the activities of educated people.

### 4. Intrinsic Motivation Versus Extrinsic Motivation:

- a. Intrinsic Motivation: It refers to motivation that comes from inside of an individual rather than from any external or outside rewards, such as money or grades.
- b. Extrinsic Motivation: It refers to motivation that comes from outside an individual. Extrinsic motivation entails a feeling of compulsion to do things for an external source to achieve an outcome that satisfies usually lower-order needs like money or survive.

### 5. Financial and Non-Financial Motivation/incentives:

- a. Financial or Pecuniary Incentives: These are monetary in natures as they involve flow of money from the organisation to its staff.
- b. Non-pecuniary Incentives: Non pecuniary incentives do not involve much financial commitments on the part of the organisation.

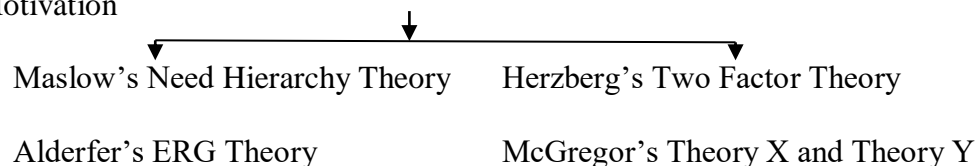
## EFFECT OF MOTIVATION ON WORK BEHAVIOUR:

Motivation is a term in organisational behaviour which leads the employee inside the organisation to attain the specific goals and objectives.

- ❖ Job satisfaction through motivation and job performance
- ❖ Job satisfaction through motivation and Organisational Citizenship Behaviour
- ❖ Job satisfaction through motivation and customer satisfaction
- ❖ Job satisfaction through motivation and absenteeism
- ❖ Job satisfaction through motivation and turnover

## THEORIES OF MOTIVATION:

Theories of Motivation

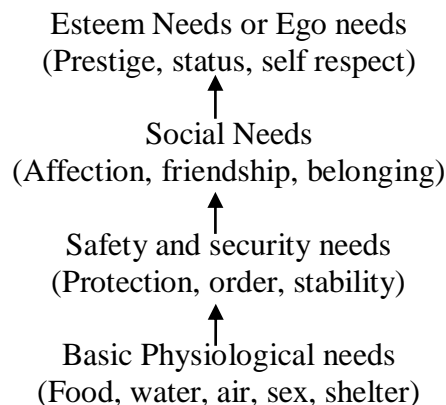


### 1. Maslow's Need Hierarchy Theory:

Basic needs are important for survival whereas acquired needs are not so Important . A.H.Maslow solved this problem and presented a theory on priority order of needs. Some important prepositions of Maslow's need Priority model are as under.

Self Actualisation  
(Self-fulfilment)

Dr R. Antony Prakash, MBA., M.Phil., MHRM., Ph.D. - ASP /MBA



**Maslow suggested the following points:**

1. There are five levels of needs
2. All these needs are arranged in a hierarchy
3. A satisfied need is no longer a need
4. Once one level of need is satisfied, the next level of need will emerge as the depressed needs seeking to be satisfied
5. The physiological and security needs are finite but the needs of higher order are infinite

**2. Herzberg's Two factor Theory/Motivation Hygiene Theory**

Herzberg in the late fifties developed a motivation theory known as motivation hygiene theory or two-factor theory of motivation. He conducted a study and interviewed some 200 engineers and accountants and asked them to think of a time when they felt good at their jobs and a time when they felt bad at their job and then to describe the condition which led to such feelings.

*The theory were classified by into two categories.*

- a. **Motivational Factors:** These factor are related to the nature of work and are intrinsic to the job itself.
- b. **Hygiene Factors/Maintenance Factors:** Hygiene factors do not motivate people. They produce no growth but prevent loss.

**3. Alderfer's ERG Theory:**

The most popular extension and refinement of Maslow's theory of needs is the one proposed by Alderfer.

*Alderfer argued that the need categories could be grouped into three more general classes:*

- a. **Existence:** These are needs related to human existence and are comparable to Maslow's physiological needs and certain of his safety needs.
- b. **Relatedness:** These are needs that involve interpersonal relationships in the workplace. Relatedness needs are similar to Maslow's belongingness needs and certain of his safety and esteem/ego needs.
- c. **Growth:** These are needs associated with the development of the human potential. Included in this category are needs corresponding to Maslow's Self-esteem and self-actualisation needs.

**4. McGregor's Theory X and Theory Y:**

Douglas McGregor proposed two distinct views of human beings, one Basically negative, labelled Theory X, and the other basically positive, labelled Theory Y, after viewing the way in which managers dealt with employees.

### Assumptions of Theory X

1. Employees inherently dislike work and, whenever possible, will attempt to avoid it
2. Since employees dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals
3. Employees will avoid responsibilities and seek formal direction whenever possible.
4. Most workers place security above all other factors associated with work and will display little ambition

### Assumptions of Theory Y

1. Employees can view work as being as natural as rest or play
2. People will exercise self-direction and self-control if they are committed to the objectives
3. The average person can learn to accept, even seek, responsibility
4. The ability to make innovative decisions is widely dispersed throughout the population.

### Distinction between X and Y Theories:

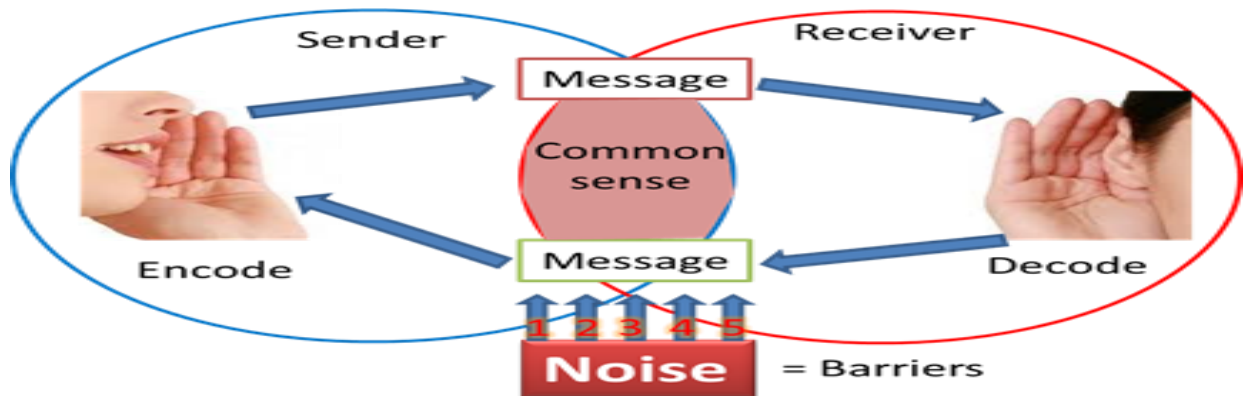
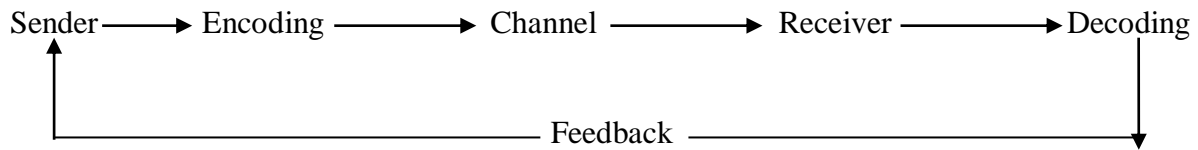
asis of Distinction	X Theory	Y Theory
<b>Attitude towards work</b>	Most people have an inherent dislike for work	Given proper environment, most people would willingly accept responsibility and go in for self-direction
<b>Acceptance of Responsibility</b>	Most people are not ambitious, averse to accepting responsibility and prefer to be directed by others	With proper motivation, most people would willingly accept responsibility and go in for self-direction
<b>Creativity</b>	Most people lack creativity in resolving organisation problem	Creativity is not the monopoly of a few and in a right environment people can be made to display this trait on a wide scale.
<b>Motivation</b>	Only satisfaction of physiological and safety needs will motivate workers	Satisfaction of physiological and safety needs is not the only source of motivation
<b>Control</b>	Close, often coercive, control is the only means to achieve organisational objectives	With proper motivation, people may be self-directed and creative.
<b>Leadership</b>	Theory X emphasis Autocratic leadership	Theory Y emphasises democratic and supportive leadership

### COMMUNICATION:

Organisational communication provides the *basis for understanding* virtually every process that occurs in organisation. Communication is a vital / [very important] management component/ [ part] to any organisation. It is a two-way process concerned with sharing and understanding of information.

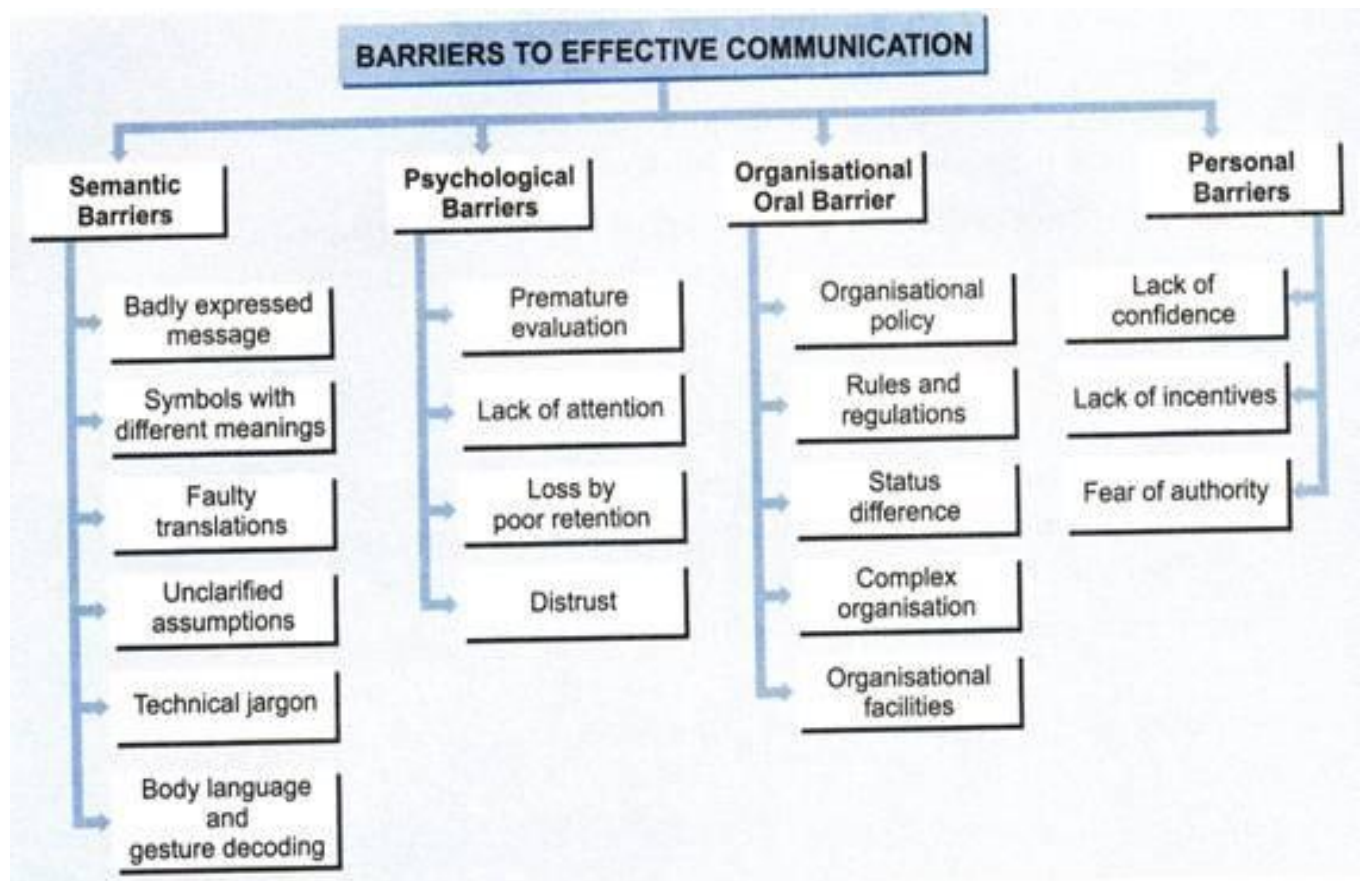


### COMMUNICATION PROCESS:



### FUNCTIONS OF COMMUNICATION:

- Information sharing
- Feedback
- Influence people
- Gate keeping
- Coordination and regulation of production activities
- Socialization
- Innovation
- Necessary for sound decisions
- Greater scope of managerial influence



**Technical Jargon** is thus "the *technical terminology or characteristic idiom* of a special activity or group". Most jargon is technical terminology, involving terms of art or industry terms, with particular meaning within a specific industry.

**The encoding** of a message is the production of the message. It is a system of coded meanings, and in order to create that, the sender *needs to understand* how the world is comprehensible to the members of the audience.

**The decoding** of a message is how an audience member is *able to understand*, and interpret the message.

### **WAYS OF OVERCOMING BARRIERS:**

- Maintaining similarity
- Empathy [understanding]
- Working hypothesis
- Be patient
- Written word

(<https://www.youtube.com/watch?v=kZIww1SA9d4>) – regarding eye contact

### **METHODS OF IMPROVING COMMUNICATION:**

- *Methods of Improving the efficiency of Interpersonal communication:*
  - a. Avoid Misperception.
  - b. Selective evaluation of others.
  - c. Selective evaluation of self.
  - d. Selective Interaction.
  - e. Response Evocation/[suggestion].
- *Methods of improving organisational communication:*
  - a. Encourage open feedback.
  - b. Another mechanism for soliciting/ (request) feedback is corporate hotlines.
  - c. Use simple language.
  - d. Avoid overload.
  - e. Be a good listener.

### **IMPRESSION MANAGEMENT:**

Impression Management is a process people use to control the perceptions or impressions about themselves, a bit like personal branding. Common self-presentation methods include authentic, ideal or tactical styles of impression management.

According to Schelenher, "Impression management is defined as the conscious or unconscious attempt to control images that are projected in real or imagined social interactions".

### **Purpose of Impression Management**

- a. **Strategic Motives**
  - i) Self-Promotion
  - ii) Exemplification
  - iii) Ingratiation
  - iv) Intimidation
  - v) Supplication
- b. **Expressive**



**M.I.E.T. ENGINEERING COLLEGE**  
(AUTONOMOUS)

(Approved by AICTE, New Delhi and Affiliated to Anna University, Chennai)  
Accredited by NBA (CIVIL, CSE, ECE, EEE & MECH)  
Accredited with 'A+' grade by NAAC  
(An ISO 9001:2015 Certified Institution)  
(Recognized by UGC under section 2(f) & 12(B) of UGC Act, 1956)  
TRICHY - PUDUKKOTTAI MAIN ROAD, TRICHY - 620 007



### **Tactics of Impression Management**

1. Ingratiation
2. Intimidation -[pressure]
3. Self-Promotion
4. Exemplification
5. Supplication -[request]

## UNIT- IV

### GROUP BEHAVIOUR

#### GROUPS IN ORGANISATIONS:

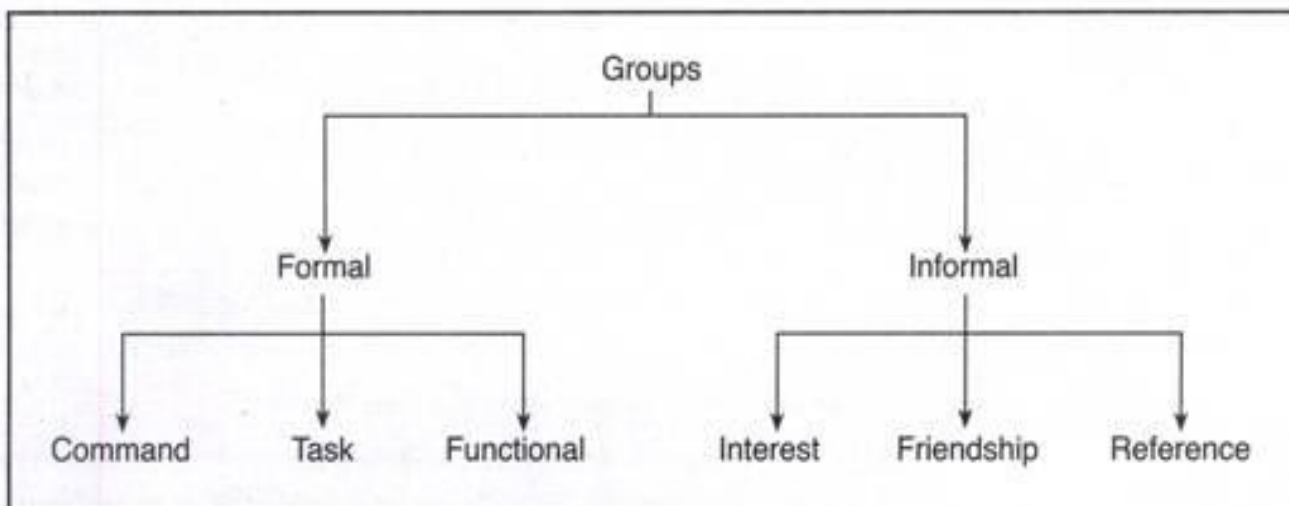
A group consists of *two or more persons who interact with each other*, consciously for the *achievement of certain common objectives*.

Groups can *make a manager's job easier* because by forming a group, he need not explain the task to each and every individual.

According to Stephen Robbins, "A group may be defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives".

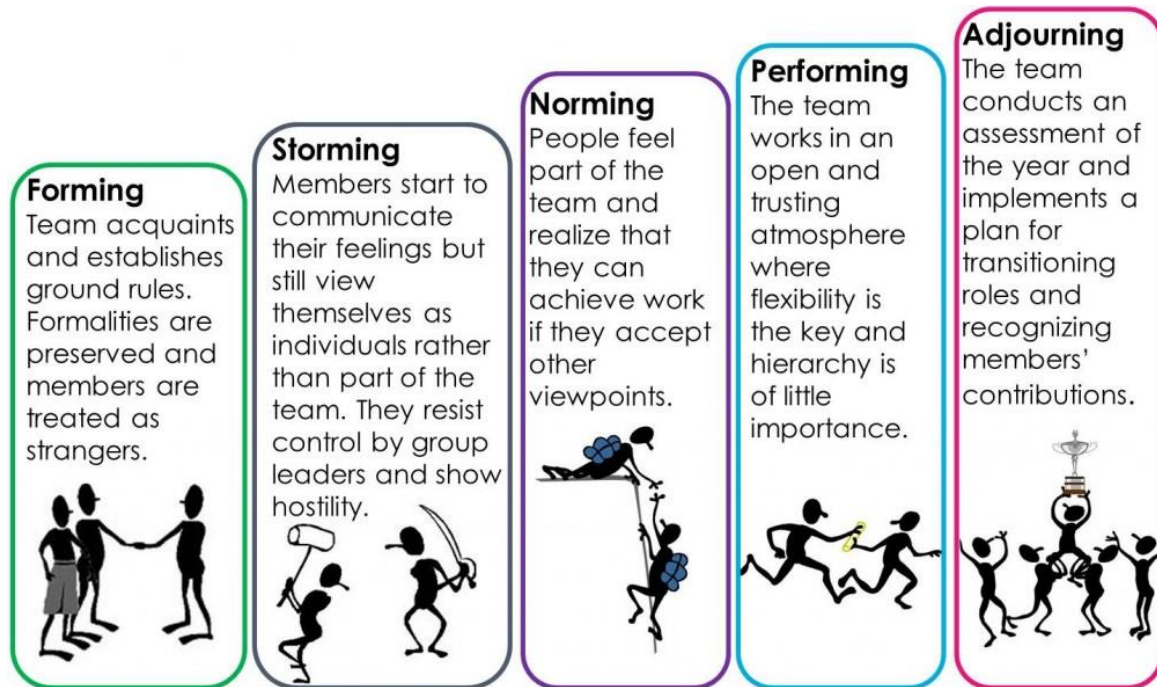
#### Nature of group:

- Two or more persons
- Collective Identity
- Interaction
- Shared Goal Interest



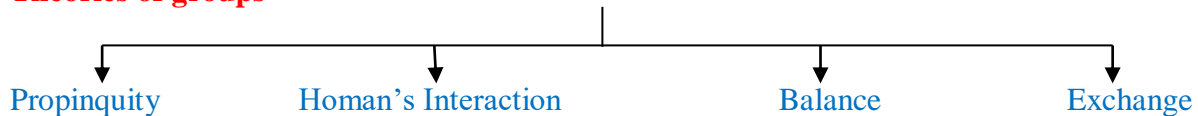
**Figure 12.2 : Types of Groups**

## STAGES OF GROUP DEVELOPMENT:



## THEORIES OF GROUPS:

### Theories of groups



1. **Propinquity:** The term propinquity means nearness. The theory of propinquity states that individuals affiliate with one another because of geographical proximity. This theory appears to explain the group formation process based on nearness.
2. **Homan's Interaction:** Homan's theory is based on activities, interactions and sentiments. All these elements are directly related to one another. Homan states that "the more activities persons share, the more numerous will be their interaction and the stronger will be their shared activities and sentiments".
3. **Balance Theory:** Balance theory of group formation, propounded by Newcomb, has suggested similarity of attitudes towards relevant objects and goals as the basic for group formation.
4. **Exchange Theory:** Exchange theory states the outcome of interaction as a basis of group formation. The outcome of a relationship should be rewarding in order to have attraction among the persons of a group. This theory is known as Exchange theory of reward and cost outcomes.



## **GROUP BEHAVIOUR:**

- Group behaviour in an organisation is quite complex.
- Group behaviour refers to the situations where people interact in large or small groups.
- The study of group behaviour is essential for an organisation to achieve its goals.
- Individual and group behaviour vary from each other.
- It realises from time to time.

## **Determinants of Group Behaviour:**

- ❖ External factors
- ❖ Group Member's resources
- ❖ Group structure
- ❖ Group Process
- ❖ Group Tasks
- ❖ Performance and Satisfaction

## **ADVANTAGES:**

- Performs complex task
- Generates new ideas
- Serves as liaison / (connection)
- Serves as problem-solving mechanism
- Facilitates complex Decision-Making
- Serves as vehicle of socialisation
- Acts as a agent

## **DISADVANTAGES:**

- ✚ Group think
- ✚ Diffusion of responsibility
- ✚ Potential for conflict
- ✚ Group polarisation
- ✚ Costly
- ✚ Time-consuming
- ✚ Leads to competition
- ✚ Lack of objective direction

(Group polarization focuses on how groups usually make decisions that are more extreme than the original thoughts and views of the individual team members.)

## **GROUP DYNAMICS:**

Group dynamics refers to those forces operating or present in the group and which the behaviour of the members of the group. This study provides information to the managers about the way to control the behaviour of the members of the group.

Group dynamics can be used as a means for problem-solving, team work, and to become more innovative and productive as an organisation as whole.

**According to Kurt Lewin**, "Group dynamics deal with internal nature of groups, how they are formed, what structure and processes they adopt, how they function and affect individual members, other group and the organisation".

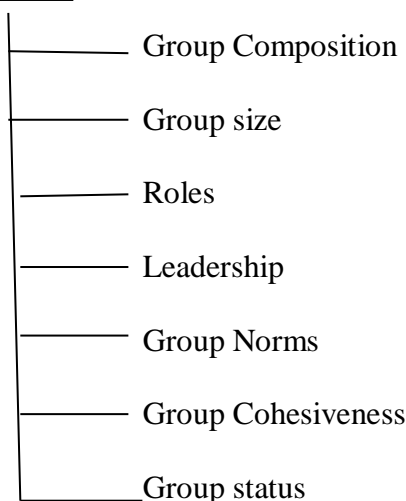
### CHARACTERISTICS OF GROUP DYNAMICS:

- Perception
- Motivation
- Group goals
- Group organisation
- Interdependency
- Interaction
- Entity –(being a unit)

### STRUCTURAL DYNAMICS OF GROUPS:

The group must have structure just like an organisation has structure. The structure of a work group has to be deduced from its various components and how they work.

#### *Structural Dynamics of Group*



- ✓ **Group composition** is that determines the efficiency of collaborative learning is the composition of the group.
- ✓ **Group size** is the number of individuals within a group.
- ✓ "**Group norms** are the informal rules that groups adopt to regulate and regularise group members' behaviour."
- ✓ **Group cohesiveness** is the ability to think and act as one if the group is physically together or not.
- ✓ **Group status** also status class and status estate. As a group of people who, within a society, can be differentiated on the basis of non-economic qualities such as honour, prestige, ethnicity/ (background), race and religion.

### **GROUP DECISION-MAKING:**

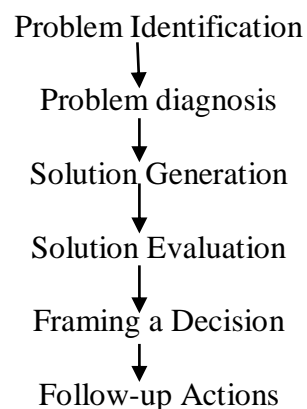
Group decision-making is defined as a decision situation in which there is more than one individual involved. The group members have their own attitudes and motivations, recognise the existence of a common problem, and attempt to reach a collective decision.

According to George R.Terry, “Decision-making is the selection based on certain criteria from two or more alternatives”.

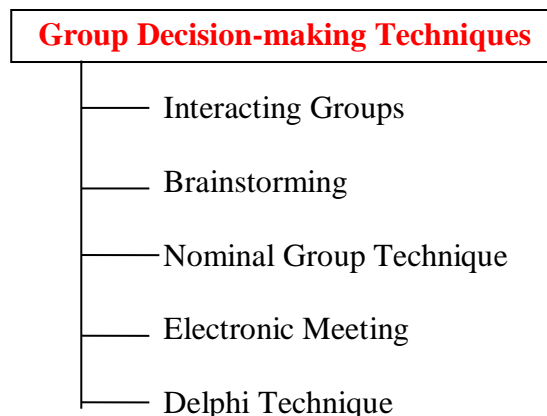
### **NATURE OF GROUP DECISION-MAKING:**

- There is active interaction
- It is related to situation
- There is joint responsibility
- There is a common issue
- There may be conflicting opinions

### **GROUP DECISION-MAKING PROCESS:**



### **GROUP DECISION-MAKING TECHNIQUES:**



- **Brainstorming** is the most common technique to develop alternative solutions, managers can use several other ways to help develop solutions.  
Here are some examples-

- **Nominal group technique** -(it's a structured meeting, with an agenda, restricts discussion during the decision making process)
- **Delphi technique**- ( participants never meet, but a group leader uses written questionnaire to conduct the decision making

## Improving Group Decision Making

- **Brainstorming**
  - An idea-generating process that encourages alternatives while withholding criticism.
- **Nominal group technique**
  - A decision-making technique in which group members are physically present but operate independently.
- **Electronic meeting**
  - A type of nominal group technique in which participants are linked by computer.

4-25

### Group Decision Making Techniques

- **Delphi Technique:** Experts at different locations respond to a questionnaire or problem. A summary of all responses is again sent back to the experts by a coordinator. The experts rate the generated alternatives, the results of which are tabulated by the coordinator. The process can be time consuming and does not allow for group interaction.
- **Devil's Advocacy:** A group or individual plays the role of critic, identifying potential problems of a proposed decision.
- **Dialectical Inquiry:** Debate between two opposing alternatives. This method brings out the pros & cons of proposed decisions despite potential for conflict. Groups should guard against win-lose attitude and focus on reaching the most effective solution.



- More Risk Taking
- Different Perspectives

### ADVANTAGES:

- Pooling of Knowledge and information
- Satisfaction and communication
- Personnel Development

### DISADVANTAGES:

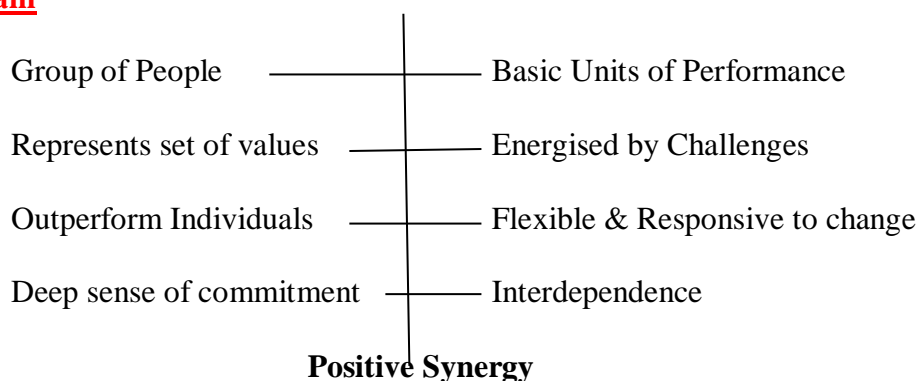
- ❖ Time-consuming and costly
- ❖ Individual Domination
- ❖ Problem of Responsibility
- ❖ Group think
- ❖ Goal Displacement

### TEAM:

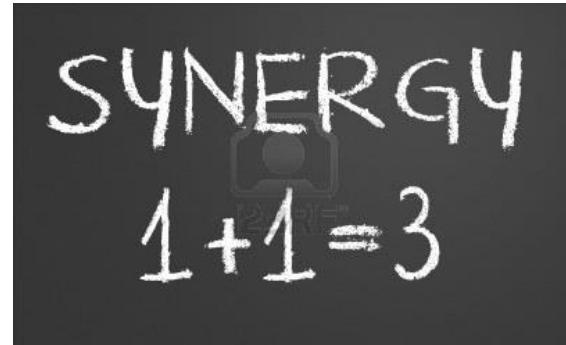
Team is a *small group with members in regular contact*. When groups do operating tasks they do as a team and try to develop a *cooperative circumstance known as team work*.

According to Katzenbach and Smith, "Team is defined as a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable".

### Nature of Team



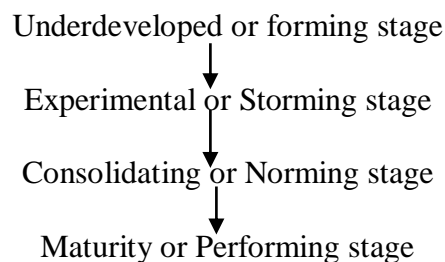




### **TYPES OF TEAM:**

1. **Problem-solving Teams:** Problem solving teams are formed in order to solve a specific problem, arising in functioning of organisation or from changing environment.
2. **Self-Managed Teams or Autonomous work group:** Self managing teams operate with participation decision-making, shared tasks, and responsibility for many of the managerial duties performed by supervisors in more traditional settings.
3. **Cross-functional Teams:** Cross-functional teams are made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task.
4. **Virtual Teams:** A virtual team are also known as Geographically Dispersed Team- (GDP) is a group of individuals who work across time, space, and or with links strengthened by webs of communication technology.

### **DEVELOPING TEAM:**



### **TEAM EFFECTIVENESS:**

- |                                    |                                    |
|------------------------------------|------------------------------------|
| ✓ Clear purpose                    | ✓ Open communication               |
| ✓ Informality                      | ✓ Clear roles and work assignments |
| ✓ Participation                    | ✓ Shared Leadership                |
| ✓ Listening                        | ✓ External Relations               |
| ✓ Civilised/(polite) disagreement  | ✓ Style Diversity                  |
| ✓ Consensus/(compromise) decisions | ✓ Self-Assessment                  |

### **TEAM BUILDING:**

Team building can be defined as the *process of planning and encouraging working practices that are effective and which minimise the difficulties* that obstruct [block] the team's competence [ability] and resourcefulness.

**According to Lusier**, "Team building is an organisational development technique used to *assist work group operate more efficiently and effectively*".

([https://www.youtube.com/watch?v=H\\_vOfqIpD60](https://www.youtube.com/watch?v=H_vOfqIpD60))

### **Benefits of Team Building:**

- Improve relationships
- Increases employees motivation
- Increases morale and ease/ (simplicity) conflicts
- Facilitates exchange of ideas
- Increases employee satisfaction
- Improves communication
- Provides organisational flexibility
- Enhances commitment to goals
- Expands job skills
- Provides higher levels of productivity

### **Limitations of Team Building:**

- Possibility of group think
- Focuses only on workgroup
- Complicated exercise
- Requires a huge time commitment



### **Guidelines for Team Building:**

- Emphasise common interests and values
- Use symbols to develop identification with the group
- Encourage and facilitate social interaction
- Tell people about group activities and achievements
- Conduct process analysis sessions
- Increase incentives for mutual cooperation

(<https://www.youtube.com/watch?v=CyRpK9HBIY>)

### **TEAM COMMUNICATION:**

Team communication is basically a *verbal or non-verbal message that is sent and received within a team* for the purpose of mutual understanding and acceptance. Effective team communication works to *reduce the confusion and misunderstanding* of the members.

### **Goals of Team Communication:**

- ✚ To disseminate / (spread) ideas
- ✚ To avoid duplicate work
- ✚ To eliminate confusion
- ✚ To monitor progress
- ✚ To provide feedback
- ✚ To take efficient action
- ✚ To encourage input

### **Limitation in team comm'n:**

- ❖ Unequal participation
- ❖ Not team players
- ❖ Limiting creativity
- ❖ Longer process
- ❖ Inherent/[natural] conflict

## DIFFERENCES BETWEEN TEAM AND GROUP:

Basis of differences	Team	Groups
Suitability	A team work best for <i>long-term projects</i> .	Groups are great for <i>short-term output</i> .
Sharing	Team frequently comes together for <i>discussion</i> .	Group comes together to <i>share information</i> .
Accountability/Responsibility	In a team there is <i>individual and mutual accountability</i> of each team members.	Group there is an <i>individual responsibility</i> .
Focuses	Teams are more focused on <i>team goals</i> .	Group focus on <i>individual goals</i> .
Definition	Team defines individual roles, responsibilities and tasks to help team to do its share and rotate them.	Group defines individual roles, responsibilities and tasks.
Concern	Team concern with <i>outcomes of everyone</i> .	Group concern with <i>one's own outcome</i> .
Head	Team leader	Manager
Members	7-12 members	2-4 members
Formation	<i>Difficult</i> to form	<i>Easy</i> to form

## LEADERSHIP

Leadership is the process of *influencing the behaviour of others to work willingly* for achieving predetermined goals. Leadership changes *potential into reality*. A leader is a person who *leads or guides or one who is in-charge or command* others who has influence or power, especially of a political nature.

According to Alan Keith, "Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen".

([https://www.youtube.com/watch?v=2JkdQCOCQ\\_0](https://www.youtube.com/watch?v=2JkdQCOCQ_0) )

## NATURE OF LEADERSHIP:

- Leadership is a process of influence
- Leadership is related to situation
- Leadership is the function of stimulation
- Leadership gives an experience of helping and attaining the common objectives
- Employees must be satisfied with the type of leadership provided
- There must be followers
- Working relationship between leader and followers
- Community of interests

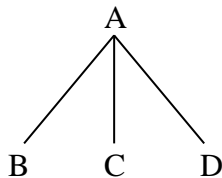
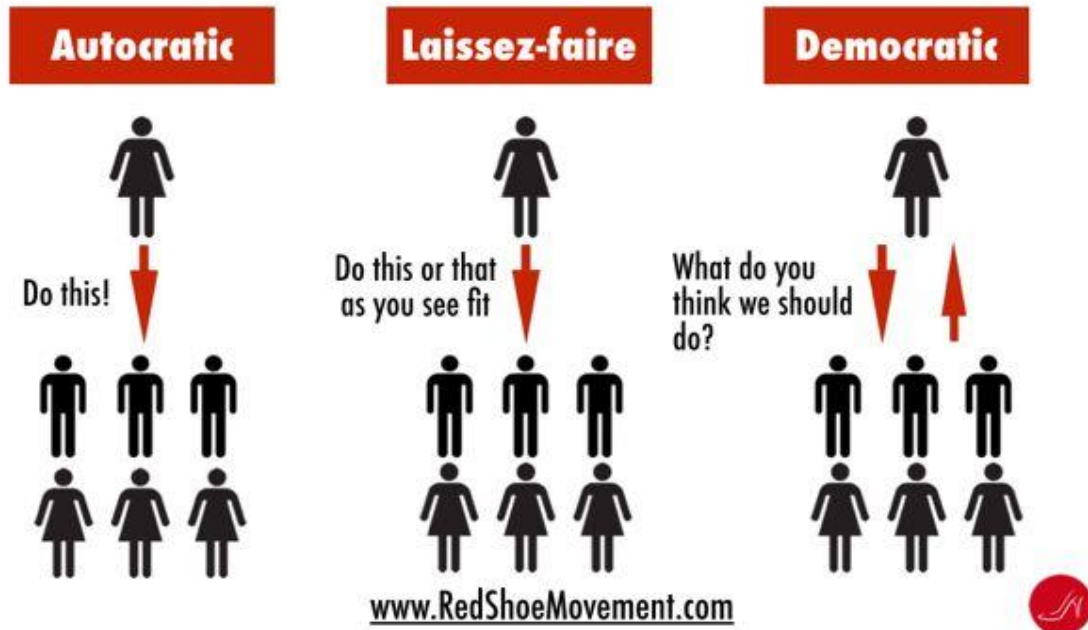
## BASIC QUALITIES OF LEADERSHIP:

- Ability to inspire others
- Problem-solving skills
- Emotional maturity
- Ability to understand human behaviour
- Willingness to take risks
- Dedication to organisational goals
- Intelligence
- Sound physique
- Foresight and vision

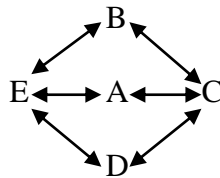
- Responsibility
- Leader should be trustworthy
- Leader should be confident on his view point

- Must do thing in systematic manner
- Significant level of tolerance
- Must be focused
- Committed to excellence

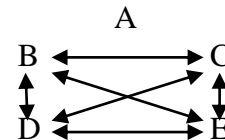
### LEADERSHIP STYLES:



**Autocratic**



**Participative**



**Free Rein**

#### **1. Autocratic /Dictatorial Leadership style:**

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. Under this style all decision making power is centralised in the leader.

Autocratic leadership may be negative because followers are uninformed, insecure and afraid of leader's authority.

#### ADVANTAGES:

- Facilitates fast Decision-making
- Increased Productivity
- Reduces stress
- Helpful in training new employees

- Improved logistics of operations



### **DISADVANTAGES:**

- Discourages followers development
- Increases leader's workload
- Induces fear and resentment[dislike]

- Increases dependency on leader
- Leads to frustration[disturbance]
- Exploit[with use of] people

### **2. Democratic/participative Leadership style:**

Participative leadership style decentralises managerial authority. The leader's decision is taken after consultation with his followers and after their participation in the decision making process.

The democratic leadership style, which is also participative by nature, is popular among the leader because it is people centred.

### **ADVANTAGES:**

- Increases acceptance of management's ideas
- Effective utilisation of follower's knowledge
- Increase follower's commitment
- Fosters professional competence
- Reduction of friction and office politics
- Reduced employee turnover
- High quality work

### **DISADVANTAGES:**

- Leads to misinterpretation about leader
- It is time-consuming
- Creates lack of responsibility
- Results in danger of pseudo[imitation] participation

### **3. Free rein or Laissez Faire Leadership style:**

A free-rein leader does not lead, but leaves the group entirely to itself. Group members work themselves and provide their own motivation.

Free-rein leadership ignores the manager's contribution approximately in the same way as the autocratic leadership ignores that of the group.

### **ADVANTAGES:**

- Provides freedom of direction
- Reduces work for leader
- Motivates team

### **DISADVANTAGES:**

- ✚ Increased stress levels for employees
- ✚ Results in lack of ownership
- ✚ Leads to lack of direction
- ✚ Leads to conflict among followers



## The Five Leadership Styles

Innovator	Developer	Activator	Maximizer	Stabilizer
<i>Design</i>	<i>Design and Build</i>	<i>Build</i>	<i>Build and Maintain</i>	<i>Maintain</i>
Bringing new ideas and original solutions to the marketplace. Thinking outside the box to solve problems.	Taking action on original solutions and learning along the way. Motto: Ready, Fire, Aim.	Moving forward to achieve challenging goals. Overcoming obstacles and getting things done.	Embracing the good of the past while making new changes. Working together with all different kinds of people	Keeping things running smoothly and efficiently. Creating systems that meet the highest standards of accountability.
<i>Creativity</i>	<i>Flexibility</i>	<i>Tenacity</i>	<i>Diplomacy</i>	<i>Consistency</i>



# 5 Types of Leadership Styles



## 1 Laissez-Faire

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style.

## 2 Autocratic

The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees.

## 3 Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader.

## 4 Transactional

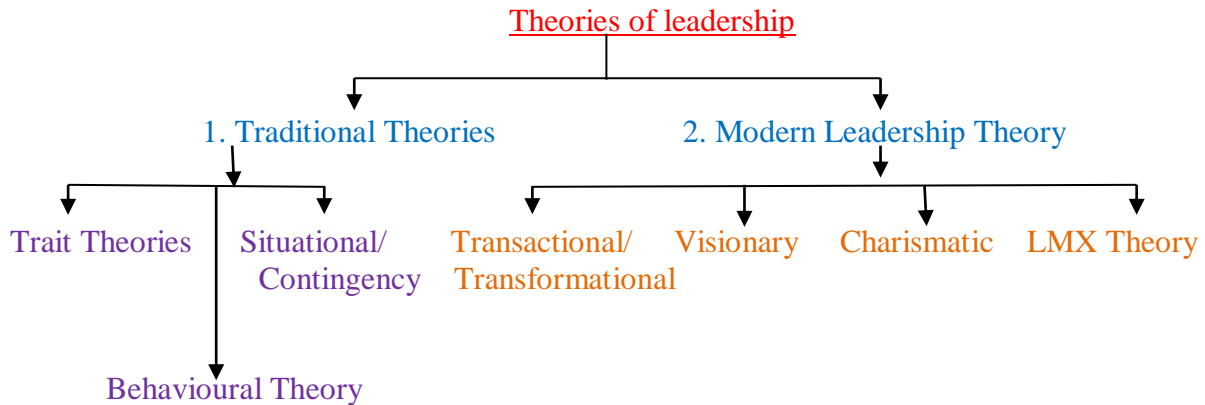
Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Employees receive rewards, such as bonuses, when they accomplish goals.

## 5 Transformational

The transformational leadership style depends on high levels of communication from management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

## **THEORIES OF LEADERSHIP:**

Leadership models help us to understand what makes leaders act the way they do.



### **1. Traditional Theories**

Interest in leadership increased during the early part of the twentieth century. Early leadership theories focused on what qualities distinguished between leaders and followers, while subsequent theories looked at other variables such as situation factors and skill levels.

#### **a. Trait Theories:**

It 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.

*Some of the important traits of an effective leader are discussed below:*

- i. Intelligence
- ii. Physical features
- iii. Inner motivation drive
- iv. Maturity
- v. Vision and Foresight
- vi. Acceptance of responsibility
- vii. Open-mind and adaptability
- viii. Self-confidence
- ix. Human relations attitude
- x. Fairness of objectives

#### **b. Ghiselli's personal traits:**

Edwin Ghiselli's has conducted extensive research on the relationship between personality and motivational traits and leadership effectiveness.

His findings suggest that the following personality traits range from being important to unimportant in relation to leadership success.

### **Very Importance:**

1. Decisiveness
2. Intellectual capacity
3. Job achievement orientation
4. Self-actualisation feelings
5. Self confidence
6. Management ability

### **Moderately Important:**

1. Affinity for working class
2. Drive and initiative
3. Need for a lot of money
4. Need for job security and
5. Personal maturity

## Almost no importance:

Masculinity [male] versus Femininity [female]

### b. Behavioural Theories

The behavioural theorists contend that a leader's style is oriented toward either an employee-centred or a job-centred emphasis.

- a. **Employee-centred:** In the employee-centred orientation, the leader emphasises developing friendly, open relationships with employees and is very sensitive to their personal and social needs.
- b. **Job-centred:** A job-centred orientation is one in which the leader emphasises getting the job done by planning, organising, delegating, making-decision, evaluating performance, and exercising close management control.

### c. Situation/Contingency Theories:

Contingency or situational theory advocates that leadership is strongly affected by the situation from which a leader emerges and in which he works.

This leader is a means of achieving the goals of the group and the members. He recognises the needs of the situation and then acts accordingly.

- a. Leadership effectiveness model
- b. Hersey and Blanchard's situational leadership
- c. Path-Goal Theory

## 2. Modern Leadership Theory:

Contemporary approaches to leadership seek to address the inherent limitations in traditional leadership theories by providing holistic view of leadership.

### 1. Transactional and transformational leadership:

Transactional leaders guide or motivate their followers in the direction of established goal by clarifying role and task requirements.

Transformation leaders inspire followers to transcend their own self-interests for the good of the organisation, and who is capable of having a profound and extraordinary effect on his or her followers.

### 2. Visionary Leadership:

It is described as going beyond charisma [personality] with the ability to create and articulate a realistic, credible, attractive vision of the future for an organisation or organisational unit that grows out of and improves on the present.

### 3. Charismatic Leadership:

This theory can be traced back to ancient time. A leader has some charisma which acts as influences. Charismatic leaders are those who inspire followers and have a major impact on their organisations through their personal vision and energy.

### 4. Leader-member exchange[LMX]:

The leader-member exchange theory occupies a unique position among leadership theories because of its focus on the dyadic relationship between leader and follower. Leaders and followers develop dyadic relationships and leaders treat each follower differently, resulting in two group of followers – an in-group and an out-group.



( dyadic- interaction)

## **Difference between Managers & Leaders**

<b>MANAGERS</b>	<b>LEADERS</b>
Administer	Innovate
Maintain	Develop
Control	Inspire
Short term view	Long term view
Ask how & when	Ask what & why
Initiate	Originate
Accept the status quo	Challenge the status quo
Do things right	Do right things.



## Leadership vs. Management

- |                      |                   |
|----------------------|-------------------|
| • Addresses 'why'    | • Addresses 'how' |
| • Inspiration/Vision | • Clarification   |
| • Service Focus      | • Profit focus    |
| • Strategy           | • Operations      |
| • Innovation         | • Improvement     |
| • Fulfillment        | • Performance     |
| • Versatility        | • Consistency     |
| • Alignment          | • Accountability  |



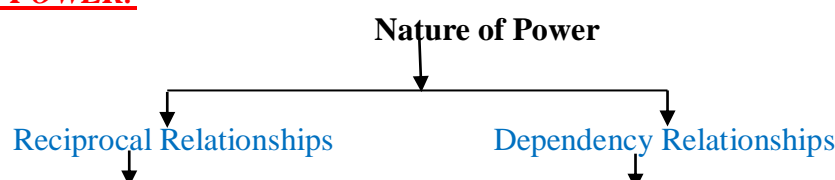
### **POWER:**

The term "Power" may be defined as the capacity to exert influence over others. The essence of power is control over the behaviour of others. Power is the degree of influence an individual or group has in decision-making, without being authorised by the organisation to do so.

According to Stephen P. Robbins, "Power is defined as the ability to influence and control anything that is value of other".

According to Max Weber, "Power is the probability that one actor within the relationship will be in a position to carry out his own will despite resistance".

### **NATURE OF POWER:**



- \*Power is specific -unequal Distribution
- \*People differ in terms of values -Resistance to change
- \*Power losers attempt to form Coalition [union] -Power can expand or contract

### SOURCE/ TYPES OF POWER:

## Sources of Power

- Formal power
  - Coercive power; **Fear** of negative result. Dictators thrive on this. Fear of dismissal in organization if I value or **depend** on my job
  - Reward power – opposite of fear, Reward.
  - Legitimate power- source of power is formal position in the organization.
- Personal power
  - Expert power – some body has influence because his expertise is valuable for organization
  - Referent power – people like, respect and admire stars, hence they exercise power over people as people want to please the stars.
- Dependency – The Key to power
  - Importance
  - Scarcity.

### POWER CENTRES:

Power centre is a person who is in close vicinity of higher management and whom management trusts and takes feedback from. It is very important to understand the actual people who are powerful in the company.

#### Ways to use power centres:

- ✓ Destabilise-[weaken/ threaten]
- ✓ Communicate
- ✓ Defuse resistance
- ✓ Be deliberate / conscious
- ✓ Dominate sequence
- ✓ Create definitive systems

### POLITICS:

Politics relates to the way a person is able to get power over others and the

#### Precautions while dealing with power centres:

- ❖ Identify and select more than one power centre
- ❖ Selectively disclose the things
- ❖ Make them feel important
- ❖ Never criticise the company or boss
- ❖ Maintain relations

way in which he uses power over others.  
It is a method of operating in order to influence the behaviour of others.

According to Stephen Robbins, “ Politics in organisation are those activities that are not required as part of one’s formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation”.

### NATURE OF POLITICS:

1. Politics behaviour involves some kind of power either directly or indirectly.
2. Politics involve the management of influence to obtain ends not sanctioned by the formal organisation.
3. Politics involves behaviour that is self-serving.
4. Politics takes place when an individual recognises that achievement of his goals is influenced by the behaviour of others.
5. All self-serving behaviour which does not involve use of power or threat of use of power cannot be termed as politics.

### LEVELS OF POLITICAL ACTION:

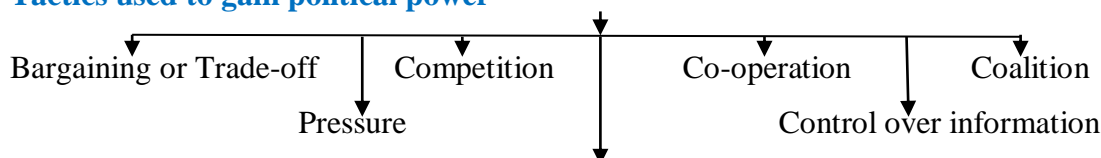
1. Individual level
2. Coalition[union] level
3. Network level

### POWER AND POLITICS:

Power is defined as “the ability to influence others” and corporate politics is “the carrying-out of activities not prescribed by policies for the purpose of influencing the distribution within the organisation”.

### TATICS USED TO GAIN POLITICAL POWER:

#### Tactics used to gain political power



Control over communication channels

### ORGANISATIONAL CULTURE:

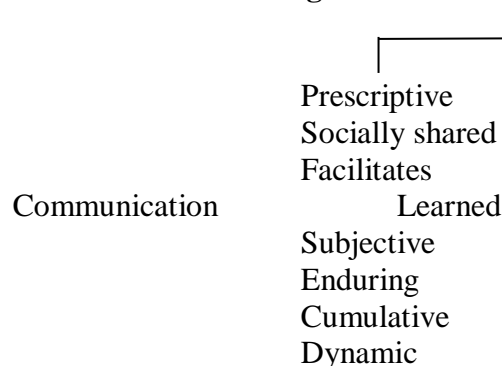
Organisational culture is the accumulated tradition of the organisational functioning. It is based on certain values, norms and positive attitudes of an organisation.

According to O'Reilly, “Organisational culture is the set of assumptions, beliefs, values, and norms that are shared by an organisation’s members”.

(<https://www.youtube.com/watch?v=MfL0ko4T3o> )

### CHARACTERISTICS:

#### **Characteristics of Organisation Culture**





<http://allthingslearning.wordpress.com/>

communications are frowned/ (dislike) upon.

## 2. Authoritarian and Participative culture:

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

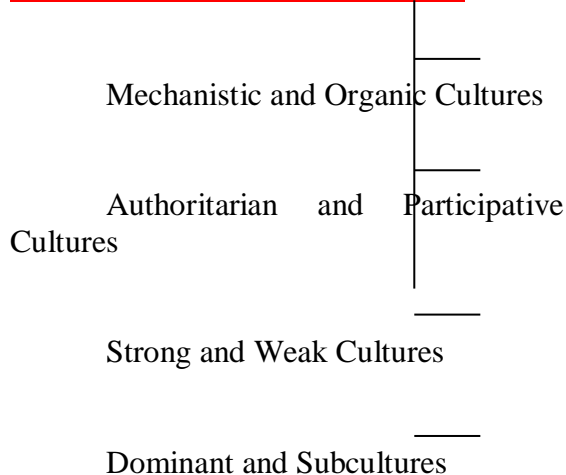
**Participative cultures** tend to emerge where most organisational members are professionals or see themselves as equals.

## 3. Strong and weak Cultures:

A **strong culture** will have a significant influence on employee behaviour manifest in reduced turnover, lower absenteeism, increased cohesiveness, and positive attitudes.

A **weak culture** is characterised by the presence of several sub-cultures, sharing of few values and behavioural norms by employees, and existence of few sacred traditions.

## Types of Organisational Culture:



### 1. Mechanistic and Organic Cultures:

In **Mechanistic Cultures** authority is thought of as flowing down from the top of the organisation down to the lower levels and communication flows through prescribed channels.

Contrast is the **Organic culture**. Formal hierarchies of authority, departmental boundaries, formal rules and regulations, and prescribed channels of

### 4. Dominant and Subcultures:

**Dominant culture** denotes the core values which are shared by majority of the employees in the organisation it is the macro-cultural perspective that presents the organisation's personality.

**Sub-cultures** are denoted by units/departments/geographic separations. Subcultures can be distinctive because of the age, class, location and gender of the members.

## IMPORTANCE OF ORGANISATIONAL CULTURE ↓

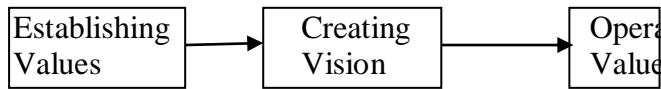
- It is a Talent Attractor
- Creates greater synergy
- Acts as Control system

- Engages People
- Makes every one responsible
- Operates as a self-regulating system

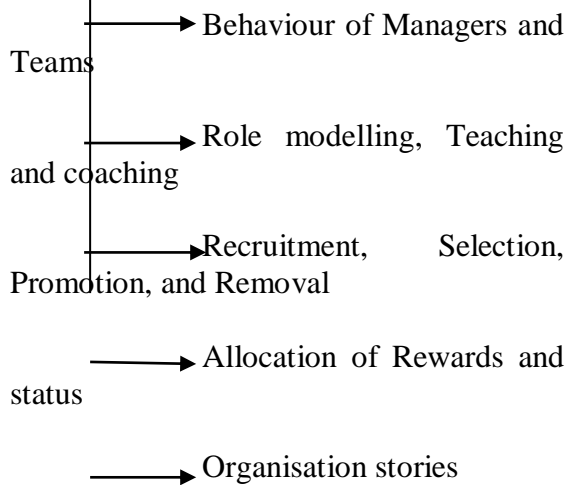
- Helps in sense making



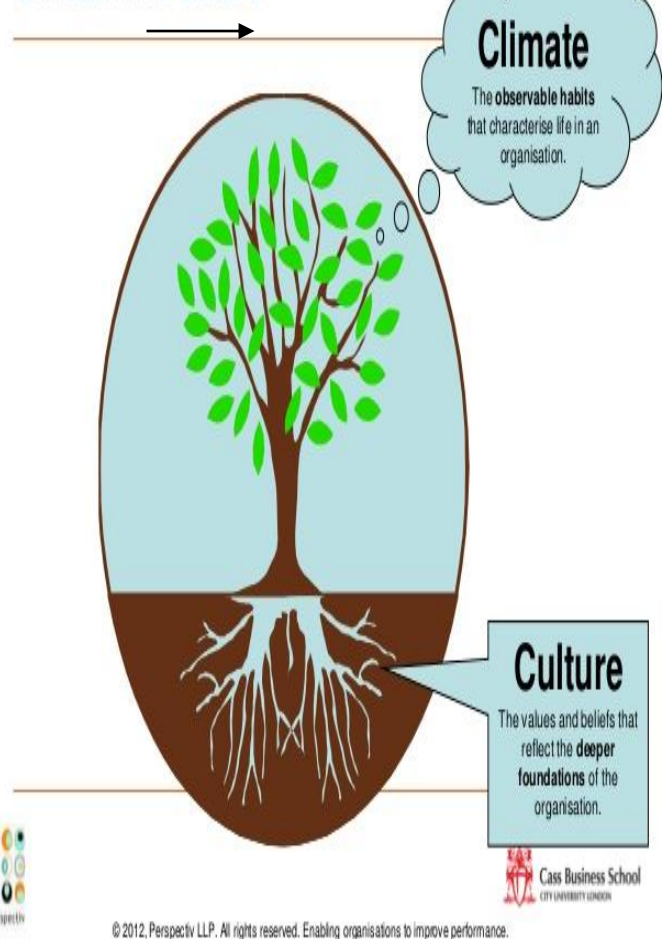
## PROCESS OF CREATING ORGANISATIONAL CULTURE



## METHODS OF SUSTAINING ORGANISATIONAL CULTURE



Climate AND culture



## ORGANISATIONAL CLIMATE:

Organisational Climate is very important factor to be consider in *studying and analysing organisations*, because it has a profound influence on the outlook, well-being and attitudes of organisational members and thus, on their total performance.

(<https://www.youtube.com/watch?v=pc9CIqkbRA>)

## COMPONENTS:

- Members' concern
- Interpersonal relationships
- Degree of control
- Individual freedom
- Type of structure
- Management orientation



- Reward system
- Risk-taking
- Conflict Management
- Degree of trust

### IMPORTANCE OF ORGANISATIONAL CLIMATE

- Increased employee performance
- Develop strong relationship
- Determinant of success or failure
- Managers can get there work done easily
- Develops confidence
- Resource conservation
- Social benefit
- Reduces turnover
- Develops a sense of attachment with organisation
- Develops healthy organisation

## Organizational Culture Vs Org.Climate

ORGANIZATIONAL CULTURE	ORGANIZATIONAL CLIMATE
Based on anthropology and sociology	Based on psychology
Members learn and communicate what is acceptable or unacceptable in the organization	It does not deal with values & norms, it is concerned with the current atmosphere in the organization.
It is long lasting	It is developed through the managerial prescriptions

### ORGANISATIONAL CHANGE:

Change refers to any alteration that occurs in total environment. Organisational changes are the changes of attitude, natures and interest of employees, technological and environmental changes related to an organisation and changes in rules and regulations affecting the organisation.

*According to Organisation Development and Research Organisation,* "Organisational change is the implementation of new procedures and technologies intended to realign an organisation with the changing demands of its business environment or to capitalise on business opportunities".

<https://www.youtube.com/watch?v=EJKna1takOI>



### NATURE OF ORGANISATIONAL CHANGE:

- ❖ Change is a continuous process
- ❖ Change affects whole organisation
- ❖ Change is perceptual and Behavioural
- ❖ Change affects individuals in the multiple roles
- ❖ Change is natural
- ❖ Change may be planned or unplanned
- ❖ Change may be transformational
- ❖ Initiation of change efforts

## *Kotter's 8 step change model*



[www.oneclearmessage.co.za](http://www.oneclearmessage.co.za)

( Coalition- combination/ union/ partnership)

### **IMPORTANCE OF ORGANISATIONAL CHANGE:**

#### **1. Changes in environment**

- a. Economic and market changes
- b. Technological change
- c. Legal/Political changes
- d. Resources availability changes – money, materials and human resources

#### **2. Changes in managerial level - human resources**

- a. Promotion of junior level managers to higher level
- b. Dismissal or lay-off from the job of the managers
- c. Resignation or turnover of managers from company service.

#### **3. Deficiency in present organisation**

- a. Duplication of work
- b. Working procedure
- c. Barriers in communication process

#### **4. Check the growth of inflexibility**

- a. Employee goal change
- b. Work / job technology changes
- c. Organisational structure, climate and goal change

**{Layoffs -** *Suspension or termination of employment (with or without notice) by the employer or management. Layoffs are not caused by any fault of the employees but by reasons such as lack of work, cash, or material. Permanent layoff is called redundancy/ Dismissal.* }

### **TYPES OF CHANGES:**

#### **1. RADICAL CHANGE**

Large scale transition to a different state of operation affecting the entire organization. To maximize engagement, encourage staff to consider what things about their organization are intrinsic regardless of its structure. Also known as 'fundamental change'.

#### **2. INCREMENTAL CHANGE**

Continuous, small improvements to an organization made in an on-going manner. This may be the result of a continuous improvement program such as Total Quality Management.

#### **3. DEVELOPMENTAL CHANGE**

Designed to increase the capacity of the organization without incurring/ suffer significant shifts in operating structures or process re-engineering. To maximize engagement, emphasize the stabilizing nature of the improvements being made to the organization.

#### **4. REMEDIAL CHANGE**

Occurs in reaction to a problem, threat or challenge faced by an organization. Effectiveness of change efforts can be gauged/ measured relatively by judging whether the problem has been resolved. Sometimes also known as unplanned changes.



## 5. TRANSFORMATIONAL CHANGE

*Involves a re-imagining of an organization's vision, organizing principles, processes, and way of working, products & services. Requires significant buy-in from all levels of staff and is typically led in a top-down manner. To maximize engagement, ensure communications about the transformation are clear coherent/ reasonable and consistent/ reliable.*

## 6. PROCESS & SYSTEM CHANGE

Shifts to workflows, information pathways, resource allocation, and production systems designed to optimize how an organization creates and captures value. Such changes may also require significant behavior changes from individuals affected.

## 7. PEOPLE & CULTURE CHANGE

Activities designed to influence the values, norms, roles assumptions, & leadership style that form the organization's culture to align with its mission, vision and strategy. Designed to influence the way in which people communicate, motivate each other, approach problems and work in teams. Typically a long-term project.

## 8. STRUCTURAL CHANGE

Changes to an organization's hierarchy of authority and structural characteristics such as the organization of its business units or internal groups.

## 9. MERGER/ACQUISITION CHANGE

*The integration of two (or more) organizations, with different cultures, systems, values and work practices. Change management efforts typically concentrate on maintaining workplace stability and morale in order to minimize employee attrition.- (reduction in staff).*

## 10. DE-MERGER CHANGE

Involves developing new leadership capacities, processes and competences in order to allow two or more business units that once acted as a single entity to act independently. May result from strategic planning or transformational change efforts. Often involves a strategic reevaluation by senior management of resulting entities.

## 11. DOWNSIZING CHANGE

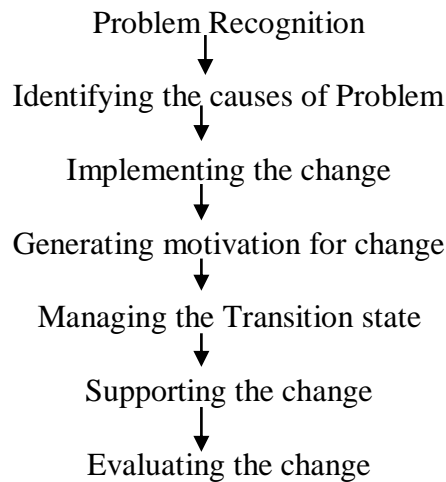
Involves an intentional reduction in the workforce size of an organization in response to an environmental pressure with the aim to improve efficiency and effectiveness. Change management initiatives focus both on minimizing negative impacts to morale, trust and productivity, assisting the restructuring of work processes and supporting remaining staff through training and coaching efforts.

## 12. RELOCATION CHANGE

Change management initiatives focus on creating clarity around the reasons for the move, what to expect at the new site and communicating the what specific behaviors are required from individuals and groups to ensure uninterrupted service to internal & external customers.

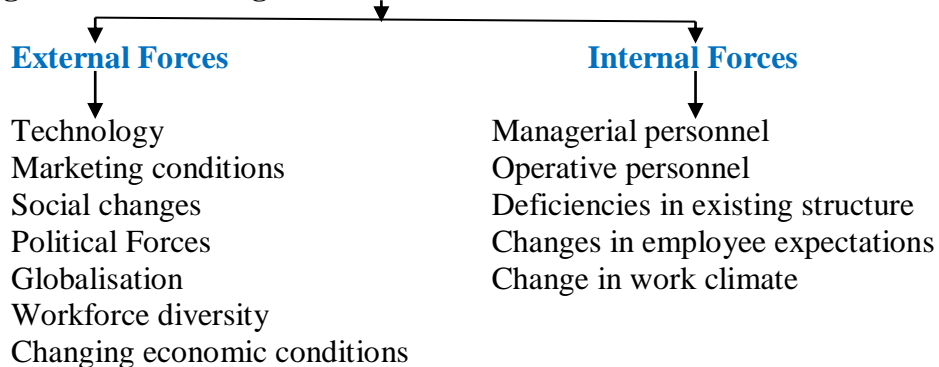
**↓DOWNSIZING** is reducing the number of employees on the operating payroll. Some users distinguish *downsizing* from a layoff, with downsizing intended to be a permanent downscaling and a layoff intended to be a temporary downscaling in which employees may later be rehired. **↓**

## **ORGANISATIONAL CHANGE PROCESS:**



## **FACTORS/ FORCES OF ORGANISATIONAL CHANGE:**

### **Factors of Organisational Change**



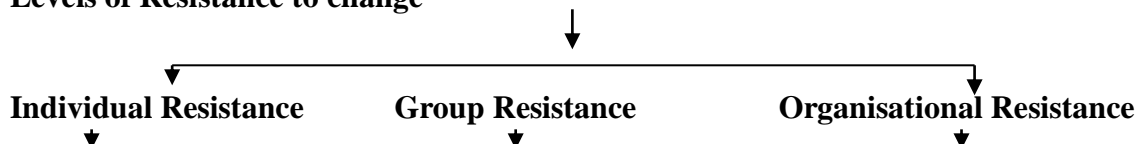
## **RESISTANCE TO ORGANISATIONAL CHANGE:**

Resistance to change involves employees' behaviour *designed to discredit, delay or prevent the change* introduced for the development of an organisation. They resist because they are *afraid of their job security, working conditions, status, regression/back or return* and other factors.

According to Lines, "Resistance to change can be defined as behaviours that are acted out by change recipients in order to slow down or terminate an intended organisational change".

## **LEVELS OF RESISTANCE TO CHANGE:**

### **Levels of Resistance to change**





- |  |  |   |
|--|--|---|
| 1) Habit                               | 1) Group norms                             | 1) Power and Conflicts                      |
| 2) Security                            | 2) Group cohesiveness/<br>unity            | 2) Differences in functional<br>Orientation |
| 3) Economic factor                     | 3) Group think and<br>Escalation/ [growth] | 3) Mechanistic structure                    |
| 4) Fear of the unknown                 | Commitment                                 | 4) Organisational culture                   |
| 5) Selective information<br>Processing |  |   |

{A *mechanistic structure*, also known as a bureaucratic *structure*, describes an *organizational structure* that is based on a formal, centralized network. In *mechanistic organizations*, authority reflects a well-defined hierarchy where top-level managers make the majority of the decisions. }

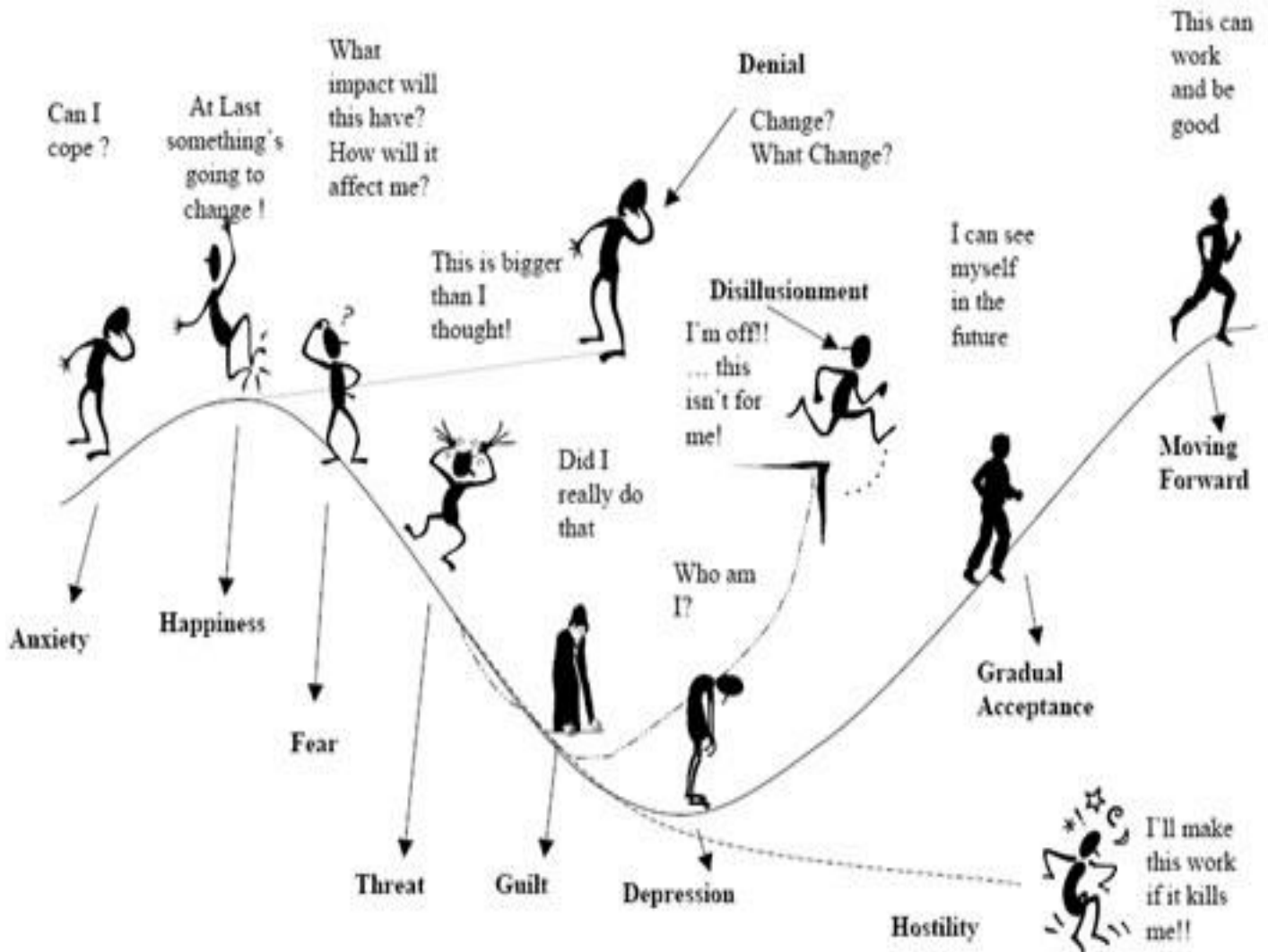
### **DEALING WITH RESISTANCE TO CHANGE:**

- ✓ Participation and involvement
- ✓ Communication and education
- ✓ Leadership
- ✓ Negotiation and agreement
- ✓ Willingness for the sake/ purpose of the group
- ✓ Timing of change
- ✓ Selecting people with accept change

### **MANAGING CHANGE:**

Change Management is the process of developing a planned approach to change in an organisation.

According to Gabler, “Change management is the strategy of planned and systematic change, which is achieved by the influence of the organisational structure, corporate culture and individual behaviour, under the greatest possible participation of the employees”.



{Denial- rejection/ disagreement  
Hostility- opposition/ unfriendliness

Anxiety- nervousness/ worry/ fear  
Disillusionment-disappointment}

### LEADING THE CHANGE PROCESS:

Leading change is one of the *most important and difficult leadership responsibilities*. To effectively lead change, one must recognise that the phenomenon of “change” does not need managing as much as do the people involved with it.

1. Align individual priorities with organisational goals
2. Learn to live with Ambiguity[doubt]
3. Understand the leadership style First
4. Change what one can change – oneself
5. Influence what one cannot change – others
6. Become an early adopter
7. Create a community of peers
8. Help other employees cope with change

9. Encourage communication among peers
10. Believe in the change and speak up

**Guidelines for facilitating change:**

- 1. Unfreezing the system-**
  - a. Creating dissonance/[conflict]
  - b. Sharing information
  - c. Creating contacts with the external world
  - d. Enlisting top management support
  - e. Reward for change efforts
- 2. Facilitating the movement-**
  - a. Establishing clear goals
  - b. Involving people in change
  - c. Focusing on the total system
  - d. Developing support systems
- 3. Re-establishing the equilibrium-**
  - a. Rewarding /celebrating desired behaviour
  - b. Planning for incremental success
  - c. Creating social bonds
  - d. Institutionalising the change

**CHALLENGES IN CHANGE MANAGEMENT:**

❖ **Perceptual barriers**

- a. Problem recognition
- b. Too narrow scope of the problem
- c. Information overload
- d. Misjudgements

❖ **Emotional Barriers**

- a. Risk-Aversion
- b. Lack of ability to process incomplete
- c. Preference to evaluate existing ideas instead of generating new ideas
- d. Not taking time for thinking

(**Risk averse** is a description of an investor who, when faced with two investments with a similar expected return (but different risks), will prefer the one with the lower risk.)

❖ **Cultural Barriers**

- a. More focus than imagination
- b. Problem-solving is seen as a serious matter
- c. Reasons and intuition/ (sixth sense)
- d. Tradition and change

❖ **Environmental Barriers**

- a. Lack of support
- b. Lack of ability to accept criticism
- c. Managers who always know the answer

### ❖ Cognitive Barriers

- Use of wrong terminology
- Sticking to strategies
- Lack of complete and correct information

**(Cognitive-** relating to, or involving conscious mental activities (such as thinking, understanding, learning, and remembering))

### ORGANISATIONAL DEVELOPMENT (OD):

Organisation development is a body of *knowledge and practice that enhances organisational performance and individual development*. Organisation development is the process of *bringing change in the entire aspects* of the organisation.

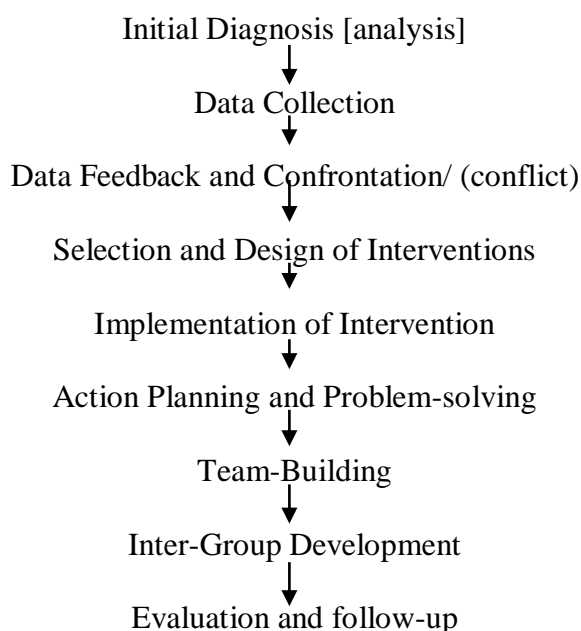
According to Lippitt G.L., “Organisational Development is the strengthening of those human processes in organisation, which improve the functioning of the organic systems, so as to achieve its objectives”.

(<https://www.youtube.com/watch?v=078wEroQm3k> )

### CHARACTERISTICS OF ORGANISATIONAL DEVELOPMENT:

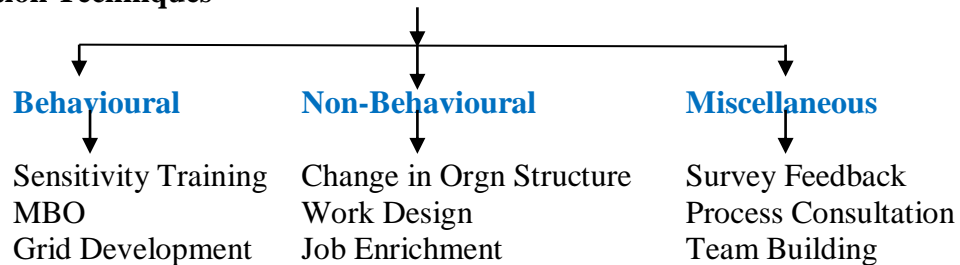
- OD is a planned strategy to bring about organisational change
- OD programs include an emphasis on ways to improve and enhance performance
- OD relies on a set of humanistic values about people and organisations
- OD always involves a collaborative approach to change
- OD represents a systems approach
- OD is based upon scientific approaches to increase organisation effectiveness

### PROCESS OF ORGANISATIONAL DEVELOPMENT



## **ORGANISATION DEVELOPMENT TECHNIQUES:**

### **OD Intervention Techniques**



(*Sensitivity training* is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. Social sensitivity in one word is empathy. It is ability of an individual to sense what others feel and think from their own point of view.)

## **SIGNIFICANCE OF ORGANISATIONAL DEVELOPMENT:**

- ❖ Provides Recognition
- ❖ Boost developmental activity
- ❖ Increase Effectiveness
- ❖ Competitive Environment
- ❖ Enhance Employee power
- ❖ Defines company's strategy
- ❖ Defines company's structure
- ❖ Identification of functional areas
- ❖ Appraisal
- ❖ Helps in analysis

## **LIMITATION:**

- ✓ Based on behavioural science concepts
- ✓ Requires Initiators
- ✓ Requires consideration of circumstances
- ✓ Other limitations
  - a. Time consuming
  - b. Substantial expense
  - c. Delayed pay-off period
  - d. Possible failure
  - e. Possible invasion of privacy
  - f. Possible psychological harm
  - g. Emphasis on group process rather than performance
  - h. Difficulty in evaluation

## **ORGANISATIONAL EFFECTIVENESS:**

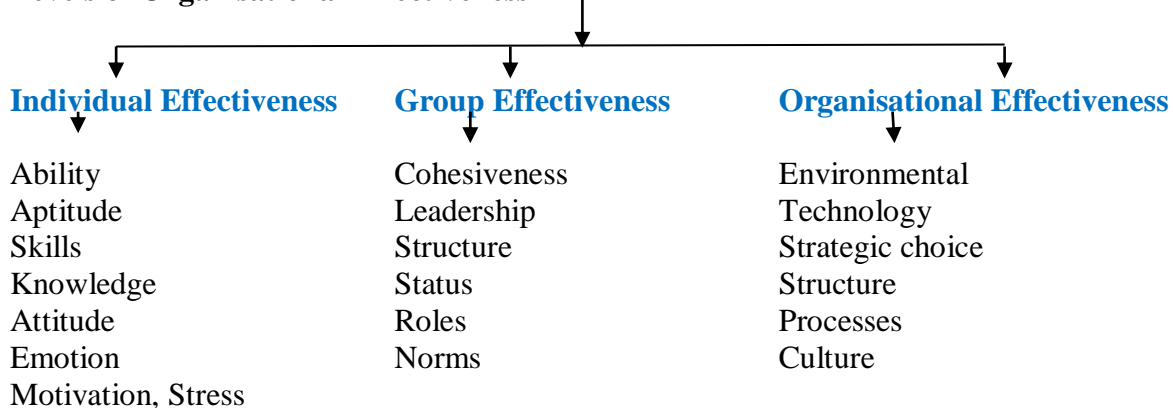
Organisational effectiveness is the extent to which an organisation achieves its goals with the given resources and means. An organisation is said to be effective if it is able to achieve its goals.

**According to Price**, "Organisational effectiveness is the degree of achievement of multiple goals".



### **LEVELS OF ORGANISATIONAL EFFECTIVENESS:**

#### **Levels of Organisational Effectiveness**



### **INDICATORS OF ORGANISATIONAL EFFECTIVENESS:**

- |                      |   |                 |            |
|----------------------|---|-----------------|------------|
| 1. Innovation        | 2. Results                              | 3. Productivity | 4. Absence |
| 1. Fiscal Indicators | 6. Perceptions of Corporate Performance |                 |            |

## UNIT- V

### EMERGING ASPECTS OF ORGANIZATIONAL BEHAVIOUR

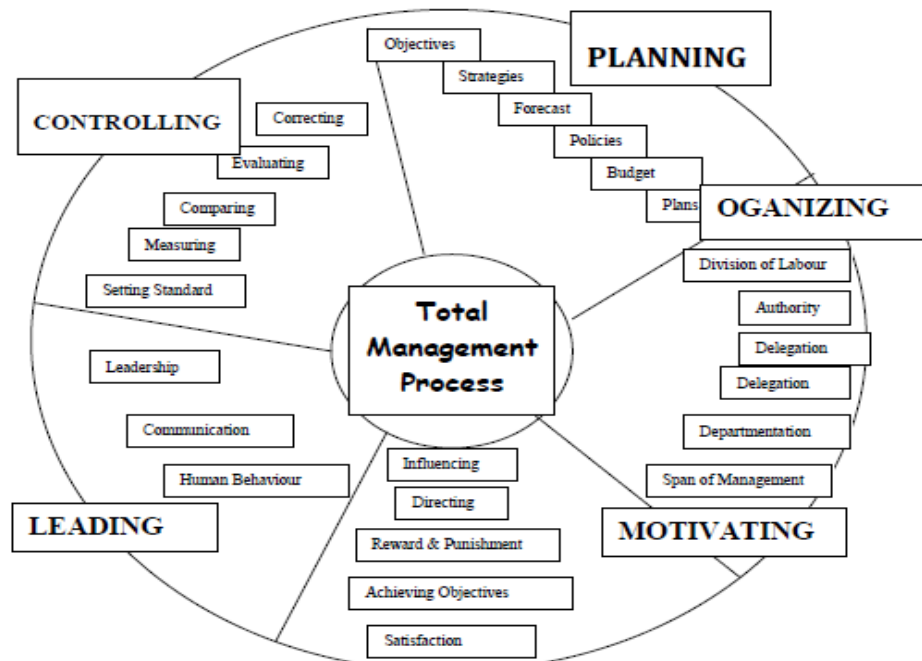


Figure -1.1: Management Functions

### **Comparative Management Styles and approaches:**

Management is an activity of converting disorganized human and physical resources into useful and effectively results. It deals with setting, seeking and reaching objects. The success of an individual, group, or organization mostly depends on the effectiveness of management. Despite its importance to everyone, management is one of the most nebulous and at the same time the most ubiquitous functions in all societies being found in the homes, churches, governments and economic undertaking of all peoples.

Management is the act of managing something. Management is creative problem solving. This creative problem solving is accomplished through the functions of management. It is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Koontz and Weihrich, 2000).

### **Traditional Management Styles:**

There are different management philosophy and principles developed by management specialists in different ages to be a successful manager. With the change of world and views of people these philosophy are changed and are changing continuously. With the changing nature best thinker of management and successful manager of developed country introduced different management styles those are considered as a proven method of organizational success.

Now the following distinct management styles are well known in the globalize world and their applications have distinctness in different culture:

- I) Japanese management styles
- II) American management style
- III) Chinese management style

Since their style of management is different from each other, management values of those are not indifferent. Practices of the above mentioned management styles discussed with their characteristics below (Rahman & Islam, 2010).

### *I. Japanese Management Style:*

The socio cultural traits of Japanese people have imbued in them a perception, a belief and a behavior at workplace congenial for high productivity, fast industrialization and innovation. In contrast to the western individualism, the “Groupism” of the Japanese makes them more cooperative, contributive, supportive to the others in the group and hence the organization (Chang, 1982). General characteristics of Japanese management are: “Japanese accepts ambiguity, uncertainty, and imperfection as much more of a given organization life (Pascale and Athos, 1981).”

Another specialist group concluded that Japanese management was based on the philosophy and organization culture that emphasize (Lee, 1987). Hard work for common goals, Consultative decision making, Two way communication, Long term planning, Sharing of overall objectives of the organization by the employees at all levels, Establishing harmony and loyalty between works and management, and showing a degree of concern for people and their values.

Another contemporary management specialist identified some characteristics of Japanese management style, these are:

**Planning:** Long term oriented.

**Decision making:** Collectively, flow of decision is top to bottom (in case of critical decision), flow of decision is bottom to top (in case of non critical decision), process of decision making slow but implementation is swift.

**Organizing :** Informal organizational structure, well known common organizational culture, collective responsibility and accountability.

**Staffing:** Recruitment takes place at entry level, life time employment common in companies, promotion based on long term performance, loyalty to the company.

**Leading:** Paternalistic style of leadership is applicable, leader acting as a social facilitator and a group member.

**Controlling:** Control by peers, focus on group performance, and extensive use of Quality control circles (Rahman & Islam, 2010).

### *II. American Management Style:*

American management style can be described as individualistic in approach, in so far as managers are accountable for the decisions made within their areas of responsibility. Although important decisions might be discussed in open forum, the ultimate responsibility

for the consequences of the decision lies with the boss — support or seeming consensus will evaporate when things go wrong.

Therefore, American managers are more likely to disregard the opinions of subordinates than managers in other, more consensus or compromise- oriented cultures. This can obviously lead to frustrations, which can sometimes seem to boil over in meeting situations ([www.AMS](http://www.AMS)).

The quality movement in the west began in the United States at the turn of the 20th century. One of the first

attempts of the movement was done by Frederick Winslow Taylor who introduced new approach to improve the work of unskilled workers in industrial organizations known as father of scientific management (Wehrich and Koontz, 2000). The western management style is not static at all. It characterized by different views which are currently applicable in different organizations. D.M Flynn has made comparison between the characteristics of the top management in Japan and the U.S.A, as given below:

Wehrich H and Koontz H identified some characteristics of American management style are the followings:

**Planning:** Short term oriented;

**Decision making:** Emphasis individual decision making, decision initiated at the top and flowing down, process of decision making swift but implementation process is slow.

**Organizing:** Formal bureaucratic organizational structure, individual responsibility and accountability;

**Staffing:** Job is not secured; promotion based on short term performance, primarily based on individual performance, loyalty to the profession;

**Leading:** Directive style of leadership is applicable, leader acting as a decision maker and head of the group;

**Controlling:** Control by superior, Focus on individual performance, Limited use of quality control circles.

### ***III. Chinese Management Style:***

Now China is considered as an emerging tiger in the globalize world among the truly developed country. Behind the success of the Chinese there have some management factors which played an important role for assisting Chinese to be unique one in the modern competitive world. Management style of Chinese is not characterized as an exclusive one but the combination of Japanese and American. The following characteristics of Chinese management style are discovered by (Wehrich and Koontz, 2000).

**Planning:** Long term and short term orientation ;

**Decision making:** Decision making by the committees; at the top often individual, flow of decision is top to bottom, process of decision making slow and implementation process also slow compare with Japanese and American management style.

**Organizing:** Formal bureaucratic organizational structure, collective and individual responsibility and accountability;

**Staffing:** Job secured, promotion based on performance, potential ability, and performance, lack of loyalty to the company and profession;

**Leading:** Directive style of leadership is applicable (parent child relations), Leader acting as a head of the group (committee);

**Controlling:** Control by group leader (Superior), focus on group as well as individual performance, limited use of quality control circles.

Though all traditional management styles are not same but views are not different at all. Every style has common a goal to increase productivity through the proper utilization of human resources known as internal people of the firm. Practices of management depend on culture of the specific region. With the changes of time traditional management also amend their views to cope

### **Techniques of Japanese Management Practices:**

In Japan, life-time employment means limited upward mobility. Movement is predominantly lateral through job rotation. Promotions are based on seniority.

#### **Techniques are as follows,**

##### **i. Job rotation and slow promotion:**

In Japan, life-time employment means limited upward mobility. Movement is predominantly lateral through job rotation. Promotions are based on seniority.

##### **ii. Complex appraisal system:**

In addition to the output, employees are appraised on the basis of traits such as creativity, honesty, seriousness, maturity and cooperation with others. Employees' performance in the long run is given more importance, since evaluation is done not exactly on the basis of immediate performance. Employees are naturally motivated to demonstrate loyalty and commitment by their attitudes and actions.

##### **iv. Emphasis on work groups:**

The Japanese system gives far greater attention to organising tasks around groups than around individuals. Autonomous work teams are constituted. Tasks are assigned to such teams and the group members of the team then decide among themselves the best way for performing the tasks.

##### **v. Open communication:**

The Japanese system is inherently designed to foster open communication. Job rotation and emphasis on groups means that employees build an informal network that facilitates extensive face to face communication. The physical work setting is also designed to foster communication. People work in cubicles and in open space which facilitate interaction and open communication.



#### **vi. Consensus decision- making:**

In the Japanese model, the manager while taking decisions discusses them to those who may be affected by the decision. When all are familiar with the proposal, a formal request for a decision is made, and as a result of the previous informal preparations, it is easily ratified.

#### **vii. Concern for the employee:**

Managers spend a great deal of time talking to employees about everyday matters. They take keen interest in employees' needs and problems. In fact, the concern for employees is one of the parameters on which managers performance is appraised. Japanese companies offer a wide range of benefits to their employees. Beyond the usual incentives, a comprehensive offering of cultural, athletic, and recreational activities are very common.

For instance, an annual calendar of office events might include several overnight trips, monthly Saturday afternoon recreation, and an average of six office parties- all at the company's expense. In addition, welfare measures like subsidized family housing for married, dormitories for the unmarried, nurseries for pre-school children, scholarships for children, mortgage loans and the like speak a lot about the concern for employees.

### **CREATIVITY AND INNOVATION:**

An Important factor in managing people is creativity. A distinction. The term creativity usually refers to the ability and power to develop new ideas.

Innovation, on the other hand, usually means the use of these ideas. In an organization, this can mean a new product a new service (or) a new way of doing things. It is implied that organization not only generate new ideas but also translate them into practical application.

<https://www.youtube.com/watch?v=M3hTB0S1Gts>

#### **The creative process:**

The creative process is seldom simple and linear. Instead, it generally consists of four overlapping and interacting phases : (The following are :

1. Unconscious Scanning.
2. Institution
3. Insight
4. Logical formulation.

#### **1. Unconscious scanning:**

The first phase, unconscious scanning, is difficult to explain because it is beyond conscious. This scanning usually requires an absorption in the problem which may be vague in the mind. Yet managers working under time constraints often make decision prematurely rather than dealing thoroughly with ambiguous ill – defined problem.

## 2. Intuition:

The phase (intuition) connects the unconscious with the conscious. This stage may involve a combination of factors that may seem contradictory at first. Intuition needs time to work. it requires that people find new combination and integrate diverse the concept and ideas. Thus, one must think through the problem. Intuitive thinking is promoted by several techniques such as brain storming and sanctions.

## 3. Insight :

The third phase insight, is one of the creative process. It is mostly result of hard work. For example; may ideas are needed in the development of a usable product, a new service (or) new process. Interestingly insight may come at times when the thoughts one not directly focused on the problem at hand.

## 4. Logical formulation :

The last phase in the creative process is logical formulation (or) verification. Insight needs to be tested through logic (or) experiment. This may be accomplished by continuing to work or on idea (or) by inviting critiques from other. Brown and Sloan idea of decentralization, for example, needed to be tested against organization reality.

## INNOVATION;

Peter Drucker suggest that innovation applies not only to high – tech companies but equally to low – tech, established business. Worth while innovation is not a matter of sheer, it requires systematic and rational work, well organized and managed for results.

Innovation comes about because of some of the following situations.

1. The unexpected event, failure (or) success.
2. the Incongruous – what is assured and what really is .
3. the process (or) task that needed improvement.
4. changes in the market (or) industry structure.
5. changes in demographics.
6. changes in meaning (or) in the way things are perceived.
7. Innovation based on knowledge.

On bright – ideas may be very risky and are, at times, not successful, exp General Electric's ambition plans for the “factory of the future” may have been a costly mistake. These plans may have been based on unrealistic forecast and GE’S unrealistic expectations to automatic industry.

## **HARMONIZING OBJECTIVES**

People do not work in isolation, rather they work to a great extent and enterprise objectives. Unfortunately, these objectives are not always harmonious likewise, the goals of sub – ordinates are not always the same as those of the superior, therefore, one of the most important activities of managers is to harmonize, the needs of individuals with the demand of enterprise.

### **To develop an understanding of**

- Conditions affecting multinational operations
- Managing International Workforce
- Productivity and cultural contingencies
- Cross cultural communication

## **Conditions affecting Multinational operations:**

Today many organizations do business in more than one country. These multinational organizations add new dimensions to organizational behaviour as communication lines are lengthened and control often becomes difficult. In this context, it is necessary that managers acquire both language and intercultural skills in dealing with people- customers, suppliers, competitors and colleagues from other countries as they are taking a risky step into different social, legal, political and economic environments- the primary conditions affecting multinational operations.

### **Social condition:**

The overriding social conditions affecting multinational operations are:

- (a) Poorly developed human resources which limit the ability to employ local labour productively. Needed skills are temporarily imported from other countries and vast training programs begin to prepare local workers.
- (b) Local culture not being familiar with advanced technology or complex organization
- (c) Differences in work ethic of employees across cultures.

### **Legal and Ethical Conditions**

The overriding Legal and Ethical conditions affecting multinational operations are:

- a) Difference across countries in their legal systems and specially in their relevant employment laws and business practices.
- b) Difference across countries in the judicial system regarding time for disposition of cases and penalties for seemingly minor offences.
- c) Differences across countries in local mores, customs and ethical behaviours.
- d) The treatment of women and other minorities to prohibit workplace discrimination.

### **Political Conditions:**

The overriding Political conditions affecting multinational operations are:

- (a) Instability of the government of the host country spills over onto organizations that wish to establish or expand operations in host country, making them cautious of further investments. This organizational instability leaves workers insecure and causes them to be passive and low in initiative.
- (b) Strong nationalistic drive may impel locals to desire to run their country and their organizations by themselves, without interference by foreign nationals- a foreign manager simply may not be welcome.

(c) Organized labour in many nations is not an independent force but is mostly an arm of the authoritarian state. In other nations labour is somewhat independent, but it is socialistic, class-conscious and oriented towards political action more than direct negotiation with organizations. Employers find that the state tends to be involved in collective bargaining and other practices like employee layoffs and employee transfers affecting workers.

### **Economic Conditions**

The overriding Economic conditions affecting multinational operations are:

- a) Low per capita income
- b) Rapid inflation making the economic life of workers insecure.

It encourages them to spend rapidly, not to save for retirement security, develops their dependence on the government which is often incapable of responding and gives rise to social unrest.

### **Managing an international workforce**

Whenever the geographical boundaries of an organization spans over two or more countries, it will then face the challenge of blending various cultures. Multiculturalism occurs when the employees in two or more cultures interact with each other in a regular basis. Expatriates ( both parent country nationals from the nation in which home office is located or third country nationals from some other nations) need to adjust their leadership styles, communication patterns and other practices to fit the culture of their host country.

An expatriate manager may find several obstacles to a smooth adaptation to a new culture. An early requirement for overcoming such obstacles is to acquire cultural awareness of the multiple ways in which cultures differ.

### **Individual differences**

Five major dimensions that result in sharpest differences among employees include-individualism/collectivism, power distance, uncertainty avoidance, masculinity /femininity and time orientation.

- Cultures that emphasize individualism tend to accent individual rights and freedoms, have very closely knit social networks and place considerable attention on self-respect. Collectivism heavily accents the group and values harmony among members. Individual feelings are subordinated to the group's overall good. Face saving (maintaining one's self image in front of others) is highly important in collectivistic cultures.
- Power distance refers to the belief that strong and legitimate decision making rights separate managers and employees in different cultures.
- Uncertainty avoidance is the value for clarity and preference to avoid ambiguity at work in different cultures.
- Masculinity and femininity is the way of defining gender roles in more traditional and stereotypical ways or having a broader viewpoint on the great variety of roles that both males and females can play in the workplace and at home in different cultures.
- Time orientation is the accent cultures place on necessity of preparing for future or valuing the past and emphasizing on present.

Individual differences also occur due to the differences in culture on the emphasis it places on using situational cues to develop a complete portrait of a visitor. High context

cultures tend to emphasize personal relations, place high value on trust, focus on nonverbal cues and accent the need to attend to social needs before business matters. Low context cultures tend to rely on written rules and legal documents, conduct business first and value expertise and performance.

In addition to individual differences, parochialism, ethnocentrism, cultural distance and cultural shock can also have an impact on cultural adaptation.

Parochialism is the predisposition of expatriate managers to see situations around them from their own perspective i.e. the culture of the home country in which the organization is based and not from the perspective of the culture of the host country in which the international operation is spread.

Ethnocentrism or self reference is the predisposition of the expatriate managers to believe that their homeland conditions are the best. Expatriate employees need to develop cultural empathy to integrate the imported and local social systems. Cultural empathy is the awareness of differences across cultures, an understanding of the ways in which those differences can affect business relationships, and the appreciation of the contributions each culture makes to overall success. Cultural empathy when demonstrated consistently will result in geocentric organizations which largely ignore a person's nationality while accenting employee ability in selection, assignment and promotional decisions.

Cultural Distance is the amount of difference between any two social systems and range from minimal to substantial.

Cultural shock is the feeling of confusion, insecurity and anxiety caused by a strange new environment. They are rightfully concerned about not knowing how to act and about losing their self confidence when wrong responses are made.

**When employees enter another nation, they may experience several reactions in a series of four phases as follows;**

In the first phase they are often excited and stimulated by the challenge of the new job, home and culture. Each day is filled with new discoveries.

The positive attitude is soon followed by a second phase of disillusionment as they discover various problems they had not anticipated before.

In the third and most critical phase they tend to suffer culture shock, which is insecurity and disorientation caused by encountering all parts of a different culture. Culture shock may result from encountering different management philosophies, an unfamiliar language, new foods, dress, driving patterns etc, unfamiliar currency system, reduced availability of goods, different attitudes toward work and productivity and separation from friends and work colleagues.

Reverse culture shock which occurs when the expatriate comes back to the home country after staying for a considerable period of time in the host country may result from encountering a loss of decision making authority, a loss of responsibility, changes in one's level of status in the organization, changes in personal lifestyle and technological and organizational changes.



The fourth phase is that of adaptation where the employees accept new culture, regain a sense of self esteem and respond constructively to their new surroundings at work and at home.

### Overcoming barriers to cultural adaptation:

*For overcoming the barriers to cultural adaptations the following actions are useful:*

1. Careful selection of employees who are low in ethnocentrism, have a desire to experience another culture and stay in another culture, have a knowledge of the foreign language of the host country, have experience of traveling to the host country previously, family members of the employee have a positive attitude to the assignment and employee have a high cultural intelligence (CQ). Cultural intelligence consists of the cognitive strategies for learning about new cultures at both surface and deeper levels; an intuitive sense of what is happening and why it is happening; confidence that one can fit into the new culture and motivation to do so and the translation of knowledge, intuition, confidence and motivation into appropriate cultural action.
2. Compatible assignments of employees within similar sociocultural clusters at the initial stages
3. Predeparture training in the local language
4. Orientation and support in the new country to get settled there and include assistance with housing, transportation, shopping etc. Organizational support is also required in the form of assurance that the expatriates on their return to the homeland will get a better or comparable position in their organization and their foreign experience will be valued.
5. Preparation for re-entry – a process which is called repatriation and people face reverse culture shock.

### Productivity and Cultural contingencies:

Productivity is achieving quantity and quality of results while controlling inputs. The productive practices for a particular nation depends heavily on its culture-this is called cultural contingency. The ideas that work in home nation's culture must be blended with the culture of the host country and integration of the most workable ideas from both the nations should take place.

Cultural contingencies are illustrated by Theory Z proposed by William Ouchi. Theory Z provides examples in which behavioural prescriptions for management must be adapted to fit the organization's cultural environment. Theory Z selectively adapts some Japanese practices to the American culture. The idea of cultural contingency suggests that expatriate managers must learn to operate effectively in a new environment. Although they must operate within the limits of most home-office policies, managers must be flexible enough to respond to local conditions.

Once managers are on location in a host country, their attention needs to be directed toward integrating the technological approaches with the local cultures involved. The job of international managers is to try to retain in their management practices the essential elements of both familiar and new cultures so that their employees may work with the security of some familiar practices but also with greater productivity than the old culture normally has accomplished.

Expatriate managers also need to consider what their role will be in a local community. Although they are generally respected figures with considerable economic powers, they are considered as guests and may not be absorbed into the social and power

structure of a local community. Because of their marginal role and subsequent insulation from important insights, they risk misinterpreting much of the community's value structure.

### Cross Cultural communication:

Expatriates also need to understand the differences in nonverbal communication across cultures. If they do not, they risk making serious errors that might damage their relationships with their employees, partners, customers and suppliers. Areas in which orientations to cross cultural communication may differ include contrasts in the relative value placed on time efficiency, thought patterns, values placed on seeing the future, the need for personal space, eye contact, physical appearance, posture, gesture, meaning of silence and legitimacy of touch. These factors make it challenging to communicate effectively with another person in an international setting. As a consequence, they are important contingency factors that must be considered carefully by managers.

When considerable attention is given to cultural preparation of expatriate employees, they develop into transcultural employees who operate effectively in several cultures as they are low in ethnocentrism, can communicate in more than one language and adapt readily to different cultures without major culture shock leading to effective functioning of multinational firms. For a firm which is truly multinational in character, its leaders look to the world as an economic and social unit, they recognize each local culture, respect its integrity, acknowledge its benefits and use its differences effectively in their organizations.

### Management of Diversity:

([https://www.youtube.com/watch?v=m6X\\_Vt4wej0](https://www.youtube.com/watch?v=m6X_Vt4wej0))

Workplace diversity not only refers to the differences between employees, but also to the acceptance and celebration of these differences at work. Diversity training is an essential part of building awareness and a cohesive work environment.

For an organization looking to cultivate a more diverse and inclusive workplace, it is important to understand what constitutes workplace diversity.

Workplace diversity refers to the variety of differences between individuals in an organization. Diversity not only includes how individuals identify themselves but also how others perceive them. Diversity within a workplace encompasses race, gender, ethnic groups, age, religion, sexual orientation, citizenship status, military service and mental and physical conditions, as well as other distinct differences between people.

Having a diverse workforce with multi-lingual employees and employees from varying ethnic backgrounds can also be helpful for organizations who want to expand or improve operations in international, national, regional and local markets.

### MORE BENEFITS TO HAVING DIVERSITY IN THE WORKPLACE:

- Employees from diverse backgrounds imbue organizations with creative new ideas and perspectives informed by their cultural experiences
- A diverse workplace will help organizations better understand target demographics and what moves them
- A diverse workplace can better align an organization's culture with the demographic make-up of America

- Increased customer satisfaction by improving how employees interact with a more diverse clientele and public

### Tips for managing workplace diversity:

#### 1. PRIORITIZE COMMUNICATION:

To manage a diverse workplace, organizations need to ensure that they effectively communicate with employees. Policies, procedures, safety rules and other important information should be designed to overcome language and cultural barriers by translating materials and using pictures and symbols whenever applicable.

#### 2. TREAT EACH EMPLOYEE AS AN INDIVIDUAL

Avoid making assumptions about employees from different backgrounds. Instead, look at each employee as an individual and judge successes and failures on the individual's merit rather than attributing actions to their background.

#### 3. ENCOURAGE EMPLOYEES TO WORK IN DIVERSE GROUPS

Diverse work teams let employees get to know and value one another on an individual basis and can help break down preconceived notions and cultural misunderstandings.

#### 4. BASE STANDARDS ON OBJECTIVE CRITERIA

Set one standard of rules for all groups of employees regardless of background. Ensure that all employment actions, including discipline, follow these standardized criteria to make sure each employee is treated the same.

#### 5. BE OPEN-MINDED

Recognize, and encourage employees to recognize, that one's own experience, background, and culture are not the only with value to the organization. Look for ways to incorporate a diverse range of perspectives and talents into efforts to achieve organizational goals.

#### 6. HIRING

To build a diverse workplace, it is crucial to recruit and hire talent from a variety of backgrounds. This requires leadership and others who make hiring decisions to overcome bias in interviewing and assessing talent. If organizations can break through bias and hire the most qualified people, those with the right education, credentials, experience and skill sets, a diverse workplace should be the natural result.

-----All the Best-----