

# Boby Thomas

## OB Final after Check.pdf

 Marian College Kuttikkanam

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# **Module 1**

## **Introduction to Organisational Behaviour**

1.1 Basic Concepts of OB

1.2 Role of organisational behaviour

1.3 Models of OB

## Abstract

This module provides a comprehensive introduction to the concept and importance of *Organisational Behaviour (OB)* — the study of how individuals and groups act within organisational settings. It begins by defining OB, highlighting its interdisciplinary nature, and explaining how understanding human behaviour contributes to organisational effectiveness. The module outlines the **scope of OB** at three levels: individual, group, and organisational, focusing on aspects such as personality, motivation, communication, leadership, and organisational culture.

Key **determinants and foundations** of OB, including the nature of people and organisations, are discussed with emphasis on individual differences, perception, motivation, and ethical considerations. The module also traces the **contributing disciplines** that shaped OB — psychology, sociology, anthropology, political science, social work, economics, and management — demonstrating their relevance to understanding behaviour at work.

Further, it explores the **challenges and opportunities** faced by modern organisations, such as workforce diversity, technological change, globalisation, and employee well-being, alongside the need for innovation, ethical behaviour, and leadership development.

The module concludes with an in-depth study of **models of OB** — *Autocratic, Custodial, Supportive, and Collegial* — comparing their assumptions, managerial orientations, employee needs, and outcomes. It also introduces modern theoretical perspectives such as **Classical, Human Relations, Modern, and Contemporary organisational theories**, emphasizing that no single model suits all contexts and that effective management requires a blend of approaches suited to the organisational environment.

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## ORGANISATION

An organisation is a group of people working together to achieve a common goal. Thus, an organisation requires individuals and objectives. E.g. family, university, college, school, temple, bank, panchayath, government, military, etc.

### Organisational Behaviour

There are three dimensions of management: technical, conceptual and human. Among these, 'people/humans' are the key to the success of any organisation. But the behaviour of humans is much more complicated. There is a need for a theoretical understanding of the behaviour of employees in an organisational set-up. The result of this empirical research can be used to manage people effectively.

**Behaviour** is what a person does. It includes both overt and covert behaviour.

Overt behaviour: Behaviour exposed outside or shown openly.

Covert behaviour: Behaviour expressed inside or shown secretly.

E.g. Feelings, attitude, perception, etc. It shapes and influences overt behaviour.

### Meaning of OB

Organisational behaviour (OB) is the academic study of how people act within groups. OB is the study of both individual and group performance within an organisation. This study examines human behaviour in a work environment. It determines the impact of OB on job structure, performance, communication, motivation, leadership, etc.

## Definition of OB

"Organisational Behaviour is the study and application of knowledge about how people act within organisations. It applies broadly to people's behaviour in all types of organisation such as business, government, schools, etc."

"OB is a study of human behaviour at work." *Keith Davis*

"OB is a field of study that investigates the impact that individuals, groups, and structure have on an organisation to apply such knowledge to improving an organisation's effectiveness".

*Stephen Robins*

"OB is a systematic study of actions and reactions of people working in an organisation to improve the overall organisational performance."

*S. K. Kapur*

"OB is a branch of social sciences that seeks to build theories that can be applied to predicting, understanding and controlling behaviour in a work organisation." *Aldag and Brief*

"OB is the study of human behaviour in organisational settings, the interface between human behaviour and the organisation, and the organisation itself."

*Gregory and Rickey*

In short, OB attempts to study:

- 1) The behaviour of individuals and groups.
- 2) The impact of organisational structure on human behaviour.
- 3) The application of knowledge to improve efficiency.

## Features of OB

1. It is the study of behaviour in organisations
2. OB is a part of the general management

3. It represents a behavioural approach to management.
4. OB contains a body of theory, research and application.
5. It helps in understanding human behaviour in the workplace.
6. OB helps to predict individuals' behaviour.
7. OB is an interdisciplinary field of study.
8. OB synthesises knowledge drawn from various behavioural and social sciences.
9. OB involves three levels of behaviour analysis: individual behaviour, group behaviour, and behaviour of the organisation itself.
10. OB provides rational thinking about people and their behaviour
11. OB is both a science and an art.
12. OB seeks to achieve organisational objectives by fulfilling employees' needs.

### **Significance/Role/Importance of OB**

In the modern world, organisations are complex. Employees are regarded as human resources and not as commodities. Their behaviour and hard work depend on several factors. They can be utilised fully to the organisational benefit only if motivated. Therefore, the study of individuals in the organisation is important. The importance/Role/Significance of OB includes the following:

- 1) OB studies the behaviour of individuals and groups.
- 2) It systematically describes how people behave under different conditions.
- 3) It helps to understand why people behave as they do.

- 4) It helps to understand the organisation and employees better.
- 5) It helps to predict the future behaviour of an employee.
- 6) It describes the impact of organisation structure on human behaviour.
- 7) It helps to control the employee behaviour.
- 8) It helps in improving industrial and labour relations.
- 9) It improves relations in the organisation.
- 10) It helps in the formulation of various approaches to management.
- 11) It covers various human resources like behaviour, training and development, change management, leadership, teams, etc.
- 12) It helps to improve decision-making.
- 13) It helps to respond to and control stress.
- 14) It helps to better communicate with others.
- 15) It brings a platform for sharing managerial experiences.

### **Scope of OB**

OB can be divided into **three levels**:

- a. Micro Level: The study of individuals in organisations
- b. Meso-Level: The study of work groups.
- c. Macro Level - The study of organisations as a whole.

The scope of OB involves three levels of behaviour in organisations: individuals, groups and structure.

### **1. Individual Behaviour**

- (i) Personality                      (ii) Perception
- (iii) Values and Attitudes    (iv) Learning    (v) Motivation

### **2. Group Behaviour**

- (i) Workgroups and group dynamics
- (ii) Dynamics of conflict    (iii) Communication
- (iv) Leadership                      (v) Morale

### **3. Organisation Structure and Process**

- (i) Organisational Climate                      (ii) Organisational culture
- (iii) Organisational Change                      (iv) Organisational Effectiveness
- (v) Organisational Development

### **Organisational conflict**

When people in a workplace disagree or clash due to differences in opinions, goals, or interests. It can happen between individuals, teams, or departments and may be caused by poor communication, competition, or misunderstandings. While conflict can create tension, it can lead to better ideas, improved solutions, and stronger teamwork if handled properly.

## Basic Concepts/ Determinants/Key elements of OB<sup>1</sup>

OB studies three determinants of behaviour in organisations: individuals, groups, and structure. OB starts with a set of fundamental concepts. They are related to the nature of people and organisations. The basic concepts are:

### 1. The nature of people:

The related basic concepts are individual differences, perception, whole person, motivated behaviour, desire for involvement, and value of the person.

### 2. The nature of organisations:

The basic concepts related to this are social systems, mutual interest, and ethics.

## 1. Nature of People

**1.1. Individual differences:** The idea originated from psychology. Each individual is different and should be treated differently. At the same time, people have a lot in common. They become excited by an achievement.

**1.2. Perception:** People tend to act on the basis of their perception. Perception differs with individual experiences.

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<sup>1</sup> Keith Davis and John W Newstrom, 11(2002), Organisational Behaviour: human behaviour at work, Tata McGraw-Hill, New Delhi

2. Stephen P. Robbins, Timothy A. Judge and Neharika Vohra, 18(2018), Organisational Behaviour, Pearson Education

3. John Newstrom and Keith Davis, 11 (2001), Organisational Behaviour: Human Behaviour at Work, McGraw-Hill Education.

- 1.3. **Whole Person:** Organisations want to employ only the required skills. However, the person appointed may also have other engagements. For example, home life cannot be totally separated from work life.
- 1.4. **Motivated Behaviour:** People are motivated by what they think. Because of this nature of motivated action, two options can motivate people: Certain (a) actions that increase their need fulfilment and (b) actions that reduce/threaten their need fulfilment.
- 1.5. **Desire for Involvement:** People generally want to share what they know. They also like to learn from their experience. Thus, people seek opportunities to be involved in decision-making.
- 1.6. **Value of the Person:** People want to be treated with respect, dignity and care. They want to be valued for their skills and abilities. They also want opportunities to develop them.

## 2. Nature of Organisations:

- 2.1. **Social Systems:** Organisations are social systems. People have psychological needs, social roles, and statuses. Two types of social systems exist in an organisation: formal and informal.
- 2.2. **Environment:** It means the social, legal, economic, political and technological environment influences an organisation.
- 2.3. **Mutual Interest:** Organisations need people, and people need organisation. Thus, mutuality of interest should be obtained through the efforts of individuals and employers.

- 2.4. **Ethics:** Ethical treatment is necessary for attracting and retaining valuable employees. Establishing ethical standards, code of conduct, reward systems for notable performance, etc., are helpful. A good ethical environment helps individuals, organisations and society.

## Foundations of OB

Fundamental concepts, assumptions, basic forces, and contributing disciplines form the foundations of OB.

### I. The fundamental concepts of OB:

1. Individual Differences and perception differences.
2. Personal life is not detached from his working life.
3. Individual needs motivate the behaviour.
4. The desire for involvement in decision-making.
5. The value of the person.
6. Recognition of human dignity.
7. Organisations are social systems.
8. Mutuality of Interest (people need organisation, and organisation need people).

### II Assumptions of HB

1. Human behaviour is caused. So it can motivate and direct.
2. He is affected by others' behaviour, and he affects others' behaviour.
3. Psychology: Behaviour has three aspects- cognition (awareness), affection (feeling about), and conation (acting after the feelings).

4. Personality: Unique and organised system of all behaviour of a person.
5. Preference for one activity over another.
6. Attitude: State of readiness, experience

### **III Basic Forces Affecting OB**

1. People-Individual and Group
2. Structure- Jobs and relationships
3. Technology
4. Environment – External and Internal

### **IV Contributing disciplines to OB**

Organisational behaviour is an applied behavioural science that is built upon contributions from a number of behavioural disciplines. The dominant areas include Psychology, Sociology, Social Psychology, Industrial Psychology, Social Work, Anthropology, Political Science, Philosophy and Ethics, Economics, Management, Technology, and Communication.

#### **1. Psychology**

Psychology focuses on individual behaviour and mental processes. Topics like motivation, perception, personality, learning, emotions, training, leadership effectiveness, job satisfaction, job stress, decision-making process, performance appraisals, attitude measurement, etc., are central to OB.

#### **2. Sociology**

While psychology focuses on the individual, sociology studies people in relation to their fellow human beings. It studies the social system in which individuals fill their roles. Sociology examines

group behaviour and social structures. It contributes insights into group dynamics, organisational culture, and socialisation processes.

### **3. Social Psychology**

It bridges psychology and sociology to understand how individuals influence and are influenced by others in a group. It is crucial for studying teamwork, communication, and interpersonal relationships.

### **4. Social Work**

Social work is a distinct discipline branch focused on helping individuals, families, groups, and communities enhance their well-being and address social issues. It is a practice-based academic discipline that promotes social change, social development, social cohesion, empowerment, and people's liberation.

### **5. Anthropology**

Anthropology studies human societies, cultures, and their development. It provides a deeper understanding of organisational culture, rituals, and symbols. It helps to understand the differences in fundamental values, attitudes, and behaviour between people in different cultures.

### **6. Political science**

Political science explores power dynamics, governance, and conflict resolution within organisations. It helps in understanding leadership, power structures, and organisational politics.

### **7. Economics:**

Economics is a social science that determines the production, distribution, and consumption of goods and services. It is the study of scarcity, the study of how people use resources, or the study of decision-making.

**8. Communication:** It analyses how information is transmitted and understood within organisations. Effective communication strategies are vital for leadership, teamwork, and organisational change.

## **9. Philosophy and Ethics**

It addresses moral principles and values guiding behaviour in organisations. It informs practices related to corporate social responsibility, ethical leadership, and organisational justice.

## **10. Management**

Management integrates principles and practices from various disciplines to improve organisational effectiveness. It covers areas such as strategic planning, leadership, and organisational design.

**11. Communication:** Analyses how information is transmitted and understood within organisations. Effective communication strategies are vital for leadership, teamwork, and organisational change.

## **12. Technology:**

It encompasses the study, design, development, implementation, support, and management of computer-based information systems, including software applications and computer hardware. It is used for communication, remote area working, training and development, work from home, etc.

## **Characteristics of Human Behaviour**

Many factors, including age, personality, motivation, and the environment influence human behaviour. It can be simple or complex, depending on the situation. Behaviour is a mix of thoughts, feelings, and actions working together.

1. **Influenced by Multiple Factors:** Human behaviour is shaped by a variety of internal and external influences:
  - **Simple Behaviours:** Often habitual or reflexive. *Example: responding to a loud sound.*
  - **Complex Behaviours:** Involve analysis and decision-making in response to complex situations.
2. **Varies in Complexity:** Behaviour can range from simple, routine actions to highly complex decisions requiring deep thought and judgment.
3. **Influenced by Diverse Factors**
  - **Individual Variables:** Age, sex, personality, perception, learning, motivation, attitude, and past experiences.
  - **Situational Variables:** Organisational structure, nature of the job, and work environment.
4. **Individual Behaviour:** People behave uniquely due to their distinct traits, values, and backgrounds.
5. **Individual Differences:** People differ due to:
  - **Physiological Factors:** Age, sex, and physical health.
  - **Socio-psychological Factors:** Personality, perception, learning ability, motivation, and attitude.
6. **Individual and Group Differences:** Behaviour differs not only between individuals but also between groups due to cultural, social, and environmental influences.
7. **Purposeful Nature:** Behaviour is generally goal-oriented, directed toward fulfilling specific needs or objectives.

8. **Changeable:** Human behaviour can be modified over time through learning, experiences, training, and adaptation to new environments.
9. **Stable Yet Flexible:** While certain behaviours show consistency over time (due to habits or personality), others may change with circumstances.
10. **Integrated and Holistic:** Behaviour reflects a unified response to internal and external stimuli shaped by the integration of thoughts, emotions, and actions.

### **Challenges and Opportunities of OB.**

Organisations face numerous challenges and opportunities that impact their effectiveness as they evolve. Organisational behaviour is the study and application of knowledge about human behaviour within an organisation. The following are some of the significant challenges:

#### **1. Managing Workforce Diversity**

Workforce diversity refers to the presence of differences among employees in an organisation. These differences can be based on age, gender, race, ethnicity, religion, nationality, disability, sexual orientation, education, socio-economic background, and cognitive diversity, like differences in perspectives, problem-solving styles, and thought processes. It means recognising, respecting, and valuing the uniqueness of every individual in the workplace.

Challenge: The modern workplace is increasingly diverse, incorporating various cultures, ethnicities, genders, and age groups. This diversity can lead to communication barriers, cultural misunderstandings, and employee conflicts.

OB helps to develop inclusive policies and training programs for effective diversity management.

## **2. Technological Advancements**

Adapting to rapid technological advancements and probable employee resistance to new technologies, fear of job displacement and struggling with the learning curve is a challenge. For example, implementing AI and automation in an office can lead to resistance from workers and worries about job security.

OB helps to balance technology with the human touch through training and development programs to upskill employees.

## **3. Globalisation**

Globalisation presents challenges in managing a geographically dispersed workforce, dealing with different legal systems, and adapting to diverse economic environments.

OB can help in making strategies for effective global team management by understanding and respecting cultural differences and leveraging global talent for competitive advantage.

## **4. Employee Well-being and Mental Health**

Increasing work pressures, long hours, and high expectations contribute to stress, burnout, and mental health issues among employees, leading to high employee turnover.

OB recognises the importance of work-life balance and mental health support and helps to create policies to promote a healthy workforce and productivity and retention.

## **5. Dual Career Couples:**

Dual-career households are composed of couples in which both members are working. Both are committed to their professional occupations. They are generally concerned with issues like relocation, adjustment issues, stress/conflict-making situations, etc.

### **Opportunities in Organisational Behaviour**

#### **1. Improving People Skills**

Effective communication enhances collaboration, reduces misunderstandings, and improves organisational efficiency. Implementing open communication channels in a project team can lead to better coordination and project success.

#### **2. Enhancing Leadership Development**

Investing in leadership development programs builds a strong leadership pipeline, ensuring effective management and strategic direction. A company can offer leadership training programs to develop a cadre of competent leaders ready to take on future challenges.

#### **3. Promoting Employee Engagement**

Engaged employees are more productive, motivated, and committed, leading to better performance and lower turnover rates. An organisation that actively engages employees through recognition programs and career development opportunities sees higher retention rates and productivity.

#### **4. Fostering a Positive Organisational Culture**

Organisation culture means the shared values, beliefs, attitudes, and ways of working that shape how people behave in a workplace.

Simply put, "It is the way things are done in an organisation."

It affects how employees interact with each other, how decisions are made, and how work gets done. A positive culture makes people feel motivated and happy at work.

A strong, positive culture enhances employee satisfaction, attracts talent, and drives organisational success. For eg. a company with a collaborative and innovative culture attracts top talent and retains high-performing employees.

## 6. Coping with Temporariness

In the modern world, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. So, workers need to continually update their knowledge and skills to perform new job requirements. Employees must learn to cope with temporariness.

## 7. Stimulating Innovation and Change

Successful organisations must foster innovation and be proficient in the art of change. Otherwise, they will be vanished from their field of business. Victory will go to those organisations that maintain flexibility, continually improve their quality, and beat the competition in the marketplace with a constant stream of innovative products and services.

**8. Emergence of the e-organization:** This means e-commerce and e-business.

**9. Improving Ethical Behaviour:** Managers must evolve a code of ethics to guide employees through ethical dilemmas. The top-level management should clearly define right and wrong conduct.

It should develop a fair policy and appropriate system to increase confidence and trust in the organisation.

**10. Helping the employees to manage work-life conflicts:** An individual has two sides of life- one is professional life, and the other one is family life. Flexible working hours, reporting time, creating employee opportunities, job security, and designing workplaces and jobs.

## **Organisational Theory (OT)**

Organisational theory studies organisations' structure, functioning, and performance and the behaviour of groups and individuals within them. It is the sociological study of formal organisations. Organisational Theories are categorised into Classical, Human relations movement/Neo-classical, modern, and Contemporary theories.

### **I. Classical Theories**

Bureaucratic Theory, Scientific Management Theory, and Administrative Theory

### **II. Human Relations Movement**

Elton Mayo and the Hawthorne Studies and Maslow's Hierarchy of Needs

### **III. Modern Theories**

Systems Theory, Contingency Theory, Resource Dependence Theory, Decision-making theory<sup>2</sup>

### **IV. Contemporary Theories**

Institutional Theory, Network Theory, Complexity Theory

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<sup>2</sup> Decision-making theory. Herbert A. Simon (1978, the Nobel Prize, mainly based on this theory) regards organisation as a structure of decision makers.

## OB and OT – Difference

| S | Basis             | OB                                                                                          | OT                                                                                                                             |
|---|-------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 1 | Focus             | Focuses on individual and group behaviours within organisations.                            | Focuses on the structure, design, and overall functioning of organisations.                                                    |
| 2 | Scope             | Deals with topics like motivation, leadership, team dynamics, and communication.            | Addresses broader issues such as organisational structure, culture, strategy, and environment.                                 |
| 3 | Level of Analysis | Primarily focuses on micro-level analysis (individuals and groups).                         | Involves macro-level analysis (entire organisations and their environments).                                                   |
| 4 | Objectives        | Aims to understand and improve individual and group performance and satisfaction.           | Seeks to understand and optimise organisational efficiency, effectiveness, and adaptability.                                   |
| 5 | Methods           | Utilises psychological and sociological principles to study behaviour within organisations. | Employs theories from management, economics, sociology, and systems theory to analyse organisational structures and processes. |

## **MODELS OF OB**

OB models are the techniques that help us to understand complex things and ideas clearly. Each model is based on certain assumptions about the people working in that organisation. The autocratic, Custodial, supportive, Collegial, etc., are some common models of OB.

### **1. The Autocratic Model**

The autocratic model was the first model, and it had roots in the Industrial Revolution. Douglas McGregor developed this model in his 'Theory X'. This model leads to tight control of employees at work. The authoritarian model is also found in the theory of scientific management developed by F.W. Taylor. It is the conventional view of management.

Under autocratic conditions, employees perform better either because of their achievement drive, their personal liking for the boss, or some other factor.

#### **Features:**

- 1) The base of this model is the 'power' of the boss.
- 2) Power is the ability to get things done, sometimes over the resistance of others.
- 3) The managers give orders, and the employees have to obey the orders.
- 4) The employees are oriented towards obedience and dependence on the boss.
- 5) The employee need that is met is 'survival'.
- 6) The performance result is minimal.

- 7) The organisation is authority oriented.
- 8) This authority is delegated by the right of command over the people.
- 9) Management believes employees must be directed, persuaded, and pushed to perform.
- 10) Management does the 'thinking' and employees 'obey' the orders.
- 11) Employee's orientation is obedience to the boss.
- 12) The employees are paid minimum wages for minimum performance.

**Merits:**

- 1) Minimum performance can be ensured because the employees have to satisfy their own survival needs and those of their families.
- 2) Some employees perform better because of a drive to overcome challenges.
- 3) The model is successful in situations where the workers are actually lazy.
- 4) It is also suitable for time-bound work.

**Demerits**

- 1) Employees may obey him, but they do not need to respect him.
- 2) Managers generally use the threat to withhold wages if the workers do not obey them. Nowadays, this model is not applicable because most countries have minimum wage laws.

- 3) The leadership is negative because the employees are uninformed, insecure and afraid.
- 4) If the workers are educated and organised, they cannot be dictated to by the managers all the time.

## 2. The Custodial Model

The insecurity and frustration felt by the workers under the autocratic model sometimes led to aggression towards the boss and their families. To dispel this feeling of insecurity and frustration, a model that would improve employer-employee relations was developed. The progressive managers used the custodial model to overcome the shortcomings of the Autocratic model. This model begins to build on McGregor's Theory of Y.

### Features:

- 1) This model emphasises the economic rewards and benefits.
- 2) The success of the Custodial Model depends upon the economic resources (money).
- 3) The employees depend upon the organisation rather than their boss.
- 4) The employer looks to security needs as a motivating force.
- 5) This introduces welfare programmes to satisfy the security needs of employees.

### Merits

- a) Under this model, the employees are satisfied and happy.
- b) It brings security and satisfaction to the employees.
- c) This introduces welfare programmes to employees. E.g., an On-site daycare centre or a free transport facility.

- d) Welfare programmes lead to employee dependence on the organisation.
- e) The basis of this model is economic resources.

### **Demerits**

- a) It depends upon material rewards only to motivate the employees.
- b) It ignores the psychological needs of employees.
- c) Employees are not strongly motivated. So they give only passive cooperation.
- d) The performance result is passive cooperation.
- e) Employees are not motivated to increase their capacities of which they are capable.
- f) Though the employees are satisfied, they do not feel motivated.
- g) Happy employees are not necessarily the most productive employees.

### **3. The Supportive Model**

The supportive model has originated from the 'Principles of Supportive Relationships' by Rensis Likert. The supportive model is founded on leadership, not on money or authority. The managerial leadership style provides an atmosphere to help employees grow and accomplish their tasks. The workers are by nature not passive and disinterested in organisational needs. They are made so by an inappropriate leadership style. The supportive model believes that a change in the leadership style will prepare the workers to share responsibility and develop a drive to contribute and improve themselves. Thus, under a supportive approach, the management's

orientation is to support the employee's job performance to meet both organisational and individual goals. This model also begins to build on McGregor's Theory of Y.

**Features:**

- 1) This model is an improvement over the earlier two model models and custodial.
- 2) It is assumed that the workers are not lazy and work shirkers by nature.
- 3) The Supportive Model depends on leadership instead of power or money.
- 4) The basis of this model is leadership with a managerial orientation of support.
- 5) The employees are oriented towards job performance and participation.
- 6) Management supports the employees' job performance and provides monetary benefits.
- 7) The employee need that is met is 'status and recognition.'

**Merits.**

- a) A favourable organisational climate is created with the help of leadership.
- b) Employees are helped to grow to greater capacities in compliance with the organisational goals.
- c) Workers are assumed to take responsibility and improve themselves if given a chance.
- d) Workers can be self-directed and creative in the organisation.

- e) This model takes care of the psychological needs of the employees.
- f) Supportive behaviour helps in creating friendly superior-subordinate interaction.
- g) It develops a high degree of confidence and trust.
- h) The employees are oriented towards job performance and participation.

### **Demerits**

- a) This model is effective only in affluent (developed) countries. It is effective when the workers are more concerned about their psychological needs, such as high self-esteem, job satisfaction, etc.
- b) It has limited application in undeveloped and developing countries, where most workers are below the poverty line. For them, the most important requirement is the satisfaction of their physiological needs and security. They are not very concerned about the psychological needs.
- c) The supportive model is more useful and effective in developed nations. It is less effective in developing nations because of employee's less awakening in developing nations.

### **4. The Collegial Model**

The collegial model is an extension of the supportive model. The Dictionary meaning of collegial is 'a body of persons having a common purpose'. This model is based on the partnership between employees and management. This model also begins to build on McGregor's Theory of Y.

**Features:**

- 1) The basic foundation of the collegial model lies in a feeling of partnership with employees.
- 2) The feeling of partners creates a favourable climate in the organisation.
- 3) Under a collegial approach, employees feel needed and useful.
- 4) Workers see the managers as joint contributors and not as bosses.
- 5) The collegial model relates to teamwork/concept.
- 6) Both the management and workers accept and respect each other.
- 7) The workers accept responsibilities because they find it their obligation to do so and not out of threat.

**Merits**

- 1) The collegial model inculcates the team spirit in an organisation.
- 2) This helps in developing a system of self-discipline in the organisation.
- 3) Feeling responsible, backed by self-discipline, creates a feeling of teamwork.
- 4) In the collegial environment, the workers have job satisfaction, job involvement, job commitment and some degree of fulfilment.
- 5) The collegial model is especially useful in research laboratories, educational institutions and similar work situations.

- 6) This approach produces improved results in appropriate situations.

### Demerits

- a) The Model is not suitable where workers are not educated.
- b) It is not suitable in all situations
- c) It is not suitable in undeveloped nations

### Comparison of OB Models

|                    | <b>Autocratic</b>   | <b>Custodial</b>          | <b>Supportive</b>    | <b>Collegial</b>        |
|--------------------|---------------------|---------------------------|----------------------|-------------------------|
| Basis              | Power               | Economic Resources        | Leadership           | Partnership             |
| Orientation        | Authority           | Money                     | Support              | Teamwork                |
| Employee needs met | Survival            | Security                  | Status & Recognition | Self Actualisation      |
| Impact on Employee | Dependent on boss   | Dependent on Organisation | Participation        | Self Discipline         |
| Performance        | Minimum             | Passive Cooperation       | Awakened Drives      | Moderate enthusiasm     |
| Assumption         | Employees are lazy  | Employees feel insecure   | Workers are not lazy | Quality Workers         |
| Suitability        | Undeveloped Nations | Developing Nations        | Advanced societies   | Well advanced societies |

## 5. Other Models:

Several approaches can also classify some models of organisational behaviour. A few of these models are as explained below:

### (i) Normative Models:

The normative models seek to find out what should be done to produce optimum results. While preparing the plans and policies, the management is more concerned with what should be done by the managers and the employees and what should not be done.

### (ii) Empirical Models:

Empirical models describe the activities the employees actually perform. Organisational behaviour is concerned with what is actually taking place in the organisations and how people actually behave.

### (iii) Ecological Models:

All the functions of the organisation are affected by the environment. This interaction between the organisation and the environment is known as ecological interaction.

### (iv) Non-Ecological Models:

As the name suggests, this model is the opposite of the ecological model. The non-ecological models assume stability in the environment. In the modern world, when environmental factors are important, this model is not very useful.

### (v) Ideographic Models:

The models that are developed to deal with specific cases or unique situations are called ideographic models. This model deals with situations like single nation, single organisation, single group,

individual, biography, historical episode, etc. When the organisational behaviour is concerned with micro-level analysis, this model is generally used.

#### **(vi) Nomothetic Models:**

These models deal with general situations. These are concerned with generalisations, laws, and hypotheses, which indicate regularity of behaviour and correlation between variables. These models deal with situations like cross-country, cross-organisation, cross-group, and individual analysis of the organisational system.

#### **Interpretation of Different Models:**

It becomes very clear that no single model is best suited to the requirements of all organisations. The managers will have to use a combination of models depending on the circumstances of the case. However, considering the emergence of professional management, supportive and collegial models will be more effective than the autocratic and custodial models.

Although there are four separate models, almost no organisation operates exclusively in one. There will usually be a predominant one, with one or more areas overlapping in the other models. The collegial model should not be considered the last or best model but the beginning of a new model or paradigm.

- (i) As soon as the understanding of human behaviour develops or social conditions change, the model is bound to change. No one model is best for all times.
- (ii) Models of organisational behaviour are related to the hierarchy of human needs. As society advances on the need hierarchy, new models are developed to serve the paramount higher-order needs.

- (iii) The present tendency is towards more democratic models of organisational behaviour.
- (iv) Different models will remain in use, though new models will dominate.

## REVIEW QUESTIONS

### Section A. Short Answer

1. Describe the objectives of Organisational Behaviour.
2. How is organisational theory related to organisational behaviour?
3. Define Organisational Behaviour. What are its goals?
4. Explain how OB is related to sociology.
5. Write a note on collegial models of OB?
6. Write a note on basic concepts of organisational behaviour.
7. State briefly the process of behaviour.

### Section B. Short Essay

1. Identify the key environmental challenges for OB.
2. Explain different models of organisational behaviour.

3. Discuss how various disciplines contributed to the development of organisational behaviour.
4. Distinguish between organisational behaviour and organisation theory.
5. Examine the role of Organisational behaviour in the organisation.
6. Discuss the scope of organisational behaviour.
7. State the autocratic model of OB.
8. Explain workforce diversity.
9. What do you understand by organisational culture?

#### Section C. Essay

1. Critically evaluate the models of OB
2. Discuss and compare the models of OB
3. Explain the contributing disciplines to organisational behaviour.  
List their contribution at the individual, group and organisational level.
4. Discuss the challenges and opportunities of organisational behaviour.
5. Discuss the general conclusions you draw from the models of organisational behaviour.

## **Module 2**

### **Individual Behaviour and Motivation**

2.1 Concept of Human Behaviour

2.2 Personality

2.3 Perception

2.4 Learning & Reinforcement

2.5 Theories or models of motivation

2.6 Contemporary theories of motivation

## Abstract

This module explores the psychological and sociological foundations of how and why individuals behave within organizations. It highlights that individual behaviour results from a complex interplay of factors such as culture, emotions, genetics, personality, and ethics. To manage this complexity, managers rely on simplified **Models of Man**, ranging from the self-interested *Rational Economic Man* to the adaptive *Complex Man*.

Key psychological determinants include **Personality**—the enduring patterns of thought, emotion, and behaviour often described by the Big Five traits; **Perception**—the interpretation of sensory input, which can be biased by errors like stereotyping; and **Attitude**—personal viewpoints that shape actions and decisions.

Behaviour is further influenced by **Learning**, defined as a lasting change resulting from experience. According to **Reinforcement Theory**, behaviour is shaped by its consequences through mechanisms such as positive reinforcement (rewarding desired actions) and punishment (discouraging undesired ones).

At the core of the module lies **Motivation**, the internal and external force that directs goal-oriented behaviour. **Content Theories**—including Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory—explain *what* motivates individuals by distinguishing between need-based drives and factors influencing satisfaction. **Process Theories**, such as the **Equity-Expectancy Model**, explain *how* motivation operates, emphasizing perceptions of fairness, effort-performance linkages, and reward value.

Overall, the module provides an integrated understanding of individual differences and motivational dynamics that influence performance and behaviour in organizational settings.

## Concept of Human Behaviour

Behaviour is what a person does. Human behaviour refers to the range of behaviours exhibited by humans. A number of factors, such as culture, attitudes, emotions, values, ethics, authority, rapport, persuasion, social norms, core faith, attitude, coercion, genetics, individual traits, etc. influences them. Behaviour, in general, is not directed at other people. It is considered as having no meaning. It is the most basic human action. Social behaviour is behaviour specifically directed at other people. The acceptability of behaviour is evaluated relative to social norms. They are regulated by various means of social control.

There can be overt behaviour and covert behaviour. Observable and measurable behaviour is called overt behaviour. Non-observable and non-measurable aspects of behaviour are called covert behaviour. Covert behaviour influences and shapes overt behaviour. Hence, both are important. The academic disciplines of psychiatry, psychology, social work, sociology, economics, and anthropology study the behaviour of humans.

Core faith can be perceived through the religion and philosophy of that individual. It shapes the way a person thinks, and this, in turn, results in different human behaviours. Attitude can be defined as "the degree to which the person has a favourable or unfavourable evaluation of the behaviour in question." Your attitude highly reflects the behaviour you will portray in specific situations. Thus, human behaviour is greatly influenced by the attitudes we use on a daily basis.

## Characteristics of Human Behaviour

Humans follow social rules that shape their behaviour. Some behaviours are common, while others are rare. Some are acceptable, and others cross the line. What is acceptable or unacceptable can vary across different societies and cultures.<sup>3</sup>

### 1. Complexity:

Simple behaviour: Influenced by a few factors. For example, if a boy reads a novel in a quiet room and his mother calls him loudly, he immediately reacts. Here, the only factor affecting his behaviour is his mother's voice.

Complex behaviour: Influenced by many factors. For instance, if someone makes fun of a boy walking on a road. His reaction could depend on his mood, personality, past experiences, and the situation.

### 2. Adaptability:

Humans can adapt their behaviour based on new information, experiences, and environmental changes. This helps individuals navigate different situations and challenges.

### 3. Variability:

Human behaviour can vary widely between individuals and within the same individual over time. Physiological factors (hunger, thirst, etc.), age, gender, mood, context, personality, and cultural background all contribute to this variability. For example, a young child's behaviour in an ice cream parlour may differ from that of his late childhood and teenage years.

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<sup>3</sup> <https://www.psychologydiscussion.net/behaviour/human-behaviour/9-general-characteristics-of-human-behaviour-psychology/2817>

#### **4. Influence by Social Norms:**

Societal rules and expectations often guide human behaviour. What is acceptable or unacceptable can vary depending on cultural, social, and situational contexts. For example, the way people dress for different occasions. Formal events like weddings require more conservative or formal attire in many cultures. People who prefer casual clothing will likely dress according to these social norms to fit in and be perceived appropriately.

#### **5. Goal-Oriented:**

Specific goals or objectives drive many human behaviours. People tend to act in ways that help them achieve their desired outcomes, whether those are physical, emotional, or social goals.

#### **6. Learning and Experience:**

Human behaviour is shaped by learning from past experiences. People adjust their actions based on the outcomes of previous behaviours, leading to more effective decision-making over time. This changeability enables a child to become an adult, a bad man to become a good man and a good man to become a bad man. This characteristic helps people to adjust to new surroundings.

#### **7. Emotional Influence:**

Emotions play a significant role in shaping human behaviour. How a person feels can strongly influence their actions and reactions in various situations.

#### **8. Interpersonal Influence:**

Interactions with others often influence human behaviour. Relationships, social networks, and communication with others can affect how people behave.

## 9. Individual Differences:

Everyone has different backgrounds and experiences, so people react differently to the same situation. For example, if ten students see a cat, each might react in their way.

## 10. Similarities:

Even though people are different, they often behave in similar ways in certain situations. For instance, most people will try to get dust out of their eyes. These similarities come from shared experiences and environments.

## 11. Shows Stability:

While people's behaviour can change, some aspects remain consistent. For example, your grandmother might still prefer traditional ways even though she lives in a modern world.

## 12. Behaviour is Integrated:

People's behaviour is organised and purposeful. Each person acts in a way that makes sense to them overall, rather than behaving unpredictably.

## Models of Man

Models are tools of cognition/reasoning that allow the presence of many complex features or processes in a simple, transparent way. A model explains a complex phenomenon in a simple manner. The models of man are the basic assumptions on which the managers tried to motivate their employees. (1) Rational Economic Man, (2) Social Man, (3) Organisational Man, (4) The Self Actuating Man, and (5) Complex Man.

## 1. Rational Economic Man:

The Rational Economic Man theory suggests that people are primarily motivated by money. This old-fashioned idea assumes that:

Employees are selfish and only care about earning more.

Companies can control workers by offering higher pay.

Emotions and feelings don't matter in the workplace.

**Advantages** of this theory:

1. Motivates people to work harder for more money.
2. Reduces conflict between employers and employees.

**Disadvantages** of this theory:

1. Outdated and doesn't fit modern workplaces.
2. Money only motivates people up to a certain point.
3. Ignores the importance of employee satisfaction and well-being.
4. Doesn't accurately predict how people will behave.

In conclusion, while money is important, it's not the only thing that motivates people. Modern businesses need to consider other factors like job satisfaction, work-life balance, and employee recognition.

## 2. Social Man:

This school considered the worker as a social man. Workers are influenced by social relationships and group dynamics. He seeks satisfaction of the needs related to the maintenance of his social relationships. This thought is associated with Elton Mayo as a result of his Hawthorne studies during 1927-32. The basic assumptions are:

1. People are motivated by social needs, not just money.

2. They work to build and maintain social relationships.
3. Social pressures from their group have a stronger impact than management controls.
4. Social relationships are often valued more than economic incentives.
5. Social norms within their group influence workers' performance.
6. People generally act as group members rather than as individuals.
7. Opportunities for individual creativity are important.
8. Employees need their growth needs met to work effectively.

### **3. Organisational Man:**

It is an extension of social man. William Whyte introduced this concept. The focus is on loyalty to the organisation and cooperation with colleagues. The basic idea is to agree with Henry Fayol, who suggested that individual interest should be subordinated to the general interest. The basic assumptions are:

1. Individuals are less effective alone; they are more productive in groups.
2. People need to belong to families, friends, colleagues, and society.
3. Conflicts between individual and group needs can be resolved using scientific methods.
4. Individual interests should be subordinated to the group's interests if conflicts arise.

#### 4. The Self Actuating Man:

This concept is a further extension of social man and the organisation man models. The assumptions of the model are:

- a) Desire to Create: People want to use their skills to create and achieve things.
- b) Unmet Needs Drive Motivation: Unfulfilled needs push people to act and improve.
- c) Self-Actualisation as the Goal: Realising one's full potential is the highest goal.
- d) Growth through Self-Actualisation: People grow from immaturity to maturity as they work towards self-actualisation.
- e) Self-motivation: People are mainly motivated by their internal drive rather than external incentives. Once they reach a certain level, external rewards or controls have little effect.
- f) Maximum Effort When Free: If given freedom, people will put in their best effort.

#### 5. Complex Man:

This model accepts that people are complicated, with changing needs, motivations, and behaviours that depend on the situation. Many complex variables determine human behaviour. These variables are quite unpredictable. So, a behaviour that is based on these variables cannot follow a set pattern.

#### Factors Influencing Individual Behaviour

Several factors influence individual behaviour, shaping how people think, feel, and act. These factors can be broadly categorised into personal, environmental, and organisational factors.

## **1. Personal Factors**

- a) Biological Factors: Genetics, physical health, and brain chemistry.
- b) Demographic factors: Age, gender, religion, marital status, income level, level of education, technological skills, etc.
- c) Psychological Factors: Personality traits, emotions, perceptions, attitudes, beliefs, and past experiences.
- d) Cultural Background: Values, traditions, and social norms that shape behaviour.

## **2. Environmental Factors**

- a) Physical Environment: Living conditions, workspace, and geographic location.
- b) Social Environment: Influence of family, friends, and societal norms.
- c) Economic Environment: Financial status, economic conditions, and access to resources.
- d) Political environment: political ideology, political stability, corruption, etc.
- e) Legal Environment: Prevailing laws, adherence and attitude to laws.

## **3. Organisational Factors**

- a) Workplace Culture: The values, norms, and practices within an organisation.
- b) Leadership and Management Style: How leaders influence employee behaviour and motivation.

- c) Job Design and Role Clarity: The structure of tasks, responsibilities, and the clarity of expectations.
- d) Organisational Policies: Rules, regulations, and incentives that guide behaviour within the organisation.
- e) Organisation Structure: reporting system, lines of communication, etc.

These categories help in understanding how various aspects of a person's life, environment, and work context interact to influence their behaviour.

### **Personality**

The word personality originated from the Latin word 'persona', which means 'theatrical mask'.

Personality refers to the individual differences in patterns of thinking, feeling, and behaving. These sets of behaviours, cognitions, and emotional patterns are evolved from biological and environmental factors. It makes a person different from other people.

Personality means an "individual's characteristic patterns of thought, emotions and behaviour, together with the psychological mechanisms behind those patterns."

"Personality is a stable, organised collection of psychological traits in the human being that influences his interactions with the social and physical environment surrounding them."

Randy Larsen and David Buss

### **Determinants of Personality**

Several factors, like the brain, physical, social, cultural, religious, heredity, etc, influence a person's personality.

## Personality Traits

Personality traits are enduring patterns of thoughts, feelings, and behaviours that distinguish individuals from one another. They are relatively stable over time and across situations, contributing to a person's overall personality. The Five-Factor Model is the most widely recognised model for understanding personality traits, also known as the "Big Five". These five broad traits are considered fundamental dimensions of personality. Features of these personality traits are consistency, stability, and individual differences.

### Big Five Personality Theory:

Eysenck develops this model. As per this model, there are five major personality traits<sup>4</sup> - Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. Each trait represents a range. It can be high, low, or middle for each trait. Personality traits are relatively stable over time. They gradually change across the lifespan.

#### 1. Openness to Experience:

- **High Openness:** Imaginative, curious, open-minded, and eager to explore new ideas and experiences. They tend to be creative and appreciate art, adventure, unusual ideas, and variety.
- **Low Openness:** Prefer routine, are pragmatic, and are often sceptical of new ideas. They tend to focus on practical, straightforward solutions and may be less interested in abstract thinking or artistic pursuits.

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<sup>4</sup> <https://nobaproject.com/modules/personality-traits>

## 2. Conscientiousness:

- **High Conscientiousness:** Organised, reliable, disciplined, and goal-oriented. They are thorough, efficient, and capable of delaying gratification to achieve long-term goals.
- **Low Conscientiousness:** More spontaneous and less driven by structure or plans. They may be more flexible and adaptable but can also be seen as careless or unreliable in some contexts.

## 3. Extraversion:

- **High Extraversion:** Sociable, outgoing, energetic, and assertive. They enjoy being around others, are often talkative, and are typically enthusiastic and positive.
- **Low Extraversion (Introversion):** Reserved, reflective, and more comfortable with solitude. Introverts may prefer quiet environments, deep conversations, and fewer social interactions.

## 4. Agreeableness:

- **High Agreeableness:** Compassionate, cooperative, trusting, and empathetic. They tend to be kind, generous, and considerate, often putting others' needs ahead of their own.
- **Low Agreeableness:** More competitive, sceptical, and sometimes less concerned with others' feelings. They may prioritise their own goals and be seen as tough-minded or critical.

## 5. Neuroticism:

- **High Neuroticism:** Prone to experiencing negative emotions like anxiety, anger, or depression. They may be more sensitive to stress and tend to worry.

- **Low Neuroticism (Emotional Stability):** Calm, secure, and less easily upset. They tend to be resilient in the face of stress and are less likely to experience mood swings.

## Other Personality Traits

1. **PEN Model of Personality Traits:** This model is developed by Hans Eysenck. Here:
  - **P** for Psychoticism: a tendency toward aggressiveness, impulsivity, and antisocial behaviour.
  - **E** for Extraversion } Same as in **Big Five**
  - **N** for Neuroticism }
2. **Honesty-Humility:** This trait, part of the HEXACO model of personality, reflects sincerity, fairness, and modesty. High scorers are less likely to exploit others or be motivated by self-interest.
3. **Locus of Control:** This trait reflects the degree to which individuals believe they control events in their lives. Those with an internal locus of control believe they can influence outcomes, while those with an external locus of control believe external forces or fate are responsible.
4. **Optimism vs. Pessimism:** Optimists tend to expect positive outcomes and focus on the bright side of situations, while pessimists anticipate negative outcomes and may focus on potential problems or setbacks.
5. **Self-Esteem:** This trait reflects how individuals feel about themselves, encompassing self-worth and self-respect. High self-esteem is associated with confidence, while low self-esteem can lead to insecurity and self-doubt.

## Perception:

Perception is how a person experiences the world. This is a cognitive (intellectual) process. Perception is the process by which our brain interprets and makes sense of the information it receives from our senses. It's how we understand and interpret the world around us, turning raw sensory data (like sights, sounds, smells) into something meaningful, like recognising a friend's face or understanding that a loud noise is thunder.

### Process of perception

The perception process is how our brain takes sensory information from the world and turns it into something meaningful. There are mainly five stages:

1. **Stimulus:** Something happens in the environment, like a sound, light, or smell.
2. **Sensation:** Our sensory organs (eyes, ears, nose, tongue, skin) detect the stimulus.
3. **Transduction:** The process of converting physical stimuli into electrical signals in the nervous system. This is how the sensory information is converted into signals the brain can understand.
4. **Processing:** The brain Analyses the signals, comparing them with past experiences and knowledge.
5. **Perception:** The brain creates a meaningful interpretation, like recognising a voice or identifying a smell.

The perception process is how we make sense of the world by interpreting sensory information.

## **Factors Influencing Perception**

Sensory, internal, cultural, social, contextual, and symbolic factors can influence the perception of individuals.

### **1. Sensory Factors**

- a) Intensity of Stimuli: Brightness, Loudness, or Strong Smells
- b) Contrast: Difference from Background
- c) Movement: Moving Objects
- d) Size: Larger Objects
- e) Repetition: Frequent Exposure
- f) Novelty: New or Unusual Stimuli

### **2. Internal Factors**

- a) Past Experiences: Memories and Knowledge, Expectations
- b) Motivation and Needs: Desires and Goals
- c) Emotional State: Mood, Motivation
- d) Attitudes and Beliefs: Personal Values, Expectations
- e) Personality: Individual Traits
- f) Attention: Focus and Concentration, Selective Attention, Perceptual Set

### **3. Cultural and Social Factors**

- a) Cultural Background: Beliefs and Values, Language
- b) Social Influences: Group Dynamics, Social Norms

### **4. Contextual Factors**

- a) Context: Environmental Factors, Surrounding Stimuli

b) Biological Factors: Sensory Abilities, Age and Health

## 5. Symbolic Factors:

- a) Cultural Symbols: Items like flags or religious icons.
- b) Personal Symbols: Objects with personal meaning, like souvenirs.
- c) Social Symbols: Symbols related to social status, e.g. Uniforms or brand logos.
- d) Emotional Symbols: Items or symbols that evoke personal emotions based on past experiences.
- e) Language and Metaphors: The way we describe things can shape how we perceive them.
- f) Art and Media: Visual and media representations can influence how we understand and react to things.

## Perceptual errors.

Perpetual error is the inability to judge fairly and accurately. Bias, prejudice, etc., will lead to perceptual errors.

1. **Illusion:** A wrong interpretation of a perception. For example, a child perceives tree branches at night as if they are goblins.<sup>5</sup>
2. **Hallucination:** It means a sensory experience that appears real but is created by the mind.<sup>6</sup>
3. **Stereotyping:** It is an over-generalised belief about a particular category of people. It can be positive or negative. For example,

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<sup>5</sup> (കുട്ടിച്ചാത്തൻ; വേതാളം; ഹനാപേഷി; ഭൂതം.)

<sup>6</sup> (ഭ്രമം, മായാഭ്യൂഷം; ഇല്ലാത്ത അനുഭവം ഉള്ളതായ തോന്നൽ; മതിഭ്രമം; വീഭ്രാന്തി)

Politicians are corrupt, government employees are lazy, Boys are brighter, etc.

4. **Recency Bias:** Recency is the tendency of individuals to be most influenced by something that has happened recently, compared to old events.

For example, while assessing songs, an average singer may get a better score if he comes after some below-average singers.

5. **Primacy effect:** Tendency of making an opinion about one person based on first impression. E.g. assessing a person based on his dress.

6. **Contrast effects:** There are two types of contrast effects: positive and negative. A 'positive contrast effect' would occur if something was perceived as better than it is. It is because it was compared to something worse. For example, an average student may be rated as a bright student in a worse group. A bright student may be rated as an average student in the best group.

7. **Halo/Horn effects:** These are cognitive biases. Here, perception is unduly influenced by a single trait. When a negative trait influences it, it is the horn effect. When a positive trait influences it, it is a halo effect.

E.g. Halo effect: Impression on celebrities, own religious leaders, and political leaders.

Horn effect: Impression on opponent religious leaders, political leaders.

8. **Similarity-Attraction Effect:** People tend to be attracted to others who are similar to themselves in certain respects. E.g.,

attitudes, values, activity preferences, and attractiveness. "birds of a feather".

9. **Attribution Error:** It is a cognitive bias. People tend to explain someone's behaviour in terms of their personality. For example, Mr X failed an examination. Y presumes that it was because of his inability to learn (internal attribution). Mr. X explained that he had failed because he had been affected by a fever that day. He blames the situation rather than himself. (external/situation attribution)

A few years back in Kerala, Madhu was killed by a mob who suspected him as a thief, though poverty was the reason.

10. **Self-fulfilling prophecy:** Pre-conceived expectations and beliefs determine the perception. e.g. when a teacher labelled a kid as stupid (because he has illegible handwriting). Soon, the kid believed in the teacher and behaved like one.
11. **Status effect:** Give better appraisals to those in higher-level positions than those at lower levels. For example, a playback singer in the cinema or a reality show may get a higher score in a music competition than an ordinary student who sings better.

## 12. Selective Perception

This happens when we only notice what we expect or want to see. For example, if you believe "all cats are aggressive", you might only remember the times a cat scratched you and ignore the times a cat was friendly.

## Attitude<sup>7</sup>

"Attitude is a little thing that makes a big difference."

-Winston Churchill

Attitude refers to emotions, beliefs, viewpoints, mindsets, and behaviours toward a particular object, person, or event. Attitudes are primarily our response to people, places, things, or events in life. Attitudes are the result of experience. They can have a powerful influence over behaviour.

Attitude is how you think or feel about something, affecting your actions. For, if you like something, you'll be positive about it; if you don't like it, you'll be negative.

### Features of Attitude

These features help explain why we feel and act the way we do toward different things.

- 1. Direction:** Positive, Negative, Neutral, or Mixed: You can like something (positive), dislike it (negative), have no opinion, or have both good and bad feelings about it (mixed).
- 2. Strength:** Strong or Weak: Attitudes can be powerful, hard to change, mild, or easily influenced.
- 3. Stability:** Stable or Unstable: Some attitudes stay the same over time, while others change, especially if you have mixed feelings.
- 4. Accessibility:** Easy or Hard to Recall: Some attitudes come to mind quickly, while others are less noticeable, especially if you're neutral.

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<sup>7</sup> <https://www.iedunote.com/attitude-definition-characteristics-types>

**5. Affect: Emotional Component:** Your attitude involves feelings, like being happy, angry, or indifferent (neutral) toward something.

**6. Cognitive Component: Beliefs and Thoughts:** Your attitude is shaped by what you think or believe about something, whether those thoughts are positive, negative, or mixed.

**7. Behavioural Component: Actions or Reactions:** Your attitude often influences how you act, whether you do something positive, negative, or nothing at all (neutral).

## Types of Attitudes

Attitudes can be categorised in various ways. These different types of attitudes can interact with each other. It shapes a person's overall disposition toward life, work, relationships, and various other aspects of their environment. Some common types of attitudes are:

### 1. Positive Attitude

A positive attitude involves a constructive and optimistic outlook toward situations, people, or tasks. E.g. confidence, enthusiasm, gratitude, and resilience.

### 2. Negative Attitude

A negative attitude reflects a pessimistic and often critical perspective. E.g. cynicism, pessimism, hostility, and resentment.

### 3. Neutral Attitude

A neutral attitude is one where an individual has no strong feelings or opinions toward a situation or object. E.g. indifference, apathy.

#### **4. Sceptical Attitude**

A sceptical attitude is characterised by doubt or questioning, often requiring proof before accepting something as true. E.g. Critical thinking, cautiousness, questioning.

#### **5. Ambivalent Attitude**

Ambivalence occurs when an individual has mixed feelings or contradictory attitudes toward the same object, person, or situation. E.g. a love-hate relationship, mixed emotions.

#### **6. Cognitive Attitude**

Cognitive attitudes are based on beliefs, knowledge, or thoughts about something. E.g. belief in the importance of education and understanding the health benefits of exercise.

#### **7. Affective Attitude**

Affective attitudes are based on emotions or feelings toward an object, person, or situation. E.g., fear of public speaking or a love for a hobby.

#### **8. Behavioural Attitude**

Behavioural attitudes reflect how an individual intends to behave or act toward something. E.g. decide to boycott a brand or volunteer for a cause.

#### **9. Explicit Attitude**

Explicit attitudes are those that individuals are consciously aware of and can easily articulate. E.g. stating a preference for a particular political party.

## **10. Implicit Attitude**

Implicit attitudes are unconscious beliefs or feelings that influence behaviour without conscious awareness. E.g. unconscious biases and automatic preferences.

### **Values**

Values are basic and fundamental beliefs that guide human behaviour. The values of people are associated with the values of their culture. Personal values exist about cultural values. Values guide behaviour, decision-making, and how individuals or societies assess good, bad, right, or wrong. They are often deeply held beliefs that influence attitudes and actions. A culture is a social system that shares a set of common values. Such values permit social expectations and collective understandings of the good and bad.

Values can be Personal Values (Moral & Aesthetic Values), Achievement Values, Cultural Values (Traditional & Modern Values), Social Values (Altruistic & Interpersonal Values), Economic Values (Material & Work-related Values), Political Values (Democratic & Authoritarian Values), Religious/Spiritual Values (Faith-based & Spiritual Values), and Universal Values (Human Rights & Environmental Values)

### **Learning**

Learning is a behaviour change influenced by previous behaviour. Learning is a key process in human behaviour. The individual is constantly interacting with his environment. This experience makes him modify his behaviour. The skills, knowledge, habits, attitudes, interests and other personality characteristics result from learning. All learning involves either physical and/or mental activities. They may be simple or complex.

Learning is "any relatively permanent behaviour change that occurs as a result of practice and experience".

Learning is "the function based on how a person processes and reasons information".

People are capable of learning new motives through their organisational experiences.

### Elements of learning:

- a. Learning is a **behaviour** change—good or bad.
- b. Learning is a change that takes place through **practice or experience**. A change due to growth is not learning.
- c. Change in behaviour must be **relatively permanent**.

### Process of Learning

According to behaviourist theories, there are four stages of learning: Stimulus, responses, motivation, and reward.

#### 1. Drive/Stimulus:

This stage involves a stimulus that prompts a response. Drives can be physiological (like hunger or thirst) or psychological (like curiosity or fear). The stimulus initiates the learning process by creating a need or desire that drives behaviour.

E.g. A loud noise (stimulus) might cause someone to turn their head (response). A feeling of hunger (drive) might lead someone to seek out and eat food.

#### 2. Response:

This is the action or behaviour that follows the stimulus. Responses can be physical actions or changes in attitudes, perceptions, or behaviours.

E.g. when hungry, a person might cook or buy food. When it rains, a person might use an umbrella.

### **3. Reinforcement:**

Reinforcement is crucial for strengthening the behaviour associated with the response. It increases the likelihood that the behaviour will be repeated in the future. Reinforcements can be positive (rewards) or negative (removal of an unpleasant stimulus).

E.g. receiving praise or a reward for completing a task reinforces the likelihood of repeating the behaviour.

### **4. Retention:**

This refers to the ability to maintain learned behaviour over time. Factors like repetition, reinforcement, and the relevance of the learned material influence retention. Forgetting is the opposite of retention.

e.g. after learning a new skill or piece of information, how well it is retained can vary; some details may be remembered for a long time, while others may be forgotten.

### **Types of Learning:**

The types of learning offer a more detailed and nuanced understanding of how we acquire different kinds of skills and knowledge. The following are the types of learning with associated learning mechanisms and theories.

#### **1. Motor learning:** Activities that involve muscular coordination.

E.g. walking, running, skating, driving, climbing, etc.

#### **2. Verbal learning:** This involves our languages and other communication devices. It centres on the acquisition and use of language and communication tools. This includes learning words,

symbols, signs, and other forms of communication. E.g. signs, pictures, symbols, words, figures, sounds, etc.

**3. Concept learning:** It is the form of learning that requires higher-order mental processes like thinking, reasoning, intelligence, etc. E.g. the concept of a wild animal, domestic animal, family, temple, church, etc.

**4. Discrimination learning:** Learning to differentiate between stimuli and respond appropriately to these stimuli. E.g. the horns of different vehicles like buses, cars, ambulances, etc.

**5. Learning of principles:** Principles always show the relationship between two or more concepts. This type helps in generalising knowledge and applying it to different situations -E.g. formulae, laws, associations, correlations, grammar, etc.

**6. Problem-solving:** This higher-order learning requires the use of cognitive abilities such as thinking, reasoning, observation, imagination, generalisation, etc. This is useful to overcome problems - E.g. overcoming stress related to a complex situation.

**7. Social Learning:** Focuses on learning that occurs in social contexts and involves interactions with others. It encompasses both observational learning and learning through social networks and communities.

E.g. New employees learn job skills by watching experienced workers, learning holiday traditions by observing family and community, learning of rituals.

**8. Attitude learning:** Involves forming and modifying attitudes based on experiences and beliefs. Attitudes influence behaviour and reactions toward people, objects, and situations. Learning in this area can affect how we interact with others and perceive the

world. Our behaviour may be positive or negative depending upon our attitudes- E.g. attitudes towards the poor, pets, etc.

## **Reinforcement**

Reinforcement is used to increase a behaviour by either giving a reward (positive reinforcement) or removing something unpleasant (negative reinforcement). For example, giving a child an ice cream for doing their homework is positive reinforcement, while removing the restriction to play games to finish their work early is negative reinforcement.

## **Reinforcement Theory of Motivation**

### **Skinner**

Reinforcement shapes behaviour by controlling the consequences that follow it. According to the "law of effect," behaviours followed by positive outcomes are more likely to be repeated, while those followed by negative outcomes are less likely to be repeated. There are four types of reinforcement:

1. **Positive Reinforcement:** This involves giving a reward when someone displays positive behaviour, increasing the chance that the behaviour will be repeated. E.g. giving a child an ice cream for being quiet during a shopping trip.
2. **Negative Reinforcement:** This involves removing something unpleasant when the desired behaviour occurs. E.g. lifting restrictions from a child who follows the rules.
3. **Punishment:** This involves applying a negative consequence to decrease the likelihood of an undesired behaviour. E.g. suspending an employee for breaking company rules.

4. **Extinction:** This involves stopping rewards for a behaviour to reduce its occurrence. Eg. If an employee no longer receives praise for good work, they may stop performing well.

## **Behaviour Modification**

This involves various techniques to change behaviour. It includes reinforcement, punishment (adding or removing consequences), and strategies like modelling (showing the correct behaviour) and shaping (gradually rewarding progress). These methods aim to encourage or discourage certain behaviours.

### **Classical Conditioning (Pavlovian Theory) of Behaviour Modification:**

Proponent: Ivan Pavlov

Associations between stimuli influence behaviour. An involuntary response is triggered by a neutral stimulus that has become associated with a meaningful stimulus. For example, a dog salivates at the sound of a bell paired with food.

### **Motivation**

The word motive comes from the Latin word *motivus*, meaning "to move." It came into English through Old French with the meaning of 'something that drives a person to act'. An individual's performance is influenced by both their ability (skills and competence) and their motivation (desire to accomplish the task). The formula is:  $\text{Performance} = \text{Ability} \times \text{Motivation}$ .

Abraham Maslow's theory explains that motivation arises from fulfilling five basic needs: physiological, safety, social, esteem, and self-actualisation, which shape behaviour.

Being "happy" at work (satisfaction and well-being) is distinct from being "motivated" (the drive to perform well).

## Objectives of Motivation

The objectives of motivation are to:

1. **Increase willingness to work** – Motivated employees are more eager to perform tasks and responsibilities.
2. **Enhance job performance** – Motivation transforms skills into higher performance and encourages employees to seek better ways to complete their tasks.
3. **Improve quality** – Motivated workers tend to be more quality-focused, paying extra attention to details in their work.
4. **Achieve organisational goals** – Motivation drives individuals toward achieving goals with greater discipline, pride, and confidence, aligning their efforts with organisational objectives.
5. **Boost job satisfaction** – Increased motivation leads to higher job satisfaction, enhancing productivity and overall performance.
6. **Strengthen employee loyalty** – Motivated workers are more loyal to the organisation, increasing retention and reduced turnover.
7. **Improve public image** – A motivated workforce enhances the organisation's reputation, as motivated employees project a positive image.
8. **Reduce grievances** – Motivation helps lower the number of complaints and grievances, promoting a more harmonious work environment.

## Types of Motivation

Out of 7.5 billion (750 crore) people in the world - no two people have exactly the same filters. There are two main types of motivation:

### 1. Intrinsic Motivation

Motivation that comes from within an individual, driven by personal satisfaction, interest, or the enjoyment of the task itself.

Examples:

Learning a new skill because you enjoy the challenge, Engaging in a hobby for the pleasure it brings, Completing tasks for a sense of accomplishment or personal growth.

### 2. Extrinsic Motivation

Motivation comes from external factors, such as rewards or avoiding punishment.

Examples:

Working for a salary or promotion, completing a project to receive praise or recognition, and following rules to avoid negative consequences, such as penalties or fines.

In addition to these, some specific forms of motivation include:

- a) **Positive Motivation:** Encouraging behaviour by offering rewards, praise, or incentives.
- b) **Negative Motivation:** Driving behaviour using fear, punishment, or the threat of loss.
- c) **Achievement Motivation:** The drive to reach goals, excel, and gain success.

- d) **Power Motivation:** The desire to influence, lead, or control others.
- e) **Affiliation Motivation:** The need to belong, form relationships, and be part of a group.

### **Motivational skills**

Motivational skills are abilities that help inspire and encourage people to take action, stay focused, and work toward achieving goals. These skills include clear communication, goal-setting, providing positive reinforcement, problem-solving, and building confidence, all of which help boost motivation in yourself and others. Eg. a manager praises an employee for completing a difficult project on time.

### **Attitude & Motivation:**

Attitude refers to a person's mindset, feelings, or perspective towards something, such as work, life, or a specific task. A positive attitude leads to enthusiasm, optimism, and a willingness to engage in tasks. A negative attitude results in lack of interest, disengagement, or resistance.

Motivation is the drive or desire that pushes a person to take action or achieve goals. It can be intrinsic or extrinsic. High motivation leads to better performance, persistence, and dedication. Low motivation results in procrastination and lack of effort.

### **The connection between Attitude & Motivation:**

A positive attitude boosts motivation, while a negative attitude lowers motivation.

E.g. an employee with a positive attitude toward their job will feel motivated to perform well, seek improvement, and contribute to the

team, while a negative attitude might result in poor engagement and lack of effort.

## Theories of Motivation

There are several approaches to motivation. These approaches help us to understand the nature of motivation better. There are three major types of motivation theories:

### 1. **Content Theories** (Need approaches) of Motivation:

They focus on What motivates us.

A. Maslow's Hierarchy of Needs - 1943

B. Clayton Aldefer's ERG Theory -1969

C. Douglas McGregor's Theory X and Theory Y - 1960

D. Frederick Herzberg's Two-Factor Theory - 1968

E. McClelland's Achievement Motivation Theory - 1940

F. William Ouchi's Theory of Z- 1980

### 2. **Process Theories** of Motivation:

They focus on **WHY** and **HOW** motivation occurs. They try to answer **Why** people choose certain behavioural options to satisfy their needs and **How** they evaluate their satisfaction after they have attained their goals.

A. Edwin Locke's Goal Setting Theory - 1960

B. John Stacey Adams' Equity Theory/Social Comparison  
- 1963

C. Victor H. Vroom's Expectancy Theory -1964

### 3. Reinforcement Theory:

It focuses on HOW outcomes influence behaviours.

- a. B.F. Skinner's Operant Conditioning - 1920/38
- b. Edward Thorndike's Law of Effect - 1898
- c. Albert Bandura's Social Learning Theory – 1960

### I. Content Theories (Need approaches) of Motivation:

They focus on what motivates us.

#### 1. A THEORY OF HUMAN MOTIVATION

##### Maslow's Need Hierarchy Model:

Abraham Harold Maslow<sup>8</sup> (1908-1970) was an American psychologist, who is best known for his 'need hierarchy model.' The model was published in the book 'Motivation and Personality'

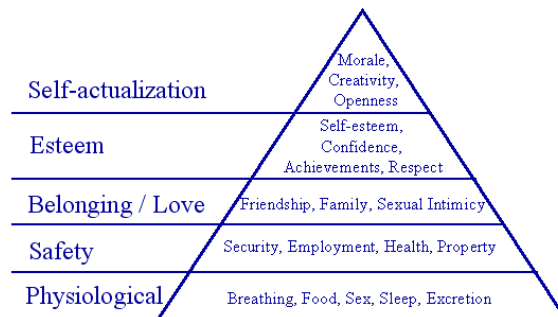
Human beings always have desires; once one desire is met, a new one arises. Their behaviour is influenced by unsatisfied needs, not those already fulfilled. Human needs can be arranged in a hierarchy, from basic needs to more complex ones. A person only moves to the next level of needs after their lower-level needs are at least somewhat satisfied.

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<sup>8</sup>AH Maslow was the first of seven children born to his parents, who themselves were uneducated Jewish immigrants from Russia. He did his BA, MA, and PhD, all in psychology, from the University of Wisconsin. He served as a professor at Brooklyn College in New York City. The best-known books are *Toward a Psychology of Being* (1968), *Motivation and Personality* (1954), and *The Further Reaches of Human Nature* (1971). Finally, there are many articles by Maslow, especially in the *Journal of Humanistic Psychology*, which he cofounded.

These needs are divided into five levels: physiological (basic survival needs), safety, belongingness (social needs), self-esteem, and self-actualisation (achieving one's full potential).

### The model



### The Basic Needs

#### a) Physiological Needs:

The most basic motivation for human beings comes from physiological needs like hunger, thirst, and sex. They are the strongest of all needs. When a person is extremely deprived of everything, their main focus is on satisfying these physiological needs, especially hunger. In such a state, nothing else—such as love, respect, or freedom—matters until their basic need for food is met. A person in extreme hunger thinks only about food and sees other concerns as unimportant.

#### b) Safety or Security Needs:

Once physiological needs are satisfied, safety needs become important. These include security, stability, protection, and freedom from fear and chaos. Safety becomes a priority over other concerns, even basic needs, which may be overlooked once they are fulfilled.

People only focus strongly on safety during real emergencies, such as wars, natural disasters, crime waves, or social disorder. In such situations, the need for safety and protection can become very urgent.

**c) The Belongingness and Love Needs (Social or Affiliation Needs):**

Once physiological and safety needs are satisfied, the need for love, affection, and belongingness emerges. A person will strongly feel the absence of friends, a partner, or family and will strive to build affectionate relationships. These needs involve both giving and receiving love. It is important to note that love is not the same as sex; while sex is a basic physiological need, love involves emotional connection and mutual care.

**d) Esteem Needs:**

All people have a need for self-esteem and the respect of others, which can be divided into two types:

- (a) the desire for personal strength, achievement, competence, independence, and confidence.
- (b) the desire for recognition, respect, status, and appreciation from others.

When these self-esteem needs are satisfied, they lead to confidence, self-worth, strength, and a sense of being useful and capable.

**e) Self-Actualisation Needs:**

Even if all these needs are satisfied, a new restlessness will soon develop unless the individual does what he is fitted for. A musician must make music; an artist must paint; a poet must write if he is to be ultimately at peace with himself. What a man can be, he must be.

He must be true to his own nature. This need we may call self-actualisation. It refers to man's desire for self-fulfilment. The tendency for him to become actualised in what he is potentially. Eg. desire to be an ideal mother, paint pictures or be involved in inventions. At this level, individual differences are greatest.

### **Evaluation of Maslow's Theory of Motivation**

1. This is the most popular and highly appreciated theory of motivation.
2. The model is simple, common, and human.
3. Giving more of the same reward may have a diminishing impact on motivation.
4. It accounts for interpersonal variations in human behaviour. Employees may belong to varying levels of Maslow's needs hierarchy.
5. Need hierarchy model is dynamic, and motivation is presented as a constantly changing force.
6. Man is never satisfied; the individual will typically redirect his efforts to higher needs.
7. Maslow's approach is based on existential philosophy.<sup>9</sup>

### **Criticisms**

1. Maslow's hierarchy of needs cannot be directly applied to work motivation.

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<sup>9</sup> Existential philosophy emphasises individual existence, freedom and choice. Humans define their own meaning in life and try to make rational decisions despite existing in an irrational universe. The basic tenet is that man is healthy, good, and creative, capable of working out his own destiny.

2. The hierarchy does not exist among needs. At all levels, needs are present at a given time.
3. There are differences in the hierarchy of needs across countries.
4. Individuals differ in the relative intensity of their various needs.
5. The assumption of psychological health is not widely accepted. Many individuals may stay content with lower-level needs- physiological and safety needs.

## 2. ERG Theory

Clayton Alderfer (1940 - 2015)

This theory is the simplified version of Maslow's need hierarchy theory. Alderfer's ERG theory condenses Maslow's five human needs into three categories: Existence, Relatedness and Growth.

- 1) Existence needs (physical well-being) - They are equal to Maslow's physiological and safety needs.
- 2) Relatedness needs (satisfactory relations with others) - They are equal to Maslow's social and esteem needs.
- 3) Growth needs (development of competence and realisation of potential)- They are equal to Maslow's self-actualisation needs.

### Frustration Regression Principle

According to ERG theory, people have multiple needs that can be satisfied simultaneously, meaning more than one need can be active simultaneously. If a higher-level need is frustrated, a person might focus on fulfilling lower-level needs instead. For example, a person might seek more money if social needs are unmet. This is called the frustration-regression principle, which impacts workplace motivation.

Additionally, factors like education, family background, and cultural environment can influence which needs are more important to an individual.

### Criticisms:

The theory does not offer a clear-cut guideline. For eg. To determine the three needs that an employee wants to satisfy at a given time.

### **3. McGregor y's Theory X and Theory Y**

McGregor explains this theory in his book (1960s) "The Human Side of Enterprise". They refer to two management styles – authoritarian (Theory X) and participative (Theory Y).

#### **Theory X**

Theory X is based on negative assumptions about the average worker. It assumes that employees lack ambition, avoid responsibility, and are primarily motivated by their goals or money. Managers with this mindset believe workers are lazy and less intelligent, leading to a "command-and-control" environment where authority is centralised and little trust is placed in employees.

Key assumptions of Theory X include:

1. People dislike work and will avoid it when possible.
2. Most employees are not ambitious and prefer to be directed.
3. They lack creativity in solving problems.
4. Motivation is limited to basic physiological and security needs.
5. Employees are self-centred, resist change, and must be controlled or threatened to work.

## Theory Y

Theory Y is optimistic about employees, assuming they are self-motivated, enjoy work, and seek responsibility. It acknowledges individual differences and encourages workers to develop their skills, aligning personal goals with organisational goals. This leads to a participative, decentralised management style.

Key assumptions of Theory Y include:

1. Work can be as natural as play when conditions are favourable.
2. People are self-directed and creative in achieving work objectives.
3. Commitment to goals increases when rewards meet higher-level needs.
4. Creativity and imagination are common in employees.
5. Given the right conditions, people will seek responsibility.

The theory concludes that while some initial control may be necessary, it can be gradually relaxed as employees mature and develop.

## 4. Herzberg's Two-factor theory (1968)

(Dual factor/ motivation-hygiene theory)

This theory was formulated based on a survey of 200 accountants and engineers. The theory focuses on the fact that satisfaction and dissatisfaction are not opposite poles. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction", and the opposite of "Dissatisfaction" is "No Dissatisfaction". This theory identifies that there are two sets of factors that influence job satisfaction:

Satisfaction is affected by ‘motivator factors’ and dissatisfaction by ‘hygiene factors’.

**A. Hygiene Factors (Prevent Dissatisfaction)::**

Hygiene factors are important for keeping employees from feeling dissatisfied, but they don't create positive satisfaction. If these factors are missing, they lead to dissatisfaction. They include Fair Salary/Pay, Clear and fair Policies and guidelines, Job Security, Safe and comfortable work environment, Interpersonal Relationships, Quality of management and Supervision, Work-life Balance or Reasonable work hours, and Status or the position or rank within the organisation.

**B. Motivator Factors (Increase Satisfaction):**

Motivational factors create positive satisfaction and encourage employees to perform better. These factors are directly related to the work itself and are called satisfiers. They include recognition for good work, achievement of meaningful tasks and goals, responsibility over tasks and decisions, advancement for career growth or promotion, work itself: engaging that is interesting or challenging, personal growth: opportunities for learning and skill development, autonomy: freedom to make decisions and manage one's own work.

To achieve motivation, managers should cope with both ‘hygiene factors’ and ‘motivators’

## Traditional View

Dissatisfaction-----Satisfaction

## Two-Factor View

### Absent

### Present

Dissatisfaction ----- (Hygiene Factors) -----No Dissatisfaction

No Satisfaction ----- (Motivators) ----- Satisfaction

According to the Two-Factor Theory, there are four situations:

1. **High Hygiene + High Motivation:** Employees are motivated and have few complaints, which is ideal.
2. **High Hygiene + Low Motivation:** Employees have few complaints but are not very motivated; they see the job mainly as a paycheck.
3. **Low Hygiene + High Motivation:** Employees are motivated but have many complaints, often about poor pay or work conditions.
4. **Low Hygiene + Low Motivation:** In the worst case, employees are unmotivated and have many complaints.

### Criticisms

1. **Method Issues:** People take credit for success and blame outside factors for failures, which affects the results of Herzberg's method.
2. **Focus on Satisfaction, Not Work Output:** The theory looks at job satisfaction but doesn't consider how productive employees are.

3. **Doesn't Consider Different Situations:** The theory overlooks how different workplace conditions can impact motivation.
4. **Overlap Between Factors:** Both motivators and hygiene factors can cause satisfaction or dissatisfaction, so they aren't completely separate.

## 5. McClelland's Achievement Motivation Theory - 1940

McClelland's Achievement Motivation Theory explains three main needs that drive people:

1. Need for Achievement (nAch): People who want to succeed and take on challenging tasks. They set high goals, take risks, and like feedback on how they're doing.
2. Need for Power (nPow): People who want to lead and influence others. They like being in control and enjoy situations where they can show leadership.
3. Need for Affiliation (nAff): People who value close relationships. They want to be liked, prefer teamwork, and avoid conflict to keep good social connections.

In simple terms, people are motivated by achievement, power, or relationships, and understanding this helps managers give tasks that suit their employees' motivations.

## 6. William Ouchi's Theory of Z - 1980

Theory of Z combines American and Japanese management styles. It emphasises job security and employee well-being to build loyalty and commitment. Key points of theory z include job security, team decision-making, gradual promotion, employee care, and strong culture. Theory Z aims for a balanced approach that values productivity and employee happiness.

## Contemporary Theories of Motivation

"Contemporary" refers to something that is current, modern, or existing simultaneously with the present. It provides a modern understanding of what drives individuals to act in certain ways. These theories often emphasise the complexity of motivation, considering a combination of personal, psychological, and environmental factors.

### 1. Cognitive Evaluation Theory (CET)

Founders: Deci and Ryan in 1975

CET explains how external rewards (like money or praise) can affect people's natural, internal motivation to do something for enjoyment or personal satisfaction. The theory explains how external rewards affect motivation:

1. **Controlling Rewards:** If people feel they're only doing something for a reward (like money), they might lose interest in the activity. E.g. a child who loves drawing might stop enjoying it if they get rewarded every time and start focusing only on the reward.
2. **Informational Rewards:** Rewards that recognise someone's ability (like praise for doing a good job) can increase motivation because they make people feel skilled and valued.
3. **Perception of Control:** People need to feel in charge of their actions and capable of success. If rewards make them feel controlled, their motivation drops. If rewards make them feel competent and free, their motivation increases.

## 2. Goal setting Theory (1968)

Edwin A. Locke

The theory explains how setting clear, specific, and challenging goals helps people stay motivated and improve performance. Setting specific, challenging goals makes people more focused, motivated, and productive. Key Ideas of the theory include:

**Specific Goals:** Clear and specific goals are better than vague ones.

Example: "Increase sales by 10%" works better than "Try harder."

**Challenging but Achievable:** Goals should push one to work hard but still be possible to reach.

Example: Learning a new skill for a job is challenging but doable.

**Commitment:** One must be committed to the goal and believe in its importance to stay motivated.

**Feedback:** Regular feedback helps track progress and keeps you motivated.

**Task Complexity:** For complicated goals, break them into smaller steps to make them more manageable.

Why It Works:

**Focus:** Goals help you concentrate on what's important.

**Motivation:** Challenging goals push you to do your best.

**Better Performance:** Clear goals lead to better results

## 3. The Equity-Expectancy Model

It combines two separate but related motivation theories: Equity Theory by J. Stacy Adams and Expectancy Theory by Victor Vroom. Together, these theories help explain how perceptions of fairness and expectations of outcomes influence motivation in the workplace.

### 3a. Equity Theory of Motivation.

J. Stacey Adams

Adams' Equity Theory says that people want fairness in their work relationships. They compare:

**Inputs:** What they contribute, such as effort, time, skills, and loyalty.

**Outputs:** What they get in return, like pay, benefits, recognition, and job security.

People need to feel that:

They are fairly rewarded for their efforts.

Their rewards are similar to what their peers receive.

If they think they're being treated unfairly, they will feel upset and may try to change things to restore fairness.

### 3b. Expectancy model.

Victor Vroom (1932)

It is a process theory of motivation that states that a person's motivation is shaped by their expectations for the future. It is based on three key factors: valence, instrumentality, and expectancy.

**Valence:** This is how much a person values the potential rewards. It reflects the idea that someone finds an outcome desirable based on their own preferences.

**Expectancy** refers to how much a person believes their effort will lead to the desired results. It's about self-confidence and belief in their abilities, often influenced by past experiences and the difficulty of the goal.

**Instrumentality:** This is the belief that achieving the desired results will lead to actual rewards. It reflects the idea that if someone accomplishes a task, they expect to receive the promised rewards.

### **Why Equity Theory and Expectancy Theory are given together**

It is because they provide a complete understanding of motivation. Equity Theory highlights the importance of fairness in how rewards are distributed based on effort and contribution, while Expectancy Theory focuses on how people's beliefs about their abilities and the relationship between effort and rewards influence their motivation. Together, they show that for individuals to be truly motivated, they need to feel that they are being treated fairly and that their efforts will lead to meaningful rewards.

## **II. Reinforcement Theories**

It focuses on HOW outcomes influence behaviours.

### **1. B.F. Skinner's Operant Conditioning - 1920/38**

It is a learning theory by B.F. Skinner that explains how rewards and punishments shape behaviour.

Key ideas:

1. **Positive Reinforcement:** Rewarding good behaviour makes it more likely to happen again. Eg: Praising someone for a job well done.
2. **Negative Reinforcement:** Removing something unpleasant to encourage behaviour. Eg: Taking away extra chores when tasks are completed on time.
3. **Punishment:** Giving a negative consequence to stop bad behaviour. Eg: Giving a warning for breaking rules.

4. **Extinction:** Ignoring a behaviour until it stops because it's no longer rewarded. Eg: Not responding to a tantrum can make it go away.

In simple terms, behaviour can be shaped by using rewards to encourage good actions and punishments to discourage bad ones.

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## 2. Edward Thorndike's Law of Effect - 1898

The theory states behaviours followed by positive outcomes are more likely to be repeated, while behaviours followed by negative outcomes are less likely to occur.

Key points of the Law of Effect:

**Positive Consequences:** If an action leads to a satisfying or rewarding result, the likelihood of repeating that behaviour.

**Negative Consequences:** If an action results in discomfort or an unfavourable outcome, the behaviour is less likely to be repeated.

The Law of Effect explains that people tend to repeat actions that bring good results and avoid bad ones.

## REVIEW QUESTIONS

### Section A. Short Answer

1. What are the characteristics of human behaviour?
2. Write a note on Complex Man?
3. What do you mean by perception? Explain its nature.
4. What characteristics of the perceiver affect perception?
5. Briefly explain the figure-ground principle of organisation in 'perception theory.
6. Mention any four Motivating Factors of Herzberg's Two Factor Theory.

### Section B. Short Essay

1. Distinguish between the Organisation Man Model' and the self-actualising Man Model."
2. How does the social environment of an individual influence his behaviour?
3. 'Models of Man' helps to understand the behaviour of individuals. Discuss
4. How do biological factors influence personality?
5. What personality traits are relevant from the point of view of OB?
6. Perception is a process consisting of many subprocesses. Explain?
7. Mention any four criticisms of Maslow's Need Hierarchy Theory.
8. Family and social groups shape a person's personality through the process of socialisation and identification. Explain?
9. Explain any four characteristics of Motivation?
10. What do you understand by the term values? How do values differ from attitude?
11. Mention any four Maintenance Factors of Herzberg's Two Factor Theory.
12. Distinguish between Equity Theory and Expectancy Theory.

## Section C. Essay

1. Discuss the major personality traits that influence organisational behaviour and explain their impact on employee performance. (2022)
2. Briefly discuss the steps in Behaviour Modification. Critically examine its uses and limitations.
3. Examine the factors determining personality by citing relevant examples.
4. What is meant by Organisational Behaviour Modification? Explain the steps involved in the process.
5. What do you mean by Maslow's hierarchy of needs? Do financial incentives increase employees commitment to organisations. Explain.
6. Discuss the process of learning and explain how learning influence an individual behaviour. (2021)
7. "Perceptual Interpretation is more complex than perceptual selection and perceptual organisation" Explain.
8. The motivation of each individual is very personal, and general theories of motivation cannot apply to an individual". Critically evaluate the statement.
9. According to equity theory, how might an individual who is overpaid feel and behave? What might such a person due to alleviate this inequality?
10. Discuss the Expectancy model of Motivation. Explain the implications of this model for managers and organisations.
11. "Behaviour is a function of its consequences". Comment.

## TACKLING ANALYTICAL QUESTIONS

### **11. “Behaviour is a function of its consequences”. Comment.**

#### **Covered Under:**

Reinforcement Theory of Motivation by B.F. Skinner and Law of Effect by Edward Thorndike.

These theories explicitly support the statement that behaviour is shaped by its consequences.

To directly answer the question in an exam, refer to:

Reinforcement types: Positive reinforcement, negative reinforcement, punishment, and extinction.

Behaviour Modification techniques.

Thorndike’s Law of Effect principles.

## **Module 3**

### **Group Behaviour and Leadership**

- 3.1 Transactional Analysis
- 3.2 Group Behaviour
- 3.3 Stages of Group Development
- 3.4 Teams and Types of Teams
- 3.5 Authority and Power
- 3.6 Leadership
- 3.7 Theories of Leadership

## Group Behaviour

Group behaviour refers to the collective actions, interactions, and dynamics within a group, shaped by norms, roles, cohesion, and factors like social facilitation and social loafing.

Leadership involves guiding and influencing group members toward achieving common goals. Effective leadership is crucial in shaping group dynamics, fostering collaboration, improving decision-making, and motivating members.

In essence, leadership and group behaviour are interconnected, with leadership influencing the group's performance, cohesion, and overall success.

## Models to Improve Interpersonal Behaviour

Transactional Analysis (TA) and the Johari Window are communication models that contribute to the enhancement of group behaviour and leadership, both in Indian contexts and globally. These models primarily focus on communication patterns and self-understanding. TA demonstrates how individuals interact in varied manners (such as Parent, Adult, or Child) and illustrates how effective leaders utilise composed, rational communication strategies. The Johari Window helps individuals to gain deeper self-awareness by encouraging the sharing of information and feedback, which in turn fosters trust within the group. This approach is particularly relevant in Indian academic and organisational settings, where collective harmony and open communication are emphasised.

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## Transactional Analysis (TA):

Developed by Eric Berne in the 1950s

TA is a psychological model to analyse human behaviour and communication. TA is based on the idea that people have three distinct ego states: Parent, Adult, and Child. This influences how they interact with others. It is essentially the concept of Sigmund Freud's theory of the human psyche, comprising the id, ego, and superego<sup>10</sup>. These ego states represent patterns of thinking, feeling,

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<sup>10</sup> **Id:** According to Freud, we are born with our **Id**. The id is an important part of our personality because it is the basic, instinctual drive prevailing in all. It is the only component of personality that is present from birth.

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For example,. When a child is hungry, the id wants food, and therefore it cries. When the child is uncomfortable or just wants attention, the id speaks up until his/her needs are met. The id doesn't care about reality, about anyone else's needs, only its satisfaction.

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**Ego:** The ego deals with reality. It tries to meet the id's desires in a socially acceptable way. The ego recognises that other people also have needs and wants, and that being selfish is not always good for us in the long run. Thus 'ego' is ready to behave as per the society's accepted way.

For example, She was interested in the 'liquor' during the party but waited for the drinking water.

He was really in need of money, but he was not ready to steal.

**Superego:** The superego develops last, based on morals and judgments about right and wrong. Even though the superego and the ego may reach the same decision about something, the superego's reason for that decision is more based on moral values. In contrast, the ego's decision is based more on what others will think or what the consequences of an action could be.

For example,. She was really interested in the 'liquor' during the party, but she waited for the drinking water because she believed that taking 'liquor' was a bad habit as well as a wrong model for his children.

He was really in need of money, but he was not ready to steal. He knew that stealing was wrong, even though no one would know about it.

and behaving. These ego states help explain how individuals interact and respond based on their past experiences and learned behaviours.

**Parent** (Exteropsyché): This state reflects behaviours and thoughts learned from parents or parental figures. People may mimic how these figures acted in their own childhood. They are often manifesting as controlling or nurturing. Parent states include positive aspects, such as caring, loving, or supportive behaviour, and negative aspects, such as critical, punishing, or judgmental behaviour.

For example, a person may shout at someone in frustration because they learned that behaviour from a role model during childhood.

**Adult** (neopsyché): The adult state functions as the rational, logical part of the personality, making data-driven decisions. It processes information logically and objectively. It provides no chance for emotional reactions.

E.g. the adult in the neo psyche is someone who responds to life's complexities with reflection, deliberation, and self-awareness, grounded in reasoning and adaptive behaviour.

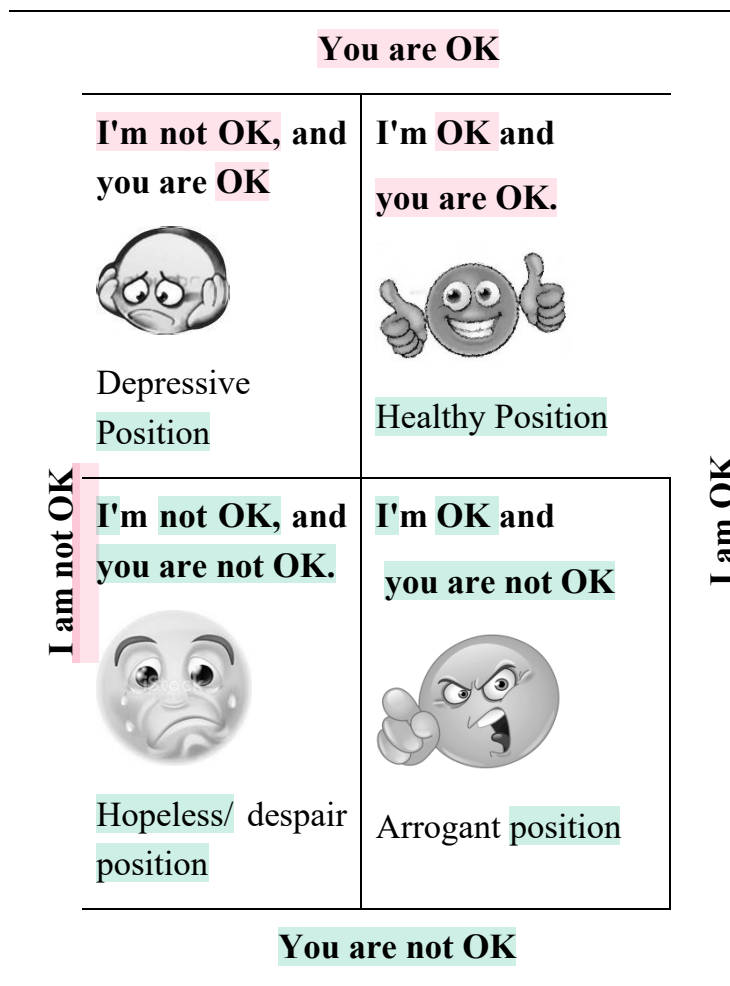
**Child** (archaeopsyché): It is the child ego state in TA. The child's ego state represents the emotional and spontaneous side, often shaped by past experiences and impulses. This state expresses feelings, instincts, and experiences from childhood rather than logic. Child state can be natural (curious, creative, open, fun-loving) or adaptive (fearful, guilty, afraid, anxious, prideful, dependent).

## Life Position Quadrants

In TA, Life Positions represent fundamental beliefs about oneself and others that influence behaviour and interactions. These positions are often depicted in a quadrant model, with two axes: one for self-

worth (I'm OK vs. I'm not OK) and one for the worth of others (You're OK vs. You're not OK).

## Life Position Quadrants



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The four life positions are:

**a) I'm OK, You're OK:** This is the healthiest position. It means you feel good about yourself and believe others are capable, too. You're ready to engage positively with others.

**b) I'm OK, You're Not OK:** Here, you feel good about yourself but see others as flawed or inferior. This mindset is usually unhealthy and can lead to feelings of superiority over others.

**c) I'm Not OK, You're OK:** In this position, you see yourself as weak and accept mistreatment as normal. You have low self-esteem and often prioritise others over yourself, wanting to please them.

**d) I'm Not OK, You're Not OK:** This is the worst position. You feel bad about yourself and believe the world is also negative. It leads to feelings of hopelessness and lack of support.

### Importance/Applications of TA

By utilising TA, individuals can enhance their communication, self-awareness, and relationships. Practical applications of TA include:

#### 1. Therapy and Counselling:

**Self-awareness:** Helps people recognise which ego state they're using in interactions, leading to healthier behaviours.

**Conflict Resolution:** Identifies misunderstandings by analysing communication styles.

**Life Script:** Examines personal life patterns that may hinder the change of negative behaviours.

## **2. Education:**

**Teacher-Student Communication:** Teachers can enhance classroom interactions by maintaining an adult state, fostering respect and understanding.

**Conflict Resolution:** Helps resolve conflicts by understanding the ego states involved and promoting more effective communication.

## **3. Organisations and Leadership:**

**Effective Leadership:** Leaders can enhance workplace communication by recognising their own and their team's ego states.

**Team Dynamics:** Analyses group behaviour to prevent issues and promote open communication.

**Performance Feedback:** Encourages constructive feedback by focusing on facts and reducing emotional responses.

## **4. Personal Development:**

**Improving Relationships:** Helps individuals understand and improve patterns in their interactions.

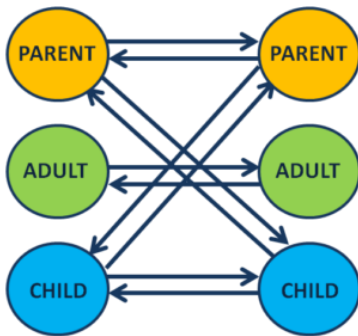
**Decision-Making:** Promotes rational decision-making by encouraging the use of the adult state.

## **5. Conflict Management:**

Helps identify mismatched communication styles in conflicts for better resolution.

## **Transactions between Ego States**

In TA, transactions refer to interactions between different ego states (Parent, Adult, Child) in communication. Understanding these transactions helps identify how people relate to each other and why misunderstandings or conflicts arise.



### 1. Complementary Transaction:

One person's ego state directly corresponds to that of the other, leading to smooth interactions. E.g. Parent to Child: A parent says, "You need to do your homework," and the child responds, "Okay, I'll do it."

Or Adult to Adult: Two colleagues discussing a project logically and respectfully.

### 2. Non-complementary/Crossed Transactions:

In crossed transactions, the response comes from an unexpected ego state, which can lead to misunderstandings or conflict. Eg. For Adult to Child: A manager asks an employee to provide an update, but the employee responds defensively, saying, "Why are you always picking on me?"

Parent to Parent: Two people trying to control each other, leading to arguments.

### 3. Ulterior Transactions:

These transactions involve hidden meanings or motivations where the surface message differs from the underlying message. For example. A person saying, "I'm just trying to help," while feeling

superior in controlling the situation, even though they present it as a supportive adult statement.

Or A Child expressing anger in a way that seems playful but carries deeper hurt.

### **The Johari Window**

Developed by Joseph Luft and Harry Ingham in 1955.

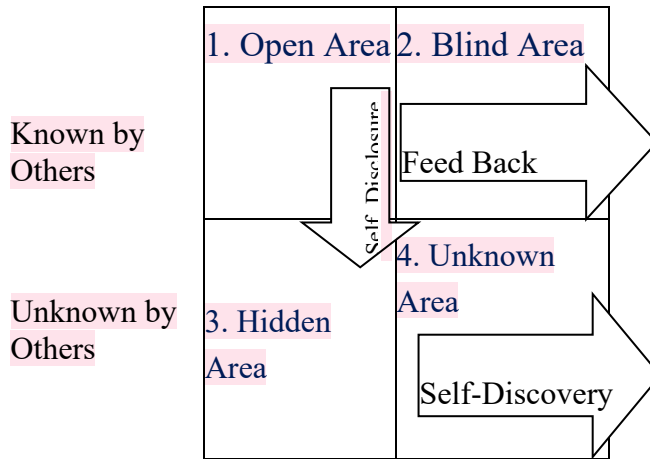
The Johari Window is a tool designed to enhance self-awareness and communication within groups. It has four quadrants:

1. **Open Area:** What is known to both oneself and others.
2. **Blind Area:** What others know about a person that they do not.
3. **Hidden Area:** What a person knows about themselves but hides from others.
4. **Unknown Area:** An area that is unknown to both the individual and others.

In group behaviour and leadership, this model promotes transparency and feedback. Effective leaders strive to expand the 'open area' to foster trust and collaboration. They can reduce the 'blind area' through feedback. This fosters group cohesion and personal growth.

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## Known by Self, Unknown by Self



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The Johari Window is important because it helps people become more self-aware and improves group communication. By sharing feedback, individuals can build trust, strengthen relationships, and foster personal growth, which is essential for effective teamwork and leadership.

### Application of the Johari Window

The Johari Window is applied in various fields to improve communication, self-awareness, and interpersonal relationships. Here are some common areas of application:

- 1. Organisational Development:** Enhances team trust and collaboration through open communication.
- 2. Leadership Development:** Helps leaders become more self-aware and transparent.
- 3. Personal Development and Counselling:** Encourages self-discovery and openness in personal growth.

4. **Communication Skills Training:** Improves interpersonal communication by addressing blind spots.
5. **Education and Classroom Settings:** Promotes better student-teacher interaction and peer feedback.
6. **Human Resources and Performance Appraisals:** Encourages open feedback to improve employee performance.
7. **Group Dynamics and Team Building:** Builds trust and openness among team members for better collaboration.
8. **Coaching and Mentoring:** Strengthens the mentor-mentee relationship through open feedback.
9. **Cross-Cultural Communication:** Reduces misunderstandings by promoting openness in cultural exchanges.

## Groups in the Organisation

From birth, a person becomes part of a family, which is their first group. In the family, a child learns social norms, values, and the rules of society. This makes the family the primary group, playing a major role in shaping a child's personality and social development. Later, other groups, such as neighbours, school, peers, and clubs, also influence a person's growth. Throughout life, people are always part of some group, and their group shapes their behaviour at any given time.

## Group

A group is a collection of two or more people who interact, share common goals, and influence each other's behaviour. A group is made up of two or more people who interact and influence each other's behaviour. Groups are formed to offer mutual support and work together to achieve a common goal.

"Groups consist of two or more persons engaged in social interaction. The group has some stable structure, interdependence, and common goals, and they recognise that they are, in fact, part of a group." Barone and Byrne (1988)

## Nature of Group

A group has the following characteristics:

1. It consists of more than one person.
2. Group members must interact with each other.
3. Members are interdependent in some way.
4. They share a common goal or purpose.
5. They meet to achieve this shared purpose.
6. Relationships between members are stable.
7. A group is a social unit.

Being in the same place, such as a cinema or a bus, doesn't make a group. There must be a shared purpose or goal for it to be considered a real group. A brief conversation between strangers doesn't form a group either. A group requires a common purpose.

## What makes a group?

The term "group" is used in various contexts, such as:

- a) Physical Proximity:** People sitting, talking, or walking together may be called a group.
- b) Virtual Proximity:** Social media platforms allow people to form virtual groups, even if they are not physically together.

**c) Common Characteristics:** People with shared traits, like taxpayers, merchants, students, or social workers, may be considered a group, even if they don't interact.

**d) Members of an Organisation:** Groups formed within political, religious, or club organisations.

**e) Common Goal:** Groups formed to achieve a specific goal, like a festival committee or inquiry commission, dissolve after the goal is met.

**f) Shared Identity:** Members feel a sense of belonging and see themselves as part of the group (e.g., cultural or national groups like Lions/Rotary Club).

**g) Roles and Responsibilities:** Members may have specific roles or duties contributing to the group's goals (e.g., program coordinators).

**h) Emotional Connection:** Many groups have emotional bonds to support each other during challenges (e.g., family or friends).

### Reasons for Group formation:

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**(a) Member's Point of View:** Companionship, Identity, Information, Security, Esteem, sense of belongingness, Outlet of frustration, Perpetuation of cultural values, Generation of new ideas, Self-evaluation, Job satisfaction, Power, etc.

**(b) Organisation's point of view:** Delegation, Lightening responsibility, Filling the gap of managerial ability, Careful planning, Medium of information, etc.

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## **Kinds of group <sup>11</sup>**

### **1. Basic Groups**

**Family Groups:** The first and most fundamental group formed at birth.

**Friendship Groups:** Formed based on personal connections and social interactions.

### **2. Peer-Based Groups**

**Peer Groups:** Consist of individuals of similar age or status who interact regularly.

**Buddy Groups:** Smaller, close-knit peer groups providing emotional support and companionship.

### **3. Interest-Based Groups**

**Interest Groups:** Formed around common interests, hobbies, or goals.

**Pressure Groups (Lobby):** Advocate for specific issues or influence public policy.

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<sup>11</sup> <http://www.psychologydiscussion.net>

#### 4. Formal and Structured Groups

**Formal Groups:** Established by organisations for specific purposes, such as committees and commissions.

**Task Groups:** Formed to complete specific tasks or projects within an organisation.

**Command Groups:** Defined by the organisational structure, with a clear hierarchy.

**Committees:** They are groups formed to discuss problems and recommend solutions, with members chosen regardless of hierarchy (e.g., a purchase committee, an inquiry committee).

**Commissions:** These are government bodies established, either temporarily or permanently, to advise on or provide solutions to specific issues (e.g., the Kothari Commission).

#### 5. Special Purpose Groups

**Social Clubs:** Groups formed for recreational purposes or social activities.

**Professional Associations:** Groups formed by individuals in the same profession to network and promote their interests.

#### 6. Group Dynamics

**Autocratic Groups:** Groups led by a single leader making decisions for the members.

**Democratic Groups:** Groups where decisions are made collectively by all members.

#### 7. Comparisons

**In-groups:** Groups to which individuals feel they belong and identify with.

**Out-groups:** Groups that individuals do not belong to and may perceive as different or outside their own.

## 8. Interaction Types

**Face-to-Face Groups:** Groups that interact directly in person.

**Co-acting Groups:** Groups that work together but may not interact directly, such as in a shared workspace.

## 9. Social Structures

**Cliques:** Exclusive groups within a larger group, often formed around shared interests or social connections.

**Caste Groups:** In societies with caste systems, individuals are born into specific social strata with defined roles, privileges, and responsibilities.

## 10. Affiliation Groups

**Membership groups:** They are defined by formal criteria for joining. E.g. Rotary/Lions Club

**Reference groups:** These include individuals or groups that influence our opinions, beliefs, attitudes, and behaviours—E.g, Family members, relatives, friends, etc.

## Group Dynamics

Group dynamics is the study of the forces operating within a group. It refers to the attitudinal and behavioural characteristics of a group. It is concerned with why and how groups develop. Group dynamics can be used as a means for problem-solving and teamwork, and to become more innovative and productive as an organisation. Several theories explain why groups form and develop.

## Theories of Group Formation

1. Festinger's Propinquity Theory
2. New Comb's Balance Theory
3. Tajfel's Social Identity Theory
4. Homans' Social Systems Theory
5. Kelley's Social Exchange Theory

### 1. Festinger's Propinquity (Convenience) theory:

The term "propinquity" refers to closeness or nearness. It refers to the idea that physical or geographical proximity between people significantly influences the likelihood of forming friendships or relationships. Key concepts of the theory are proximity leading to interaction, increased exposure, and convenience of access.

Propinquity theory was proposed by psychologists Leon Festinger, Stanley Schachter, and Kurt Back, based on a study conducted in 1950 at the Westgate student apartments on the MIT campus in Massachusetts, USA.<sup>12</sup>

### 2. Homans' Social System Theory

George C. Homans, in 1950, in his book "The Human Group."

Homan's theory is based on three concepts: activities, interactions and sentiments, which are directly related. The theory explains how social group activities, interactions, and sentiments are connected.

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<sup>12</sup> Festinger, L., Schachter, S., Back, K., (1950) "The Spatial Ecology of Group Formation", in L. Festinger, S. Schachter, & K. Back (eds.), Social Pressure in Informal Groups, 1950. Chapter 4.

This helps us to understand how relationships and group dynamics form and grow.

**Activities:** These are the activities that people in a group do together, such as working on a project or socialising. When people share more activities, they naturally interact more.

**Interactions** refer to the way group members communicate and respond to one another. Interaction is key to forming social bonds. The more people interact, the more they get to know each other, leading to shared feelings.

**Sentiments:** These refer to the feelings or emotions group members have for one another, such as affection or loyalty. More interactions lead to stronger emotions and a sense of belonging.

How they are connected:

1. More shared activities lead to more interactions.
2. More interactions lead to stronger sentiments (feelings) among group members.
3. Stronger sentiments encourage more activities and interactions.

### 3. New Comb's Balance theory (Symmetry Model):

Theodore M. Newcombin, 1953

The theory explains how people try to maintain harmony in their relationships through communication and shared attitudes. It examines the relationships between two people and a shared object (an idea, topic, or third person, denoted as 'x'). Balance: If both people agree on the object ('x'), their relationship is balanced and harmonious. However, if they disagree, tension or imbalance arises. To fix the imbalance, people either:

Change their own opinion about the object.

Try to change the other person's opinion.

Adjust their feelings about the other person.

In short, people communicate and adjust their attitudes to maintain balanced and harmonious relationships.

#### 4. Kelley's Social Exchange theory

Harold H. Kelley 1959, in the book "The Social Psychology of Groups."

The theory explains relationships like a cost-benefit analysis, where people try to maximise rewards and minimise costs. The key Points are:

**Relationships as Exchanges:** People in relationships give and receive things like affection, support, or favours. They evaluate if they are getting more than they are giving.

**Maximise Rewards:** People want relationships that yield positive outcomes, such as happiness, trust, or satisfaction.

**Minimise Costs:** They try to avoid adverse outcomes, such as conflict, stress, or effort.

**Comparison:** Individuals compare their relationship to other options or past relationships to decide if they are getting a good deal.

In simple terms, people tend to stay in relationships that feel rewarding and fair, while avoiding those that are costly or unbalanced. For example, sex may be extremely rewarding for members of a newly married couple but may decrease over the years.

## 5. Tajfel's Social Identity Theory<sup>13</sup>

Henri Tajfel, in 1970, in his book Social Identity Theory (SIT)

The theory explains how people define themselves and others based on their social groups and how this influences behaviour and attitudes. Key points include:

**Social Identity:** People derive part of their identity from the groups to which they belong, such as their nationality, religion, or political affiliation. Being in a group gives individuals a sense of belonging.

**In-groups vs. Out-groups:** People tend to view the group to which they belong (the in-group) positively, while often perceiving other groups (the out-groups) negatively. This can lead to favouritism toward in-group members and discrimination against out-groups.

**Self-esteem:** People want to feel good about the groups they belong to. A strong, positive group identity can boost self-esteem, while a negative identity can lead to low self-esteem.

**Group Comparison:** Individuals compare their group to others to feel superior. This comparison helps maintain a positive self-identity, but it can also lead to prejudice and conflict between groups.

For example, a person might feel proud to be an Indian (their social identity) and view their national group positively (in-group) while viewing citizens of another country less favourably (out-group). This can lead to national pride but also to prejudice against the out-group.

In short, Social Identity Theory shows that being part of a group shapes self-esteem and interpersonal relationships. Sometimes, this group identity can lead to unfair treatment of people in other groups.

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<sup>13</sup> [www.simplypsychology.org/](http://www.simplypsychology.org/)

## **Factors Influencing Group Behaviour**

Several key factors influence group behaviour. This determines how individuals act within a group. Some of the most important factors include:

### **1. Norms:**

Norms are the informal rules that guide the behaviour of people in a group. They set expectations for what is acceptable and help keep the group organised.

Types of Norms:

Descriptive: What most people in the group do.

Prescriptive: What the group expects you to do.

Proscriptive: What the group says you should not do.

When someone does not follow the norms, they might face pressure from the group to change their behaviour.

### **2. Cohesiveness:**

Cohesiveness is how connected and united the group members feel. A cohesive group works well, and its members are motivated to achieve common goals. Shared goals, positive relationships, and smaller group sizes increase cohesiveness:

A cohesive group is more likely to be productive, but sometimes, it can lead to groupthink, where the desire to get along prevents people from thinking critically.

In short, norms shape group behaviour, and cohesiveness affects how closely the group works together.

### **3. Leadership:**

The type and quality of leadership have a significant influence on group behaviour. A strong, supportive leader can motivate the group, while poor leadership can lead to disorganisation and dissatisfaction.

### **4. Group Size:**

The size of the group affects dynamics. Smaller groups often have stronger bonds and better communication, while larger groups may struggle with coordination and experience social loafing (members exert less effort).

### **5. Diversity:**

Diversity in the group's background, skills, and perspectives can influence creativity and problem-solving. However, too much diversity without proper management can lead to misunderstandings or conflict.

### **6. Roles:**

Roles define specific tasks and responsibilities within the group. Clear roles help the group function efficiently, while role ambiguity can lead to confusion and frustration.

### **7. Communication:**

Effective communication is crucial for group success. Open, clear, and honest communication enables members to share ideas, resolve conflicts, and make informed decisions.

### **8. External Environment:**

The group's environment, including external pressures such as deadlines, competition, and available resources, can impact how the group behaves and performs.

## Group Cohesiveness

Cohesion means unity. Group cohesiveness refers to the unity of the group members. A cohesive group will have more trust in their leader and group members. Generally, the more difficult it is to obtain a group membership, the more cohesive it will be.

## Stages of Group Development

The stages of group development are commonly described through a model proposed by psychologist Bruce Tuckman in 1965. He identified five key stages that groups typically go through as they develop and work together.

### 1. Orientation (Forming Stage):

This is the initial stage when the group is first brought together. Members are polite, cautious, and somewhat reserved. They attempt to understand the group's purpose, establish boundaries, and become acquainted with one another.

The focus is on establishing the structure, clarifying roles, and building trust.

### 2. Power Struggle (Storming Stage):

As members become more comfortable, conflicts and competition may arise. Differences in opinions, personalities, and working styles can lead to disagreements. Power struggles and resistance mark this stage as members negotiate roles and responsibilities. The less challenging members stay in their comfort zone.

The focus is on addressing conflicts, clarifying roles, and developing interpersonal relationships.

### 3. Cooperation and Integration (Norming Stage):

The group begins to resolve conflicts and establish norms. Members develop a sense of cohesion and unity and start working together more effectively. Trust is built, and they create shared goals and agreed-upon methods for achieving them. At this stage, the group becomes fun.

The focus is on Solidifying roles, establishing norms, and enhancing collaboration.

### 4. Synergy (Performing Stage):

Synergy is the creation of a whole greater than the simple sum of its parts. ( $1+1+1=6$ ). The term synergy comes from the Greek word 'synergia', meaning "working together". At this stage, the morale is high. A sense of belongingness is established. Synergy is created. The group remains focused on its purpose and goal. Members are flexible, interdependent, and trust each other. The group can now operate with minimal supervision.

The focus is on achieving goals, maintaining high productivity, and continuous improvement.

### 5. Closure (Adjourning Stage):

This stage of a group can be confusing. This stage is usually reached when the task is successfully completed. At this stage, the project is nearing completion. Members reflect on their accomplishments and share feedback. The team members are disbursed. Some may feel a sense of loss as they part ways.

The focus is on closure, celebrating achievements, and providing feedback.

## Group Structure

Group structure refers to the arrangement of roles, norms, status hierarchies, and patterns of interaction among group members. This structure helps determine how the group functions, communicates and meets its objectives. Roles refer to the responsibilities each member undertakes. Norms are shared expectations about behaviour. Status defines each member's level of influence and authority. Communication patterns shape how information flows within the group. A well-structured group fosters productivity and helps members work together efficiently.

## Group Decision Making

When a group of individuals are brought together to determine a solution to a problem, it is called GDM. Effective GDM requires fostering open dialogue, valuing diverse viewpoints, and ensuring that all members feel comfortable expressing their opinions. There are mainly four methods of GDM: NGT, Delphi technique, Brainstorming, Didactic interaction, Consensus Decision-Making, Multi-Voting, and Fishbowl Technique.

### 1. Nominal Group Technique (NGT)

The Nominal Group Technique (NGT) is a structured method for group decision-making. Members first generate ideas individually and record them. Then, these ideas are shared and discussed as a group. After discussion, each idea is ranked or rated, helping the group reach a collective decision. This approach minimises the influence of dominant members and ensures that everyone's ideas are considered.

The NGT method has the following steps:

1. **Idea Generation:** Members independently write down their ideas in silence to encourage individual creativity without influence from others.
2. **Collection of Ideas:** A group coordinator collects and displays the written ideas on a large board for everyone to see.
3. **Discussion:** The group discusses each idea individually, allowing participants to comment for clarification and improvement.
4. **Evaluation:** After the discussion, the group evaluates the merits and drawbacks of each idea.
5. **Voting:** Each member votes on the ideas to express their preferences.
6. **Ranking:** Ideas are ranked based on the votes to prioritise potential solutions.
7. **Final Selection:** The idea with the highest ranking is chosen as the final solution.

This structured approach helps ensure that all voices are heard and that the best idea emerges through collective evaluation.

## ii. Delphi Technique:

This technique is a modification of the NGT. The experts are physically separated from one another and are unknown to each other. This ensures that the undue influence of group members on others is minimised. However, the process is very time-consuming.

1. Experts provide potential solutions to a problem using a series of questionnaires.

2. Each expert completes and submits the first questionnaire.
3. The coordinator compiles the responses and prepares a second questionnaire based on the feedback.
4. Each expert receives a summary of the responses along with the second questionnaire.
5. Experts review the summary and respond to the second questionnaire.
6. This process repeats until a consensus is reached among the experts.

### **iii. Brainstorming:**

In brainstorming, a small group of 5 to 10 members shares ideas freely without judgment, aiming to generate as many ideas as possible. The process includes the following key points:

1. The primary focus is on generating ideas, not evaluating them.
2. Ideas are encouraged without criticism, fostering creativity and open thinking.
3. All ideas are written on a board for everyone to see, promoting transparency and participation.
4. After generating ideas, the group collaborates to discuss and refine them.

This method helps harness collective creativity and can lead to innovative solutions.

### **iv. Didactic Interaction:**

Didactic interaction is used in situations that require a "yes or no" decision. Experts are divided into two groups: one discusses the pros, and the other discusses the cons of a particular solution. Afterwards,

both groups meet to share their findings and reasoning. This exchange of ideas helps members understand opposing viewpoints and can lead to mutual acceptance of the best solution.

**v. Consensus Decision-Making:** The group works together to find a solution everyone can accept, even if it is not their first choice. This approach fosters unity and commitment to the decision but can take longer to reach an agreement. Steps include:

1. Define the Issue, 2. Facilitate Open Discussion, 3. Explore Alternatives, 4. Identify Emerging Consensus, 5. Address Concerns and Modify Proposal, 6. Test for agreement by voting, 7. Formally Adopt the Decision, 8. Assign Responsibilities for implementation, 9. Evaluate the Process

**vi. Multi-Voting:** Members are given a limited number of votes to cast on a list of ideas. This helps narrow down options and identify the most favoured choices quickly.

**vii. Fishbowl Technique:** In this method, a small group discusses an issue while the larger group observes. Afterwards, the observers can join the discussion to share their perspectives. This can lead to more focused discussions and greater participation.

## Teams

A team is a group of interdependent individuals who work toward a specific goal. Team members share a common goal.

### 1 Types of teams

Teams can be divided into four main groups: functional teams, cross-functional teams, self-managed teams, virtual teams, operational teams, leadership teams, and task forces.

1. **Functional teams** comprise employees from the same department who work towards a shared goal. The manager or department head is the team leader. E.g., the marketing team, the R&D team, etc.
2. **Cross-functional teams** comprise individuals from various departments. For example, a product development team with members from marketing, engineering, and R&D.
3. **Self-managed teams** are groups that operate independently, managing their own tasks and responsibilities without direct supervision. For example, a team of employees can organise their schedules to complete a project.
4. **Virtual teams** work together from different locations, using technology for communication. E.g. A remote team of software developers via virtual platforms.
5. **Operational teams** focus on day-to-day operations and activities within an organisation. They are responsible for implementing processes and ensuring that work is done efficiently. For example, a customer service team will handle inquiries daily.
6. **Leadership teams** comprise leaders from various departments. They focus on strategic decision-making and guiding the organisation towards its goals. They set direction, align resources, and ensure the effective execution of strategies. E.g. an executive leadership team to discuss policy change.
7. **Task Forces** are temporary teams formed to address a specific issue. For example, a task force is created to improve customer service processes.

## Group Vs Teams

| Group                                                    | Team                                          |
|----------------------------------------------------------|-----------------------------------------------|
| 1. A collection of individuals                           | 1. A group who share a common goal.           |
| 2. May not have any common goal                          | 2. Have a specific goal to achieve.           |
| 3. Focus on individual goals                             | 3. Focus on common goals.                     |
| 4. Individual accountability                             | 4. Individual and group accountability        |
| 5. Individual success or failure is possible.            | 5. Only group success or failure is possible. |
| 6. May not have inter-dependency                         | 6. Members are interdependent.                |
| 7. The level of trust and commitment is low              | 7. The level of trust and commitment is high  |
| 8. Synergy is neutral or negative.                       | 8. Synergy is positive                        |
| 9. May not have the active participation of all members. | 9. Active participation of all members        |
| 10. The chances of conflicts are higher.                 | 10. The chances of conflicts are less.        |

## Authority

Authority is the right to make decisions and give orders. Authority often comes with a position or role. E.g. a teacher or a police officer.

Fayol defines authority as:

“The right to give orders and the power to exact obedience.”

Responsibility involves being accountable. Authority and responsibility go together. They are two sides of the same coin.

## Power

Power is the ability to accomplish things, often despite the resistance of others. It comes from having control, strength, or influence.

## Authority Vs Power

Authority refers to legal permission, whereas power refers to capability.

## Authority and Power

Authority refers to legal permission, whereas power refers to capability.

## Authority and Power

| Authority                                                       | Power                                                         |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| 1. Legal right to make decisions and give orders.               | 1. the ability to influence or control others' actions        |
| 2. It comes from a position, law, role, or accepted rules.      | 2. Comes from law, strength, resources, or personal influence |
| 3. It is generally accepted and respected by others.            | 3. Always need others' acceptance; it can be forced.          |
| 4. Granted by an organisation or society to make it legitimate. | 4. It may or may not be legitimate or fair.                   |
| 5. Tends to be more stable                                      | 5. Can be temporary                                           |
| 6. Linked to a specific role or position.                       | 6. Based on the situation.                                    |

## Sources of Power

There are several bases/sources of power. They can be classified into positional power and personal power.

## A. Positional Power

Comes from a job title or role, like a manager or president.

1. **Legitimate Power:** Comes from holding a formal position, like a principal, president, or CEO. People follow because of the position, not necessarily the person. This power disappears when the title is lost.
2. **Reward Power:** Based on the ability to give rewards. If people expect rewards, such as raises, promotions, or praise, they are more likely to do what is asked.
3. **Coercive Power:** Derived from the ability to impose punishment. Using threats or punishments can control others, but can also be misused.
4. **Informational Power:** Stems from controlling valuable information. It can be used to assist others or to influence them as a bargaining tool.

## B. Personal power

They stem from an individual's characteristics, skills, and qualities rather than their position.

1. **Expert Power:** This power comes from having specialised skills and knowledge. People trust and respect knowledgeable individuals, leading them to seek their advice and leadership.
2. **Referent Power:** This power is based on a person's likability and charm. Celebrities and well-respected colleagues can influence others, but they may misuse this influence for personal gain if they lack integrity.

3. **Charismatic Power:** Charismatic people can inspire and influence others without a formal title. Their charm and personal qualities can have a profound impact on situations.
4. **Moral Power:** This power originates from strong ethical values, including integrity and fairness. These values can vary among individuals and cultures, but can significantly influence others.

### **Tactics used to gain power**

Tactic means using a source of power to achieve a strategic objective. Tactics are methods individuals use to turn their sources of power into actions. The following are some examples:

1. **Bargaining:** Negotiating benefits to gain more advantages, especially for those with stronger bargaining power.
2. **Friendliness:** Being humble and friendly to influence others and gain power.
3. **Coalition:** Forming temporary alliances with others to achieve common goals.
4. **Competition:** Groups compete for limited resources and try to influence how those resources are shared.
5. **Cooperation:** Sharing important roles with other groups ensures collaboration and reduces conflict.
6. **Reason:** Using facts and logical arguments to persuade others and gain influence.
7. **Assertiveness:** Being direct and forceful, such as demanding compliance or giving orders.
8. **Higher Authority:** Seeking support from superiors to strengthen requests made to subordinates.

9. **Sanctions:** Using rewards and punishments, like offering promotions or demotions, to influence behaviour.
10. **Pressure:** Using aggressive tactics, such as threats from trade unions or management, to gain power.
11. **Expertise:** Gaining influence through specialised knowledge or skills.

## Status

Status is the relative social or professional position of a person. It is the position of one individual in relation to another. It can be of two types: Ascribed status and achieved status.

**Ascribed status** is assigned at birth or assumed involuntarily later in life. It is typically based on race, ethnicity, gender, family heritage, or caste — E.g., family member, Indian, Malayalee, parents, etc.

Individuals attain achieved status through their efforts, choices, or accomplishments. It is earned based on merit, skills, education, or hard work — E.g., Doctor, Teacher, student, clerk, farmer, etc.

## Status system

A status system is a structured social hierarchy categorising individuals based on their status. This system can be explicit (like job titles) or implicit (like social circles) and varies across cultures and communities.

E.g. Explicit status system

CEO → Vice President → Manager → Executive

Professor → Associate Professor → Assistant Professor

General → MG → Colonel → Lt Colonel → Major → Captain → Lieutenant

Brahmins → Kshatriyas → Vaishyas → Shudras

King/Queen → Prince/Princess → Duke/Duchess → Lord/Lady

E.g. Implicit status system

Popular, Students, Athletes, Artists, Musicians

Billionaires, Millionaires, Middle-Class, Working-Class

Social Media Influencers, celebrities, vloggers, YouTubers.

### Problems caused by the status system<sup>14</sup>

1. **Social Inequality:** Status systems can perpetuate inequality, as individuals in higher statuses may have greater access to resources, opportunities, and privileges, while those in lower statuses may experience marginalisation.
2. **Discrimination and Prejudice:** Individuals from lower-status groups may face discrimination or bias from those in higher-status positions, leading to social tensions and conflicts.
3. **Mental Health Issues:** The pressure to conform to a certain status or the stigma of being in a lower status can lead to mental health challenges, such as anxiety, depression, or low self-esteem.
4. **Reduced Mobility:** Status systems can create barriers to social mobility, making it difficult for individuals to advance

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<sup>14</sup> <https://www.apa.org/monitor/2015/02/class-differences>

in status due to systemic issues such as a lack of education or limited economic resources.

5. **Conflict and Division:** These systems can foster division within communities or organisations, as individuals may form factions based on status, leading to conflict and a lack of collaboration.
6. **Stifled Innovation and Diversity:** A rigid status system can discourage diverse perspectives and innovative ideas, as those in lower-status positions may feel silenced or undervalued.
7. **Cultural Homogeneity:** Status systems often promote conformity to certain cultural norms, leading to a lack of diversity in thought and behaviour within a society or organisation.

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## LEADERSHIP

Leadership is the ability to guide and inspire others towards a common goal. It involves influencing the behaviour of a group to work together effectively. More than just a position or authority, leadership is about motivating and encouraging people to reach their full potential. As John Quincy Adams said, "If your actions inspire others to dream more, learn more, do more, and become more, you are a leader." True leaders persevere without constant rewards and maintain a strong connection with their followers.

### Features of Leadership (Traits, Qualities, Characteristics, Attributes)

"Features" refer to the distinct qualities, characteristics, or attributes of something. When describing leadership, features are the specific traits or aspects that define what leadership is and how a leader

behaves. These features help identify what makes a leader and how they effectively guide and influence others.

1. **Influence:** A leader can influence the actions and decisions of others.
2. **Motivation:** Leaders inspire and encourage people to achieve goals.
3. **Communication:** Leaders effectively convey their ideas to others.
4. **Decision-making:** Leaders make decisions and solve problems on behalf of the group.
5. **Integrity:** A leader is honest and maintains strong moral principles.
6. **Empathy:** Leaders understand and consider the feelings and perspectives of others.
7. **Adaptability:** A good leader is able to adjust to changing situations and challenges.
8. **Responsibility:** Leaders are accountable for their actions and those of their team.
9. **Inspiration:** Leaders inspire people to improve and grow.
10. **Honesty and Integrity:** Great leaders are truthful and uphold strong moral values.
11. **Confidence:** They believe in themselves and their decisions.
12. **Accountability:** They take responsibility for their actions and their team.
13. **Vision:** They clearly know what they want to achieve and how to get there.

14. **Decisiveness:** They make informed and confident decisions promptly.
15. **Resilience:** They remain strong and positive in the face of challenging situations.
16. **Humour:** Great leaders maintain a sense of humour and find joy in various situations.
17. **Courage:** Courageous leaders inspire confidence in their team.
18. **Self-Control:** Great leaders can manage emotions and behaviours, especially in challenging situations.
19. **Sense of Judgment:** They can make wise decisions and form sound opinions.
20. **Charisma:** Great leaders have a compelling presence that attracts and inspires loyalty from others.
21. **Teamwork:** Effective leaders can transform a group of individuals into a cohesive and collaborative team.

### **Leadership styles.**

Leadership style refers to the way a person utilises power to lead others. These leadership styles demonstrate the diverse ways leaders can impact their teams. Understanding these styles can help individuals adapt their approaches to suit different situations.

#### **1. Autocratic Leadership**

One person makes decisions with little input from others. Quick decision-making is emphasised. This style limits creativity and employee involvement, leading to low morale and reduced motivation.

## Types:

1. **Hard-boiled Autocratic:** Strict leaders using negative motivation (e.g. Adolf Hitler).
2. **Benevolent Autocratic:** Leaders use positive reinforcement (e.g. Queen Elizabeth I).
3. **Manipulative Autocratic:** Leaders give the illusion of participation (e.g. Napoleon Bonaparte).

## 2. Democratic Leadership

Democratic leadership involves including team members in decision-making processes, fostering open communication, and valuing the input of everyone. It boosts team motivation and creativity by valuing everyone's ideas and contributions. But the decision-making can be slow due to the need for group discussions and consensus.

For example, Franklin D. Roosevelt valued input from his advisors and the public.

## 3. Strategic Leadership

This leadership style expresses a long-term vision and motivates others to achieve long-term goals. It helps organisations stay competitive and achieve long-term success. However, it can overlook immediate challenges by prioritising long-term goals.

For example, Ratan Tata has guided the Tata Group with a strategic vision.

## 4. Team Leadership

It involves guiding and motivating a group to work collaboratively towards common goals. It encourages collaboration and leverages

the strengths of each team member. It can lead to conflicts if not managed well, as differing opinions and roles may clash.

For example, a project manager manages a team of managers for a new marketing campaign.

## **5. Cross-Cultural Leadership**

Cross-cultural leadership involves managing and guiding a diverse team from different cultural backgrounds. It fosters innovation and creativity by incorporating diverse viewpoints from different cultures. It can lead to conflicts if cultural differences are not effectively appreciated.

For example, CEOs of MNCs who navigated various cultures effectively.

## **6. Facilitative Leadership**

Facilitative leadership involves leading a group by fostering collaboration, encouraging participation, and facilitating members' ability to reach their own conclusions. It empowers team members to take ownership of their work and develop their skills. It can lead to a lack of direction if the structure is inefficient.

For example, Gandhi advocated for Satyagraha and facilitated mass movements, such as the Salt March in 1930. Initiatives like the Khadi Movement emphasised the need for communal harmony, etc.

## **7. Laissez-faire Leadership**

Laissez-faire leadership is a hands-off approach where leaders provide minimal guidance and allow team members to make decisions and take responsibility for their work. It fosters creativity and independence, as team members can explore their ideas.

However, it can lead to a lack of direction and accountability, resulting in inconsistency in team performance.

For example, Vikram Sarabhai, founder chairman of ISRO, exhibited characteristics of laissez-faire leadership, particularly in encouraging innovation and independence among his team members.

## **8. Transformational Leadership**

This style inspires and motivates team members to prioritise the organisation's goals over their own. It encourages creativity and innovation. This creates a positive environment for change. It encourages personal and professional growth among team members. The high expectations and constant drive for improvement may overpower team members.

For example, Mahatma Gandhi inspired significant social change.

## **9. Transactional Leadership**

Transactional leadership is a style focused on structured tasks and clear exchanges. Here, leaders provide rewards or penalties based on performance. It provides clear expectations and rewards, ensuring efficiency and consistency in achieving short-term objectives. It limits creativity and initiative, emphasising routine tasks and long-term growth.

For example, Bill Gates focused on setting structured goals, establishing clear expectations, and implementing a reward-based performance system during his tenure as Microsoft's leader.

## **10. Coaching Leadership**

This style focuses on guiding, supporting, and developing team members by providing regular feedback, encouragement, and

personalised training. It enhances individual growth and skill development, leading to long-term improvement and job satisfaction. It requires significant time and effort from the leader, which can be a considerable challenge.

For example, Mahatma Gandhi's approach was transformational and coaching in the sense that he guided and mentored people.

Nelson Mandela, former President of South Africa, was renowned for his approach to mentoring others and empowering the next generation of leaders.

## 11. Charismatic Leadership

This is a style where leaders inspire and motivate followers through personal charm, convincing communication, and emotional appeal. They often create a strong emotional connection with their team. It fosters deep loyalty and enthusiasm among followers. But if the leader leaves or fails, it may lead to instability for the group.

For example, APJ Abdul Kalam, whose charisma motivated the people of India,

## 12. Visionary Leadership

This style focuses on creating a compelling vision for the future. They inspire others to work towards achieving that vision. They focus on fostering innovation and change. The leaders can transform their visions into reality. This motivates followers by providing a clear sense of direction and purpose. However, it may overlook practical details and immediate concerns, which can lead to potential implementation challenges.

For example, Mahatma Gandhi, Dr A.P.J. Abdul Kalam, Vikram Sarabhai, and Steve Jobs had a clear vision and inspired their teams.

### 13. Situational Leadership

This style believes that effective leaders adapt their style to suit the situation. This is a flexible style that adapts to the team's needs. This helps the leaders to choose the most effective approach based on the maturity and competence of their followers. It can lead to inconsistencies in leadership approaches, which can confuse team members and undermine their effectiveness.

For example, Indira Gandhi demonstrated situational leadership, particularly during the Emergency period (1975-1977), when she made controversial decisions to maintain stability in the country. She adjusted her leadership style according to the political climate and challenges of the time.

Narendra Modi has demonstrated situational leadership by adapting his strategies to address various national issues, including economic reforms, the COVID-19 pandemic, and social concerns. His ability to communicate directly with citizens and adjust policies in response to public sentiment is a hallmark of situational leadership.

#### Situational Leadership Model

Paul Hersey and Ken Blanchard developed this model based on the varying needs of employees:

**D1:** Directing style for low competence, high commitment.

**D2:** Coaching style for some competence, low commitment.

**D3:** Supporting style for moderate to high competence, variable commitment.

**D4:** Delegating style for high competence, high commitment.

## Theories of Leadership Styles

What enables authentic leaders to stand out from the crowd? Many have tried to answer this. There are many theories on leadership. Theories are based on how they define leadership. The widespread theories are the Great Man Theory, Trait Theory, Behavioural Theories, Contingency Theories, Transactional Theories, and Transformational Theories.

### I. Great Man Theory (1840s) by Thomas Carlyle

Book "On Heroes, Hero-Worship, and The Heroic in History"

The Great Man theory posits that leadership traits are inherent. This means that great leaders are not made; they are born.

### II. Trait Theory (1948 - 1974) by Ralph Stogdill and Bernard Bass.

Books "Leadership, Membership and Organisation"

"Bass & Stogdill's Handbook of Leadership"

The trait theory suggests that leaders are either born with or develop certain qualities (intelligence, sense of responsibility, creativity, etc.). These qualities make them excel in their leadership roles. These qualities make a good leader.

### III. Behavioural Theories (1940s - 1950s)

They focus on the behaviours of the leaders. Leaders are made, not born. According to this theory, leaders can be categorised into two types: those focused on tasks and those focused on people.

Eg. The Managerial Grid Model, Theory of X and theory of Y\*, 3D model, Licker's system of Management, Social Learning Approach

\*refer to page 68 of the previous module

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#### IV. Contingency/Situational Theories (1960s)

The theory suggests that there is no single way of leading. Leadership style should be tailored to specific situations, as different circumstances necessitate distinct leadership approaches. A style that works well in one context may not work in another. This explains why some very successful leaders can make poor decisions at times. The key idea is that a leader's effectiveness depends on various factors, such as their preferred leadership style, their skills, and the behaviours of their followers.

For example, Fiedler's contingency theory, Hersey-Blanchard Situational Leadership Theory, Path-goal theory, Leader Participation Model, and 3D model.

#### V. Transactional (Exchange) Theories (1970s)

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This approach is based on a system of rewards and punishments. Leaders provide clear structures and guidelines. Leadership is a transaction between leaders and followers, with a focus on short-term tasks.

For example, Bass' Transactional Leadership Theory -1981, Robert House's Path-Goal Theory -1971, Dansereau's Leader-Member exchange (LMX) Theory- 1975

#### VI. Transformational Leadership Theories (1950-1970s)

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The theory emphasises inspiring and motivating followers to achieve their full potential and embrace change for the greater good. Effective leaders create a vision for the future and encourage followers to exceed expectations.

For example, Burns' Transformational Leadership Theory (1978), Bass's Transformational Leadership Theory (1985), and Avolio's Full Range Leadership Model (1991).

## Explanation of Some Models

Behavioural theories, such as the Managerial (Leadership) Grid Model by Robert Blake, the Four Systems of Management by Rensis Likert, the 3D Model of Leadership by Reddin, and the Social Learning Approach by Albert Bandura, along with situational theories like Contingency Theory by Fred Fiedler and Path-Goal Theory by Robert House, are elucidated below:

### 1. Managerial (Leadership) Grid Model

Robert Blake in the 1960s.

Blake and Mouton created the Managerial Grid Model in the 1960s. The theory helps us understand different leadership styles based on two main factors: concern for people and concern for production (or tasks). They are represented as grids on a graph.

1. Concern for People (Y-axis): Measures how much a leader cares about their team members' needs and well-being.
2. Concern for Production (X-axis): Measures how much a leader focuses on achieving tasks and goals.

Grid Structure:

The grid is a 9x9 matrix where each axis goes from 1 (low) to 9 (high), showing various leadership styles based on the balance between the two concerns.

The Managerial Grid Model is a tool to evaluate leadership styles based on the balance between caring for people and achieving tasks.

It helps leaders enhance their effectiveness and create better team environments.

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## Leadership Styles

1. Impoverished Management (1, 1): Low concern for people and production.
2. Country Club Management (1, 9): High concern for people, low concern for production.
3. Task Management (9, 1): High concern for production, low concern for people.
4. Middle-of-the-Road Management (5, 5): Moderate concern for both.
5. Team Management (9, 9): High concern for people and production.

## Applications

**Leadership Development:** Helps leaders assess their styles and enhance their effectiveness.

**Training Programs:** These are valuable for developing effective leadership skills.

**Team Dynamics:** Improves communication and collaboration within teams.

## 2. Likert's Four Systems of Management

Rensis Likert in the 1960s

This framework categorises management styles based on the level of participation between managers and employees. This model outlines valuable insights into how management styles impact employee

engagement and organisational effectiveness. There are four Systems:

### **System 1: Exploitative Authoritative**

Top-down decision-making with little to no input from employees. High levels of control, and managers use threats and punishments. Communication is primarily one-way, from managers to employees.

Impact: Low employee morale and motivation. Limited creativity and innovation.

### **System 2: Benevolent Authoritative**

Managers still make decisions, but they also show some concern for employee welfare. Use of rewards rather than threats to motivate employees. Communication is somewhat two-way but still controlled by managers.

Impact: Improved morale compared to System 1, but still not fully engaging employees.

### **System 3: Consultative**

Managers involve employees in decision-making processes, seeking their opinions and feedback. Communication is more two-way, with a focus on cooperation and collaboration. Managers retain final authority but value employee input.

Impact: Higher employee satisfaction and motivation. Encourages creativity and innovation.

### **System 4: Participative**

High levels of employee involvement in decision-making. Managers and employees work together as a team. They share information and

responsibilities. Open and transparent communication flows freely in both directions.

**Impact:**

High morale, motivation, and commitment. Strong collaboration fosters creativity and problem-solving.

**Applications:** It is used for organisational assessment, leadership development, change management, and other purposes.

### 3. 3D Model of Leadership

by Reddin in 1983

Reddin's 3D model is a combination of Grid theory and Contingency theory. The theory presents a three-dimensional framework for understanding leadership effectiveness. It is based on task orientation, relationship orientation, and self-orientation. It identifies four primary leadership styles: Directive (high task, low relationship), Supportive (high relationship, low task), Delegative (low on both), and Achievement-Oriented (high in both).

### 4. Social Learning Approach

by Albert Bandura 1960

The theory emphasises that people learn behaviours and attitudes through observing and imitating others rather than solely through direct experience or reinforcement. Bandura introduced the concept of observational learning, which suggests that individuals can acquire new skills and behaviours by watching role models, such as parents, peers, or media figures. This approach highlights the importance of social context, modelling, and the influence of cognitive processes in learning, indicating that behaviour is shaped

not just by rewards and punishments but also by social interactions and environmental factors.

## 5. Fiedler's Contingency Theory:

Fred Fielder (Management Psychologist)

This is a theory of 'leadership effectiveness'. Accordingly, there is no best style of leadership. Leadership effectiveness is based on the situation. It depends on two factors: (a) the style of leadership and (b) the control over a situation.

Fiedler's model suggests that:

**Task-oriented leaders** perform best in highly favourable (good leader-member relations, structured tasks, strong position power) or highly unfavourable (poor leader-member relations, unstructured tasks, weak position power) situations.

**Relationship-oriented leaders** excel in moderately favourable situations, where there is a balance between leader-member relations, task structure, and position power.

## 6. Path-Goal Theory

Robert House in 1970

The theory suggests that a leader's primary role is to help followers achieve their goals by clarifying the path and providing the necessary support. The theory identifies four leadership styles—directive, supportive, participative, and achievement-oriented. Each can be effective, depending on the employees' needs and the characteristics of the work environment. By adapting their style to the situation, leaders can enhance employee motivation, satisfaction, and performance. This ultimately leads to greater organisational success.

## REVIEW QUESTIONS

### Section A. Short Answer

1. Explain the use of the Johari Window.
2. Explain the concept of work teams.
3. Define leadership.
4. Discuss the advantages of group decision-making.
5. Write a short note on group cohesiveness.
6. Explain the term virtual team.
7. Define the term status.
8. Discuss the theories of leadership.
9. Explain the trait theory of leadership.
10. Analyse different types of teams.
11. Explain the qualities of a good leader.
12. Explain laissez-faire leadership.
13. Explain transactional analysis and its significance.
14. Discuss various factors influencing group behaviour.

### Section B. Short Essay

1. Write a short note on group cohesiveness.
2. Explain the concept of group norms and their various types.  
How do the norms develop?
3. Explain the concept of work teams.
4. Define leadership styles.
5. Distinguish between authority and power.

6. Describe the components of transformational leadership.
7. Prepare a note on transactional analysis and give one example for each type of transaction.
8. Write about the uses of the Johari Window.
9. Discuss the development levels of followers under situational leadership.
10. Write a short note on ego states in TA.
11. Define the term group.
12. Describe the stages in the development of groups.
13. Compare transformational and transactional leadership.

#### Section C. Essay

1. Describe leadership and the qualities of a successful leader.
2. Comment on power in organisations. Explain the different sources of power.

## TACKLING ANALYTICAL QUESTIONS

Discuss the development levels of followers under situational leadership.

Hersey & Blanchard Leaders should adjust their style based on the follower's competence and commitment:

### D1 – Low Competence, High Commitment

- New or inexperienced, but enthusiastic.
- Leader style: Directing – clear instructions, close supervision.

### D2 – Some Competence, Low Commitment

- Gaining skills, but confidence drops; may feel frustrated.
- Leader style: Coaching – guide + motivate.

### D3 – High Competence, Variable Commitment

- Skilled but not always confident or motivated.
- Leader style: Supporting – encourages participation and builds confidence.

### D4 – High Competence, High Commitment

- Experienced, confident, and self-motivated.
- Leader style: Delegating – full responsibility and autonomy.

### Conclusion

Situational leadership is flexible. Leaders must assess each follower's level and adapt to improve performance and engagement.

## **Module 4**

### **Organisational Change**

- 1.1 Organisational Change
- 1.2 Greiner's five stages of organisational growth
- 1.3 Organisational Development
- 1.4 Stress and Stress Management
- 1.5 Techniques adopted for Stress Management

### *Abstract*

Organisational growth, as described by Larry E. Greiner, progresses through phases—creativity, direction, delegation, coordination, and collaboration—each marked by specific crises and managerial challenges. Organisational Development (OD) is a planned, systematic effort to enhance effectiveness and adapt to change through total system improvement, employee involvement, and interventions like survey feedback, sensitivity training, and job enrichment. The OD process includes problem identification, diagnosis, planning, intervention, and evaluation, tailored to each organisation's culture. Organisational Change (OC) involves modifying structures, culture, or technology in response to internal or external pressures, guided by structured change management practices. Greiner's model also highlights crises at each stage of growth. Stress, arising from individual, group, organisational, or external sources, can be acute or chronic, leading to physical, emotional, and cognitive effects. Effective stress management employs coping strategies, organisational support, and counselling to maintain employee well-being and productivity during periods of change and growth.

## Organisational Growth.

OG is a process of increasing the number of its roles and links by a multigent organisation (multigent = multiple interacting intelligent agents). *Organisational growth* is essentially a quantitative process.

### Five Stages of Organisational Growth

Larry E. Greiner (1933-2013)<sup>15</sup>

In his article entitled “Evolution and Revolution as Organisations Grow”, published in ‘Harvard Business Review’ in 1972, Greiner outlined five phases of growth. In short, there are five phases in organisational growth – creativity, direction, delegation, coordination, and collaboration, followed by specific crises and management problems.

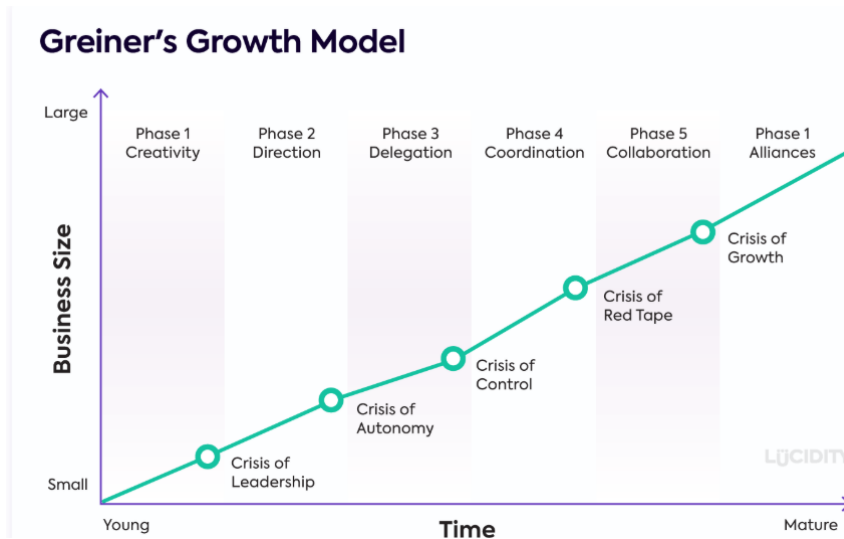
The concept of organisational growth is based on certain assumptions about the organisation:

- a) Organisations are rigid, bureaucratic, control-centric, and centralised entities.
- b) Organisations often fail to realise that the future success of their organisation lies within their own organisation.
- c) Organisations also fail to assess their evolving states of development.
- d) Inability of a management to understand its organisation development problems can result in the organisation becoming

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<sup>15</sup> Larry Eugene Greiner, Professor of Management and Organizations at University of Southern California.  
<https://www.marshall.usc.edu/personnel/larry-e-greiner>

frozen in its present stage of evolution (failure to evolve), regardless of market opportunities.



Source<sup>16</sup>

The five predicted crises of growth according to the model are:

### 1. Growth Phase 1:

**Focus** - Production and informal communication

**Crisis**- Informal communication starts to fail - Crisis of Leadership.

Business is now too big for the leader to get involved in everything.

**Resolution:** Introduce strong Direction (functional departments, hierarchy)

### 2. Growth Phase 2:

**Focus:** Functional departments, hierarchy

**Crisis** - Delegation - Crisis of Autonomy

<sup>16</sup> <https://getlucidity.com/strategy-resources/guide-to-greiners-growth-model/>

Lower-level managers feel restricted by the centralised structure; leader struggles to let go.

**Resolution:** Introduce more Delegation (autonomous departments)

### 3. Growth Phase 3:

**Focus:** Autonomous departments

**Crisis:** Crisis of Control - Managers act independently without coordination; more layers of hierarchy are needed to maintain control.

**Resolution:** Introduce Coordination and formal structures/hierarchy

### 4. Growth Phase 4:

**Focus:** Formal management structures, hierarchy

**Crisis:** Crisis of Red Tape - Excessive bureaucracy slows decision-making and reduces responsiveness to external changes.

**Resolution:** Introduce Collaboration (social control, teamwork, self-discipline)

### 5. Growth Phase 5:

**Focus:** Teamwork, social control, quick problem-solving

**Crisis:** Crisis of Growth or Crisis of Psychological/Physical Exhaustion - Intense pressure for innovation/teamwork; growth slowing as business runs out of ideas.

**Resolution:** Introduce Extra-Organisational Solutions (mergers, outsourcing, networks)

## 6. Growth Phase 6: (added in 1998)

**Focus:** Extra-organisational solutions, such as mergers, outsourcing, and forming networks with other companies.

**Crisis:** Uncertain, as Greiner did not specify.

Key Message from Greiner's Growth Model is “Growth is hard”. It's a useful diagnostic tool, but perhaps too rigid. It should be noted that the final crisis is uncertain.

## Organisational Development

Change is the only constant. – Heraclitus, Greek philosopher. Change is a common thread that runs through all businesses, regardless of size, industry, or age. Our world is changing rapidly, and organisations must adapt quickly. OD is an integrated approach to bring change in the entire organisation.

## Concept of OD

Organisation Development (OD) is the study of successful organisational change and performance. Kurt Lewin (1898–1947) is widely recognised as the founding father of the concept of OD. OD is concerned about how organisations and people function and how to improve their performance.

According to Koonz, “OD is a systematic, integrated and planned approach to improve the effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels”.

## Features of OD

1. An initiative from the Top: The need for OD arises when the leader identifies an undesirable situation and seeks to change it.

2. Total System Change: The Focus of OD is a total system change to improve the organisation's functioning.
3. Action Oriented – OD pre-requisite actions for achieving results through planned activities.
4. Planned Change: OD is an approach for planned short-term and long-term change in the organisation.
5. Group process: It's an effort to improve interpersonal relations, communication systems, and intergroup conflicts, among other things.
6. Collaborative Approach: It involves the employee's participation in change planning.
7. Humanistic orientation: It emphasises the increased use of human potential.
8. Change in individuals: It acknowledges that individuals must change for organisational change to be effective.
9. Problem-solving: OD is designed to solve problems and conflicts, as well as to meet challenges.
10. Assumptions on organisational culture: OD assumes that the culture of every organisation is different. Thus, there is no one-size-fits-all approach to OD.
11. Change Agent: OD generally seeks the service of an external change agent to intervene in the system.
12. Performance orientation: It emphasises improving and enhancing performance.
13. Systems Approach: It emphasises relationships among elements of the system.

## **Process of OD**

OD involves a systematic approach to enhancing organisational effectiveness by identifying problems, implementing planned changes, and evaluating outcomes.

1. Problem identification: Recognise and define the issues.
2. Problem Diagnosis: Analyse the causes and impact of the identified problems.
3. Strategy Planning for change: Develop a plan to address problems and implement change.
4. Intervene in the system: Implement the planned changes within the organisation.
5. Evaluate the result: Assess the effectiveness of the intervention and make improvements.

## **OD Intervention**

OD intervention is a deliberate attempt to change the organisation to a more effective state. Every action that influences an organisation's improvement program can be considered an intervention. Thus, OD Intervention is a set of sequenced, planned actions or events intended to help an organisation to increase its effectiveness. They are called techniques of OD intervention. For e.g. Coaching, Conflict Management, Counselling, Team building, Career Planning, quality control, Job enrichment, MBO, etc.

## **OD Interventions Techniques**

They are the methods created by OD professionals and others. Every action that influences an organisation's improvement program can be considered an intervention. Organisations use these interventions

depending on their needs or requirements. The most important interventions are:

1. **Survey feedback:** Information on employees' attitudes regarding wage level, structure, hours of work, working conditions, and relations is collected, and the results are supplied to top management.
2. **Sensitivity Training:** It is conducted by creating an experimental laboratory situation in which employees are brought together. The team-building technique and training are designed to enhance employees' ability to work together as a cohesive team.
3. **Process Consultation:** The process consultant coaches and counsels individuals & groups in moulding their behaviour.
4. **The Managerial Grid:** The Managerial Grid model (1964) is a style leadership model developed by Robert and Jane Mouton. This model identified five different leadership styles based on the balance between concern for people and concern for production: impoverished, country club, task management, and team management.
5. **Coaching:** Coaching is a form of development in which a coach supports a learner or client in achieving a specific personal or professional goal by providing training, advice, and guidance. The learner is sometimes referred to as a coach.
6. **Performance appraisal:** A performance appraisal (PA) is a method used to document and evaluate an employee's job performance. The objective is to understand a person's abilities for further growth and development.

7. **Downsizing:** Downsizing is reducing the number of employees on the operating payroll.
8. **Goal Setting and Planning:** Each division in an organisation sets goals or formulates plans for profitability.
9. **Leadership development:** Selected employees receive leadership training from experts.
10. **Mentoring:** A mentor is a guide who can help the mentee find the right direction to develop solutions to career issues.
11. **Management by Objectives:** MBO means setting goals together and measuring success by how well those goals are achieved.
12. **Job enrichment** is a management concept that involves redesigning jobs to make them more challenging for the employee and reduce repetitive work. To motivate workers, the job itself must provide opportunities for achievement, recognition, responsibility, advancement, and growth. In a job enrichment program, the worker decides how the job is performed, planned and controlled and makes more decisions concerning the entire process.
13. **TQM:** A management approach to long-term success through customer satisfaction. In a TQM effort, all members of an organisation participate in improving processes, products, services, and the culture in which they work.
14. **Quality Circles:** A group of employees who meet regularly to consider ways of resolving problems and improving production in their organisation. It is a participatory management technique that enlists the help of employees in solving problems related to their own jobs.

## 15. Kaizen

Kaizen is a Japanese term that means "change for the better" or "continuous improvement." In the context of business and management, Kaizen refers to a philosophy or approach that focuses on making small, incremental improvements in processes, products, or services over time. Kaizen promotes the active involvement of all employees in the improvement process. Implementing Kaizen requires a commitment to change, a supportive organisational culture, and a willingness to involve employees in the improvement process.

**Change** means:

- to replace one thing with another or
- to become different.

### **Organisational Change**

OC is an integrated approach to change the entire organisation. Any alteration in the total work environment requires a change in the individual behaviour of employees. Organisational Change can be Structural, Technological, or a change in people, among others.

### **Change management**

It is an approach to the transition of:

- individuals, teams, and organisations to a desired future state.
- a sequence of steps that managers follow to apply change.
- aims at helping employees to understand, commit to, and accept changes

## **Need/Forces for Change**

Organisations change when external or internal pressures necessitate survival and growth.

### **A. External Pressures:**

These are outside forces, such as crises, technology, market, social, and political changes, that push an organisation to change.

1. Crisis: Sudden problems force change.
2. New Technology: New tools demand adaptation.
3. Market Situation: Competition makes firms change.
4. Social Changes: Changing lifestyles push change.
5. Political Changes: Government rules drive change.

### **B. Internal Pressures:**

These are forces from within the organisation, such as leadership changes, performance issues, or new opportunities, that drive the need for change.

1. Change in top management – New leaders bring new ideas.
2. Performance gaps – Poor results demand improvements.
3. New opportunities – Growth chances push change.
4. Mergers & Acquisitions – Combining firms needs adjustment.
5. For the sake of change – Change happens just to try something new.
6. It sounds good – Change is done because it seems attractive.
7. Declining markets – Falling sales force companies to act.

## **Momentum of Change**

It refers to the self-sustaining force that develops once an organisational change effort starts to succeed. It's the idea that as the first, small changes produce visible, positive results (successes), these results generate enthusiasm and confidence, which then fuel the effort for the next, larger change without needing constant pushing from the top.

For example, A company introduces a new digital attendance system. Initially, only a few departments successfully adopted it. Seeing their positive results — faster reporting and fewer errors — other departments also begin to use it. Gradually, enthusiasm grows, and employees start suggesting more digital tools for daily work.

## **Domino Effect of Change**

This means that a new change in an organisation naturally pushes or causes a cascade of other necessary changes in different areas. It highlights how everything in a company is interconnected—touch one piece, and others will fall.

For example, A company buys a new robotic arm for its production line (Change 1). As a result, workers require retraining (Change 2), new engineers are hired (Change 3), the workspace is rearranged (Change 4), and performance measures are updated (Change 5).

## **Organisational Change – Types**

Organisations may change gradually or suddenly to adapt and grow. The following are the types of organisational change:

### **1. Evolutionary Change**

Change happens slowly over time. They are slow and irreversible.

### **2. Revolutionary Change**

Change happens quickly and drastically. They are radical transformations, occurring quickly and reversibly.

### Other types of Organisational Change

1. **Mission and Strategy** – Goals and future plans have changed.
2. **Organisational Structure** – Work roles and hierarchy are altered.
3. **Human Resources** – Employees and skills are developed.
4. **Culture** – Shared values and beliefs are reshaped.
5. **Knowledge Base** – Information and learning are updated.
6. **Policies and Legal Agreements** – Rules and contracts are revised.
7. **Technology** – New systems and tools are adopted.
8. **Customer Relations** – Ways of dealing with customers are improved.
9. **Marketing Strategies** – Promotion and sales methods have undergone significant changes.
10. **Integration** – Parts of the business are combined for better results.

### STRESS

Stress is a feeling of emotional or physical tension. Stress is a normal that happens to all.

It occurs when one is unable to cope with specific demands. Stress is an emotional tension or mental strain.”

**Stressors** are the factors leading to stress among individuals.

## STRESS – Types

Stress can be either acute or chronic.

1. Acute Stress: Short-term stress that goes away quickly.
2. Chronic Stress: Stress that lasts for a longer period of time.

## Causes of Stress

1. Individual Stressors: Life and Career changes, Personality type, Role characteristics, etc.
2. Group Stressors: Group Cohesiveness, Social Support, Conflict
3. Organisational Stressors: Organisational policies, Organisation structure, Organisational process, and Physical conditions
4. Extra-organisational Stressors: Social Changes, Technological Changes, Economic Conditions

## Consequences of Stress

Stress can negatively affect employees' physical health, mental well-being, and job performance, as well as disrupt organisational efficiency.

### a) Physical Symptoms:

Forgetfulness, Frequent aches and pains, Headaches, Lack of energy or focus, Sexual problems, Stiff jaw or neck, Tiredness, Trouble sleeping or sleeping too much, Upset stomach

### b) Emotional Symptoms

Easily agitated, frustrated, and moody. Feeling speechless, like you are losing control or need to take control.

Difficulty relaxing and calming your mind.

Feeling bad about oneself.

low self-esteem, lonely, worthless, depressed, avoiding others

### c) Cognitive Symptoms

Constant worrying, Racing thoughts, Forgetfulness and disorganisation, Inability to focus, Poor judgment, Being pessimistic - seeing only the negative side

## Stress Management

SM is a set of techniques and programs intended to minimise the effects of stress. SM techniques help to deal more effectively with stress in life. SM techniques analyse the specific stressors to take positive actions.

(Gale Encyclopaedia of Medicine, 2008).

## Stress Management Strategies

### 1. Individual Coping Strategies

Physical exercise – games, sports, yoga

Relaxation techniques, entertainment activities, and meditation etc.

Communication, encourage employees, set a ‘to-do list’

Hard work, play well/Exercise, and build social support

Preoccupied with yourself, a Healthy lifestyle

Optimistic approach, developing emotional intelligence

### 2. Action-Oriented Approach

Be assertive (Effective communication), reduce noise, Manage Time, and set boundaries.

### 3. Organisational Coping Strategies

Supportive organisational culture, Job enrichment, Organisational role clarity

Career planning, Stress control workshops.

#### 4. Counselling

Counselling is a process. It helps in dealing with personal and interpersonal conflicts. It is done by a third-party therapist/ Professional. It helps to improve their understanding of themselves. It helps to change their pattern of thoughts, behaviours, feelings, etc.

#### **General Adaptation Syndrome (GAS)**

Proposed by Hans Selye<sup>17</sup> to explain the body's physiological response to stress. According to the GAS, the body responds to stress in three stages: Alarm, Resistance, and Exhaustion. This explains how chronic stress affects health and performance over time.

1. Alarm Reaction: Initial shock; body prepares for “fight or flight.”
2. Resistance: The body adapts to the stressor, and coping mechanisms are activated.
3. Exhaustion: Prolonged stress depletes energy, leading to fatigue or illness.

#### **Steps in managing stress**

Stress can be managed by understanding it, identifying its sources, recognising its signals, and using healthy coping strategies with self-care and support.

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<sup>17</sup> Hans Selye (1907–1982) was an Austrian-Canadian endocrinologist best known as the father of stress research. He introduced the concept of stress in medical and psychological terms and developed the GAS model, which explains how the body responds to stress in three stages — Alarm, Resistance, and Exhaustion.

1. **Understand Your Stress** – Be aware of how stress affects you.
2. **Identify Sources** – Determine the factors that cause your stress.
3. **Recognise Stress Signals** – Notice physical, emotional, or behavioural signs.
4. **Recognise Stress Strategies** – Identify how you currently cope with stress.
5. **Implement Healthy Stress Management Strategies** – Use relaxation, exercise, or mindfulness techniques.
6. **Make Self-Care a Priority** – Ensure proper sleep, nutrition, and downtime.
7. **Ask for Support** – Seek help from friends, family, or professionals.

## Stress Management in Organisations

Stress management in organisations is crucial for maintaining employee well-being, productivity, and overall organisational success. Regular assessments and feedback mechanisms can help organisations refine their stress management initiatives.

### Techniques for Stress Management in Organisations

Organisations can reduce employee stress by implementing strategies such as counselling, flexible work options, training, clear communication, wellness programs, and supportive leadership.

#### 1. **Employee Assistance Programs (EAPs):**

Offering confidential counselling and support services to help them cope with personal and work-related stressors.

## 2. **Workplace Flexibility:**

Offering flexible work schedules, telecommunication options, and other forms of flexibility.

## 3. **Training and Education:**

Providing stress management training and workshops to develop coping skills, flexibility, and emotional intelligence.

## 4. **Clear Communication:**

Open and transparent communication from leadership about organisational changes, expectations, and goals can reduce uncertainty and anxiety among employees.

## 5. **Promoting a Healthy Work Environment:**

This includes ergonomic workspaces, access to natural light, recreational areas, and wellness programs.

## 6. **Task Redesign:**

Examining and restructuring job tasks to better align with employees' skills and abilities.

## 7. **Recognition and Rewards:**

Acknowledging and rewarding employees for their contributions - verbal praise, awards, or other forms of recognition.

## 8. **Employee Involvement:**

Involving employees in decision-making processes and seeking their input on issues.

**9. Social Support Networks:**

Encouraging the development of strong social support networks within the organisation.

**10. Mindfulness and Relaxation Techniques:**

Introducing mindfulness programs, meditation sessions, or yoga classes

**11. Health and Wellness Programs:**

Offering wellness initiatives -fitness programs, nutrition counselling, and health screenings, etc.

**12. Conflict Resolution Strategies:**

Implementing effective conflict resolution processes.

**13. Flexible Benefits:**

Providing a range of benefits, such as mental health support, childcare assistance, or financial wellness programs.

**14. Leadership Training:**

Training managers and leaders in effective leadership styles.

## REVIEW QUESTIONS

### Section A: Short Answer

1. Define organisational growth.
2. List Greiner's five stages of organisational growth and the corresponding crisis for each stage.
3. Define Organisational Development (OD).
4. What are the main features of OD?
5. Describe the process of OD from problem identification to evaluation.
6. List and briefly explain five techniques of OD Intervention.
7. Define organisational change.
8. Differentiate between evolutionary and revolutionary organisational change.
9. Define stress. Differentiate between acute and chronic stress.
10. What are the main causes of stress originating from organisational and extra-organisational factors?
11. What is meant by momentum of change?
12. Explain the strategies of change.
13. Define the term organisational change. List the features of organisational change.
14. List out the different methods adopted for stress management to reduce the level of stress.
15. Explain the domino effect of change.

16. What is stress? What are the symptoms of stress?
17. What are the features of stress?
18. What are the different OD intervention techniques?
19. Explain the internal and external forces that induce changes in an organisation.
20. What are the features of organisational change?
21. What is process consultation?
22. What are the features of organisational change?
23. Explain the internal and external forces that induce Changes in that organisation.
24. Define the process of consultation.
25. What is planned change?
26. What is meant by momentum of change?
27. Explain the domino effect of change.
28. Explain the strategies of change.

#### Section B: Short Essay

1. Explain Greiner's five stages of organisational growth and the corresponding crisis for each stage.
2. Define organisational change and explain the forces (pressures) that drive it.
3. Explain the main causes of stress originating from organisational and extra-organisational factors?
4. Identify and explain the consequences of stress on employees.

5. Describe at least five organisational coping strategies for stress management.

### Section C: Essay

1. What do you mean by General Adaptation Syndrome?
2. Define the term stress. What are the sources of stress?
3. Critically evaluate Greiner's model of organisational growth. Discuss the crises that arise at each stage and explain how an organisation resolves these crises to move to the next stage.
4. "Organisational Development (OD) is a systematic approach aimed at improving organisational effectiveness and facilitating successful change." Discuss this statement by explaining the OD process and the role of various OD intervention techniques.
5. Explain the various stressors in the workplace (Individual, Group, Organisational, Extra-organisational) and their consequences on an employee. What techniques can organisations adopt to manage stress effectively?
6. What is Organisational Change (OC)? Explain the different types of OC and discuss the internal and external pressures that necessitate change in an organisation.
7. How can a manager use Job Enrichment and Clear Communication as effective organisational strategies to reduce employee stress?
8. Greiner's model suggests that organisational growth is a series of evolutionary phases punctuated by revolutionary

crises. Discuss the implications of this view for top management's leadership style at each stage.

9. Discuss the concept of Kaizen (continuous improvement) as an approach to organisational change. How does it align with the philosophy of Organisational Development (OD)?

## TACKLING ANALYTICAL QUESTIONS

5. How can a manager use Job Enrichment and Clear Communication as effective organisational strategies to reduce employee stress?

### Answer hints

Job Design- Explain

Job Enrichment (Job Design Strategy)

- Mechanism: Redesign jobs to be less repetitive and more challenging; give employees greater control over planning, performing, and monitoring their work.
- Stress Reduction: Good job design offers achievement, recognition, responsibility, and growth; autonomy reduces feelings of overload and improves coping.

Clear Communication (Leadership Strategy)

- Mechanism: Use open, transparent, and timely communication to clarify expectations, roles, and organisational changes.

- **Stress Reduction:** Reduces uncertainty and anxiety — major sources of cognitive stress — by ensuring clarity about goals, performance, and organisational direction.

7. Discuss the concept of Kaizen (continuous improvement) as an approach to organisational change. How does it align with the philosophy of Organisational Development (OD)?

### **Answer Hints**

**Explain Kaizen (Continuous Improvement)**

**Approach:** Focuses on small, ongoing changes rather than radical or one-time transformations.

**Participation:** Involves all employees in identifying and implementing improvements.

**Alignment with Organisational Development (OD)**

**Planned Change:** OD promotes planned, long-term change; Kaizen represents its continuous, incremental execution.

**Collaborative & Humanistic:** Both stress employee participation and the full use of human potential.

**Systems & Performance Orientation:** OD takes a systems view; Kaizen improves processes and performance organisation-wide.

**OD Interventions:** Kaizen complements OD tools like Quality Circles and TQM, fostering collective problem-solving and process improvement.

## **Module 5**

### **Organisational Culture and Conflict**

- 5.1 Organisational Culture
- 5.2 Conflict, Stages in Organisational Conflict
- 5.3 Functional and Dysfunctional Aspects of Conflict
- 5.4 Levels of Conflict
- 5.5 Stimulation and Resolution of Conflict.

## Abstract

Organisational culture (OC) represents the collective beliefs, values, traditions, and behaviours that shape a unique environment within an organisation, influencing how team members interact and work together. The determinants of OC include both internal factors, such as founders' beliefs, management styles, and company policies, as well as external influences like industry standards and economic conditions. Key characteristics of OC involve elements such as innovation, attention to detail, emphasis on outcomes, fairness, teamwork, competitiveness, and stability.

Conflicts are an inherent part of organisational life, stemming from intergroup relations and factors like resource scarcity and differing values. The conflict process includes five stages: latent, perceived, felt, manifest, and aftermath, illustrating how conflicts develop and can be resolved through understanding and effective communication. Conflict can occur at multiple levels, from intrapersonal to inter-organisational, and can be categorised into functional and dysfunctional types. Various conflict resolution strategies, such as avoidance, negotiation, and arbitration, can lead to different outcomes, including win-lose, lose-lose, or win-win situations.

In decision-making, a systematic approach involves several key steps, including problem identification, objective specification, alternative development, analysis, selection, implementation, and verification of results. Decision-making can occur under conditions of certainty or uncertainty, necessitating the use of risk analysis and tools such as brainstorming, SWOT analysis, and decision trees. Effective strategies for conflict resolution during decision-making emphasise consensual decision-making, prioritising organisational interests, and soliciting input to foster a collaborative environment.

## Culture

Culture is a set of particular ideas, beliefs, traditions, thoughts, and behaviours adopted by a community in a specific region. These shared values create an impact on a group of people. It creates a unique environment called the organisation. In short, every culture is:

1. a Pattern of Learned Behaviour
2. the Products of Behaviour
3. includes attitudes, values and knowledge

Every organisation develops its own distinctive personality that influences the way people think, behave, and interact within it. This personality is known as **organisational culture**. It consists of the shared values, beliefs, customs, and practices that guide behaviour and give meaning to organisational life.

Organisational culture is expressed through visible elements such as rituals, dress codes, and office layouts, but its true strength lies in deeper values and assumptions that are less visible yet powerful. A strong culture unites employees and motivates them, while a weak culture creates confusion and a lack of direction.

## Concept of Organisational Culture

Organisational culture is the collective framework of values and assumptions that shapes behaviour. According to Edgar Schein (2010), it is “a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration.” Similarly, Hofstede (1991) defines it as “the collective programming of the mind that distinguishes the members of one organisation from another.” Both perspectives highlight that culture

is shared, enduring, and central to organisational identity. Organisational culture is the personality of the organisation. It is the collection of traits that make the company what it is. They ultimately shape employee perceptions, behaviours and understanding. The components of OC include:

1. Shared things (e.g., Dress codes or the way people dress)
2. Shared Saying (e.g., Let's go to work, let it go as it is, let us change for the better, Let's show no work)
3. Shared actions (e.g., Service-oriented approach, let's please the boss)
4. Shared feelings (e.g., Hard work is rewarded/not rewarded here)

### Levels of Organisational Culture (Schein's Model)

Schein explained that organisational culture has three levels: what we see, what we say, and what we truly believe.

1. **Artefacts:** These are the visible and tangible aspects of culture, such as dress codes, office design, ceremonies, and rituals. For example, annual celebrations of employees' achievements represent cultural artefacts.
2. **Espoused Values:** These are the officially stated values and goals of an organisation. For instance, an organisation may declare "customer first" or "Integrity and innovation", or "Ethical guidelines" as its guiding principle.
3. **Basic Underlying Assumptions:** These are the unconscious and taken-for-granted beliefs that truly guide behaviour. For example, a company may have an unspoken belief that

“innovation is essential for survival,” which influences decision-making even if it is never formally stated.

## Functions of Organisational Culture

Organisational culture plays a vital role in guiding and strengthening the organisation.

1. **Sense of Identity:** Culture gives employees a shared identity, making them feel part of a larger whole.
2. **Guidance for Behaviour:** It clarifies acceptable behaviour and reduces ambiguity. For example, in a culture that values punctuality, employees naturally respect deadlines.
3. **Stability and Cohesion:** It creates predictability and order by providing shared expectations.
4. **Adaptability:** A flexible culture encourages openness to change and innovation, making the organisation resilient.
5. **Performance Orientation:** Research shows that organisations with adaptive cultures achieve stronger performance and long-term growth.

## Dimensions of Organisational Culture

The dimensions of organisational culture describe the key aspects through which an organisation's culture can be understood and compared.

1. **Hofstede's Dimensions (1991):** He identified contrasts such as process-oriented versus results-oriented, employee-oriented versus job-oriented, and open versus closed systems. These examples illustrate how organisations differ in their priorities and management styles.

## 2. **Competing Values Framework (Cameron & Quinn, 2011):**

This framework identifies four types of culture: *clan* (characterised by teamwork and collaboration), *adhocracy* (emphasising innovation and risk-taking), *market* (focused on competition and achievement), and *hierarchy* (based on rules and stability).

## 3. **Handy's Typology (1993):** Handy suggested four types of culture—*power culture* (centralised authority), *role culture* (structured responsibilities), *task culture* (team-oriented problem-solving), and *person culture* (focus on individual expertise).

## **Transmission of Organisational Culture**

Organisational culture is transmitted to employees through various practices, interactions, and experiences within the workplace.

1. **Onboarding and Training:** Through structured programs, new employees are introduced to organisational values, practices, and expectations.
2. **Observation and Imitation:** Employees learn by watching leaders and colleagues and adopting their behaviour.
3. **Stories, Rituals, and Symbols:** Narratives about the founder, company history, or rituals help reinforce shared values and establish a sense of identity.
4. **Policies and Procedures:** Written rules and guidelines codify organisational expectations.
5. **Rewards and Sanctions:** Positive behaviours are rewarded, while undesirable ones are discouraged, reinforcing cultural norms.

6. **Leadership Example:** Leaders act as role models, and their behaviour strongly influences employees.
7. **Peer Influence and Communication:** Day-to-day interactions among colleagues and the style of communication also transmit and reinforce culture.

## Strong and Weak Cultures

Organisations differ in how deeply their values and beliefs are shared among members, resulting in either strong or weak cultures.

1. **Strong Culture:** In this type, core values are widely shared and consistently guide behaviour. Employees feel committed, and unity is strong. However, strong cultures may also become rigid and resistant to change.
2. **Weak Culture:** In weak cultures, values are fragmented, and employees lack a common sense of direction. External rules and supervision are often required to control behaviour, and adaptability is limited.

## Determinants of organisational culture

Members of organisations make judgments on the value their organisation places on these characteristics. People then adjust their behaviour to match this perceived set of values. Determinants of organisational culture include internal and external factors:

### A. Internal Factors

1. **Founders' Philosophy:** The vision, values, and leadership style of the founders strongly shape the initial culture.
2. **Organisational History and Traditions:** Past events, achievements, and stories contribute to shared identity.

3. **Leadership and Management Style:** The way managers interact with employees influences cultural development.
4. **Organisational Structure:** Centralised structures encourage control, while decentralised structures promote participation and flexibility.
5. **Human Resource Practices:** HR Policies, recruitment, appraisal, training, workload, career advancement policies, promotion, sustain and reinforce cultural values.
6. **Workforce Demographics:** The diversity, age, and background of employees affect cultural orientation.
7. **Communication Systems:** Open and transparent communication fosters trust and cultural strength.

## B. External Factors

5. **Nature of Business and Technology:** Industries that are dynamic (e.g., IT) often develop innovative cultures, while stable industries may emphasise consistency.
6. **External Environment:** Market pressures, customer demands, and social changes influence cultural adaptation.
7. **National and Regional Culture:** Broader societal values and traditions also shape the way organisational culture develops.
8. **Economic Conditions:** The economic situation—like inflation or trade cycles—affects culture. In hard times, firms focus on saving costs and working efficiently, while in good times, they emphasise innovation, growth, and employee welfare.
9. **Political Conditions:** Government rules, stability, and policies shape culture. Stable politics foster growth and confidence,

while red tape, corruption, or frequent policy changes cultivate a cautious and risk-averse culture.

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## Characteristics of organisational culture

Organisational culture reflects the shared values, beliefs, and behaviours that shape how employees interact and work together to achieve common goals.

### 1. Innovation (Risk Orientation).

A culture that values innovation encourages employees to take risks and try new ideas, rather than simply following traditional methods.

### 2. Attention to Detail (Precision Orientation).

This culture emphasises accuracy and thoroughness, expecting employees to maintain high standards and pay close attention to their work.

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### 3. Emphasis on Outcome (Achievement Orientation).

Some companies focus on results, but not on the methods used to achieve them. E.g., A company that instructs for aggressive sales.

### 4. Emphasis on People (Fairness Orientation).

Companies that place a high value on their employees treat them with respect and dignity. In this culture, a great deal of importance is given to how their decisions will affect the people in their organisations.

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### 5. Teamwork (Collaboration Orientation).

People who work for these types of companies tend to have a positive relationship with their coworkers and managers.

### 6. Aggressiveness (Competitive Orientation).

A culture that values competitiveness motivates employees to outperform rivals and achieve success even in highly challenging environments.

### 7. Stability (Rule Orientation).

This culture prioritises consistency, order, and adherence to established rules and procedures, aiming for long-term stability and control.

## Organisational Conflict

Conflict is an inevitable part of organisational life. Whenever individuals or groups work together, differences in opinions, interests, and goals naturally arise. Conflict, however, is not always destructive. Managed properly, it can stimulate innovation, creativity, and problem-solving. Mismanaged, it can create hostility, reduce productivity, and harm relationships. Understanding organisational conflict is therefore essential for managers and management students.

**Conflict** refers to some form of friction, disagreement, or discord arising within a group. It occurs when the beliefs or actions of one or more members of a group are either resisted by or deemed unacceptable by one or more members of another group. Conflict exists everywhere. The term 'conflict' is used to describe:

1. Antecedent conditions (scarcity of resources, policy difference),

2. Affective states of individuals (stress, tension, hostility, anxiety, etc.),
3. Cognitive states of individuals (perception and awareness of the conflict situation), and
4. Conflict behaviour (passive resistance to overt aggression)

## Concept of Organisational Conflict

Organisational conflict refers to situations where individuals or groups perceive incompatible goals, scarce resources, or differing values within the workplace. It is essentially a process that begins when one party perceives that another is negatively affecting, or is about to negatively affect, something the first party cares about. Conflict can arise from differences in personality, work style, communication, or power structures. While conflict is often viewed negatively, modern management recognises that certain levels of conflict can be healthy and necessary for organisational growth.

## Stages of Organisational Conflict/ Conflict Process

Conflict does not emerge suddenly; it passes through identifiable stages.

1. **Latent Conflict:** At this stage, the potential for conflict exists due to differences in goals, resource scarcity, or unclear roles, but it has not yet surfaced. Latent conflict exists whenever individuals, groups, organisations, or nations have differences that bother one or the other.

For example, a restaurant server may enter a customer's order incorrectly, resulting in the preparation of the wrong dish. The manager and the customers are unaware of this mistake, so the conflict has not yet emerged.

2. **Perceived Conflict:** Individuals or groups become aware of incompatibilities or disagreements, though emotions may not be strongly involved yet.

In the above example, the customers have noticed the mistake and complained to the management. The manager is now aware of the issue and approaches the employee to discuss it.

3. **Felt Conflict:** Emotions such as tension, hostility, or frustration arise, and the conflict becomes personal.

In the given example, the manager dislikes confrontation, and the employee feels uncomfortable being questioned. At this stage, both must decide how to respond and manage the situation appropriately.

If the manager handles the situation politely—by apologising, replacing the meal, or offering compensation—the customer may feel satisfied, and the relationship can even strengthen.

4. **Manifest Conflict:** The conflict is openly expressed through arguments, resistance, or even formal disputes.

If in the above situation, the discussion between the manager and the employee becomes tense. The employee may defend their actions or blame a system error, while the manager insists on accountability and responsibility. Emotions surface, communication becomes strained, and the conflict is now visible through words or behaviour.

5. **Conflict Aftermath:** The outcome of the conflict, whether resolved or unresolved, leaves lasting effects on relationships and future interactions.

In the above case, after the discussion, the issue may be resolved if the manager calmly addresses the mistake and the employee accepts responsibility and learns from it. However, if either party remains upset or feels misunderstood, tension may linger, affecting teamwork and trust.

## Functional and Dysfunctional Aspects of Conflict

Conflict is not always harmful; when managed effectively, it can promote growth and innovation. However, if mishandled, it can harm relationships and organisational performance.

4. **Functional Conflict:** This type of conflict is constructive and enhances organisational performance. It stimulates innovation, encourages critical evaluation of ideas, and improves decision-making. For example, a healthy debate among team members can lead to better solutions.
5. **Dysfunctional Conflict:** This type of conflict is destructive and reduces organisational effectiveness. It fosters hostility, undermines cooperation, and hinders productivity. For instance, prolonged personal rivalries between employees can harm team spirit and work output.

## Levels of Conflict

Conflict can occur at different levels within an organisation.

8. **Intrapersonal Conflict:** This type of conflict occurs within an individual, often due to role ambiguity or conflicting personal values. For example, an employee may feel torn between meeting deadlines and maintaining quality. Similarly, a person who finds a wallet with cash may feel torn between returning it or keeping it—an inner struggle that reflects intrapersonal conflict.

9. **Interpersonal Conflict:** This type of conflict arises between individuals, typically due to differences in personality, communication style, or competition for resources. For example, two coworkers may disagree on how to complete a project, leading to tension between them.
10. **Intragroup Conflict:** This occurs within a group or team, such as disagreements over methods or responsibilities. For example, team members may disagree on task allocation or project priorities, leading to misunderstandings and reduced cooperation within the group.
11. **Intergroup Conflict:** This occurs between different groups or departments that compete for resources, recognition, or authority. For example, the marketing and production teams may clash when marketing promises faster delivery to customers while production insists on more time to ensure quality.
12. **Interorganisational Conflict:** This occurs between two or more organisations, such as competition between companies in the same industry. For example, two rival companies may conflict over market share, pricing strategies, or the launch of similar products.

## Other Types of Conflict

Broadly, conflicts may be classified as functional or dysfunctional based on their outcomes, and as personal, interpersonal, intragroup, intergroup, or interorganisational depending on the level at which they occur.

In addition to the above classifications, conflicts can also be analysed based on their causes, intensity, and methods of resolution, as discussed below.

7. **Relationship conflict:** It arises from personality differences or emotional tension between individuals. For example, one employee prefers a tidy desk while another keeps things messy, causing irritation.
8. **Task conflict:** Occurs when people disagree on how to perform a task or allocate resources. For example, Team members argue over which method to use for completing a project.
9. **Goal Conflict:** Happens when an individual or group has conflicting objectives. For example, a student wants to study for exams but also wants to go out with friends.
10. **Role Conflict:** Occurs when expectations from a person's role clash with personal beliefs or other roles. For example, a manager feels torn between disciplining a close friend and maintaining fairness.
11. **Economic conflict:** Results from competition over limited resources like money, land, or materials. For example, two departments compete for a limited budget allocation.
12. **Socio-cultural Conflict:** Arises from differences in cultural beliefs, values, or traditions among groups. For example, disagreements may occur between communities with differing social customs.
13. **Generational Conflict:** The Generational gap refers to the difference in opinions between one generation and another regarding beliefs, politics, or values. In contemporary usage,

the term "generation gap" typically refers to a perceived disparity between younger people and their parents or grandparents. For example, younger employees prefer flexible work arrangements, while older employees value fixed schedules.

14. **Organisational (workplace) conflict:** Includes any conflict within the workplace involving employees, teams, or departments. For example, a clash between the sales and production teams over meeting delivery deadlines.

### Conflict among the subunits

Three types of conflict among the subunits of formal organisations are identified:

5. **Bargaining conflict:** Conflict among the parties to an interest-group relationship. E.g., Demands by different departments during budget allocation.
6. **Bureaucratic conflict:** Conflict between the parties to a superior-subordinate relationship. E.g., Chief Secretary and DGP; Governor and CM
7. **Systems conflict:** Conflict among parties to a lateral or working relationship.

### Role of emotion in inter-group Conflicts

A key player in inter-group conflict is the collective sentiment that persons (in-group) feel toward the other group (out-group). Depending on the perceived degree of warmth and competence, there are four basic emotions:

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(a) **Envy**- It results when the out-group is perceived to have high competence, but low warmth. Envious groups are usually jealous of another group's symbolic and tangible achievements.

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(b) **Contempt**- It results when the out-group is taken to be low in both competence and warmth. Contempt is one of the most frequent intergroup emotions. Here, the out-group is held responsible for its own failures.

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(c) **Pity**- It results when the out-group is believed to be high in warmth but low in competence. Usually, pitied groups are lower in status than the in-group. They are never believed to be responsible for their failures.

(d) **Admiration**- Admiration occurs when an out-group is taken to be high in both warmth and competence. This is very rare because these two conditions are seldom met. An admired out-group is perceived as completely deserving of its accomplishments.

## Conflict Management

This means handling disagreements in a fair and calm way. It helps people or groups solve their problems without hurting relationships or work. It aims to reduce bad effects of conflict (like anger or misunderstanding) and increase good effects (like new ideas and better teamwork).

Example:

When two employees argue over work, the manager helps them talk it out and find a solution — that's conflict management.

## Stimulation of Conflict

Sometimes organisations deliberately stimulate conflict because too little conflict may lead to complacency and stagnation. Managers use

conflict stimulation techniques to keep the organisation dynamic and innovative.

8. **Introducing New Challenges:** Assigning demanding tasks can push employees to think creatively and challenge the status quo.
9. **Encouraging Competition:** Promoting healthy competition among teams can motivate higher performance.
10. **Bringing in Outsiders:** Hiring new employees or consultants with different perspectives can generate fresh ideas and constructive disagreements.
11. **Altering Communication Channels:** Providing new information or using different communication systems may stimulate discussions and debates.
12. **Reorganisation of Teams or Structures:** Changing roles or reshuffling teams can create new dynamics that prevent stagnation.

## Resolution of Conflict

Conflict resolution is the process of addressing disagreements in ways that minimise negative outcomes and maximise positive results. Several methods can be used:

1. **Avoidance:** Ignoring or postponing conflict when it is minor or when emotions need to subside.
2. **Accommodation:** One party yields to the other's demands, often to preserve harmony.
3. **Competition:** One party pursues its own interests at the expense of the other; useful in emergencies but risky in the long term.

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4. **Compromise:** Both parties give up something to reach a middle ground.
5. **Collaboration:** Parties work together to find a solution that fully satisfies the interests of both sides; this is often the most effective method for long-term relationships.

### Basic Rules of Conflict Resolution

1. **Focus on the Issue, Not the Person:** Criticise ideas and behaviours, not individuals, to avoid personal attacks.
2. **Encourage Open Communication:** Ensure all parties have the opportunity to express their views honestly.
3. **Listen Actively:** Show understanding by listening attentively and acknowledging others' perspectives.
4. **Seek Common Ground:** Identify shared goals that both parties can agree upon.
5. **Use Neutral Language:** Avoid emotional or biased language that may escalate tension.
6. **Be Willing to Compromise:** Recognise that both sides may need to adjust their expectations.
7. **Ensure Fairness:** The resolution process must be perceived as just and impartial.
8. **Follow Up on Agreements:** Ensure that agreed solutions are implemented and that relationships are restored.

### Conflict Resolution Strategies

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Each of us possesses our own opinions, ideas and sets of beliefs. We have our own ways of looking at things. We act according to what we think is proper. Hence, we often find ourselves in conflict with

6 other individuals, groups, or within ourselves. Being in conflict can be a real pain. But it can happen anywhere where we interact with other people. It may be the workplace, in school, college, at home and in other places.

53 When a dispute arises, often the best course of action is to resolve the disagreement. Conflict resolution is finding a peaceful solution to a disagreement. There are many alternatives for conflict resolution. Determining the type of dispute mechanism depends on various factors, including the nature of the dispute, the relationship between the two parties, the sensitivity of the issues involved, and the likely outcome and cost of litigation.

## Possible Outcomes of Conflict Resolution

### 1) Win-Lose Situation:

37 A "Win" results when the outcome of a negotiation is better than expected. A "loss" results when the outcome is worse than expected. 7 'Win-Lose' is the classic situation where only one side perceives the outcome as positive. Thus, win-lose outcomes are less likely to be accepted voluntarily. Here, the strength and power of one person win the conflict. It has its place, but it will create a loser. If that person has no outlet for expressing their concerns, it will lead to negative feelings. 1 A manager should avoid this situation while dealing with a conflict.

### 2) Lose-Lose Situation:

A "loss" results when the outcome is worse than expected. A lose-lose situation arises when all parties feel the outcome is worse. It results in the 'I'm not OK, you're not OK' feeling. For example, nuclear war can be treated as mutually assured destruction- lose-lose.

It never happened because both sides knew it would be a lose-lose situation.

### 3) Mid-Point Situation:

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It happens through a compromise. Both parties give up something in favour of an agreed resolution. It takes less time, but is likely to result in less commitment to the outcome. This is better than a win/lose and lose-lose situation.

### 4) Win-Win situation:

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A "Win" results when the outcome of a negotiation is better than expected. Win-win outcomes occur when both sides of a dispute feel they have achieved a victory. Since both sides benefit from such a situation, any resolutions to the conflict are likely to be accepted voluntarily. This is the ideal outcome. However, it requires patience, time, skill, efficiency and analytical skill from the part of the mediator.

### 5) No-Win Situation:

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Here, a person has choices, but no choice leads to a net gain. For example, if a judge offers the condemned the choice of death by being hanged, shot, or poisoned. All choices lead to death, and the condemned is in a no-win situation.

## Strategies for Dealing with Conflict

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The **Thomas-Kilmann** Conflict Mode Instrument is used globally in conflict handling. It outlines five strategies for addressing conflict. They are Accommodating, Avoiding, Collaborating, Competing, and Compromising.

1. **Avoidance:** In this approach, there is withdrawal from the conflict. Here, everyone pretends there is no problem. Here, the

issue is simplified. The conflict is addressed through a passive approach. Individuals end up ignoring the problem. The manager thinks that the conflict will resolve itself. Others may think that you are neglecting the problem. One should confront the problem before it gets worse.

1. **Accommodating:** Accommodation involves dealing with an element of self-sacrifice. Individuals may set aside their concerns to maintain peace in the situation. It demands a high degree of cooperation and sacrifice. It may be an immediate solution to the issue. However, it is also a flawed approach to addressing the problem. It is generally done when it is necessary to keep a relationship with the other party.
3. **Competing:** This is the “win-lose” approach. Here, one party act in a very assertive way to achieve its goals, without seeking to cooperate with the other party. A successful resolution is achieved without compromising their satisfaction. Communication is a crucial component of this strategy.
4. **Collaboration:** This approach can be effective for complex scenarios that require a novel solution. It requires a high degree of trust. In this style, the aggressive individual aims to instil pressure on the other parties to achieve a goal. For example, a parent/teacher correcting their son/student for a change in character. It may be inappropriate when the aggressor becomes too unreasonable.
5. **Compromising:** Compromising occurs when both parties give up something to reach a resolution. This is the “lose-lose” scenario where neither party really achieves what they want. It proposes a resolution that would be acceptable to both parties involved. Thus, one party is willing to sacrifice its own set of goals if others are

willing to do the same. Hence, it can be viewed as a mutual give-and-take scenario.

6. **Smoothing Over the Problem:** Smoothing is also known as accommodating. It is like focusing on agreeable points and avoiding the conflicting ones. On the surface, harmony is maintained. But underneath, there is still conflict. It can be effective when preserving a relationship is more important than resolving the conflict. But it is not always useful.
7. **Mediation.** Mediation involves a neutral third-party acting as a mediator. Mediator seeks to satisfy the needs of the two disputing parties. He sits down with the two parties and guides their discussion. He assists the parties in resolving their conflict. Mediator has no independent authority to impose a settlement.
8. **Counselling:** It is a psychological mechanism to reduce interpersonal conflict. Intra-personal conflicts of individuals may lead to interpersonal conflicts in the organisation. When personal conflict leads to frustration and loss of efficiency, counselling may prove to be a helpful antidote. But only a few organisations can afford the luxury of having professional counsellors on the staff.
9. **Negotiation:** Negotiation is a discussion aimed at reaching an agreement. It offers the best option and opportunity for peaceful conflict resolution. Negotiation is a method by which people settle differences. It is a process by which a compromise or agreement is reached. It avoids arguments and disputes. Individuals understandably aim to achieve the best possible outcome for their position. It is said that properly managed conflicts can deepen relationships and strengthen the community.

**10. Arbitration:** The arbitrator is a neutral third party. Both parties present their arguments in arbitration. The arbitrator then renders a final, binding decision (award) regarding the solution to the dispute. It is a legal means of resolving disputes outside the courts.

E.g., Banking Ombudsman,

**11. Litigation (Lawsuit):** Litigation is the process of taking legal action. Taking the case to court is the least preferred option. It increases the hostility (enmity). It turns the conflict into a win-loss situation. Pursuing legal action can be a drain on time and resources.

**12. Business Associations:** Business associations like State and National Chamber of Commerce, the International Chamber of Commerce (ICC), International Centre for Settlement of Investment Disputes (ICSID), United Nations Commission on International Trade Law (UNCITRAL), etc, are common places and rules to deal with inter-organisational conflicts.

### Managerial Actions/ Structures to Minimise Conflicts

1. Clarify the organisational mission & objectives to all.
2. Regularly review job descriptions. Get your employee's input on them. Ensure that job roles do not conflict.
3. Intentionally build relationships with all subordinates. Meet at least once a month alone with them in the office.
4. Ask about accomplishments, challenges and issues.
5. Get regular, written status reports that describe accomplishments, current issues, and plans for the upcoming period.

6. Conduct basic training on communication, conflict management, delegation, etc.
7. Develop procedures for routine tasks and include the employees' input.
8. Regularly hold management meetings with all employees and communicate new initiatives and the status of current products or services.
9. Consider implementing an anonymous suggestion box where employees can submit their ideas. This can be a powerful means of collecting honest feedback, especially in highly conflicted workplaces.

## Decision Theory

A decision needs a responsible decision maker. This decision-maker chooses from several alternatives. The objective of the decision-maker is to choose the best alternative.

Decision theory represents a generalised approach to decision-making. It enables the decision maker to analyse a set of complex situations with many alternatives and many different possible consequences. The solution to any decision problem consists of these steps:

5. Identify the problem.
6. Specify the objectives and decision criteria for selecting a solution.
7. Develop alternatives.
8. Analyse and compare alternatives.
9. Select the best alternative.

10. Implement the chosen alternative.

11. Verify that the desired results are achieved.

## Decision Making under Certainty

When the decision maker knows the outcome, he will choose the alternative that has the highest payoff (or the smallest loss).

## Decision Making under Uncertainty and Risk

Under complete uncertainty, no estimates of the probabilities are available. The decision maker lacks confidence in the alternatives and the probabilities of the outcome. Decision-making under uncertainty expresses the degree of the decision maker's optimism. Uncertainty brings risk to the situation.

Decision-making under **uncertainty** is characterised by the following aspects:

5. Lack of perfect information
6. Potential outcomes or their probability of occurrence are unknown.
7. Unpredictable environment.
8. Unavailability or unawareness of alternatives.
9. No reliability of the available information.
10. Existence of risk.

In such circumstances, the manager should make assumptions about the situation. The decision depends on the manager's personal judgment and experience. **Risk preference** refers to the attitude people hold towards risks. It is a key factor in decision-making behaviour. Some people are risk-takers, and some are risk-averse.

Generally, top management is risk-takers and tends to make riskier choices.

### **Risk analysis:**

The dictionary meaning of Risk is “a situation involving exposure to danger.” The concept of choice is involved.

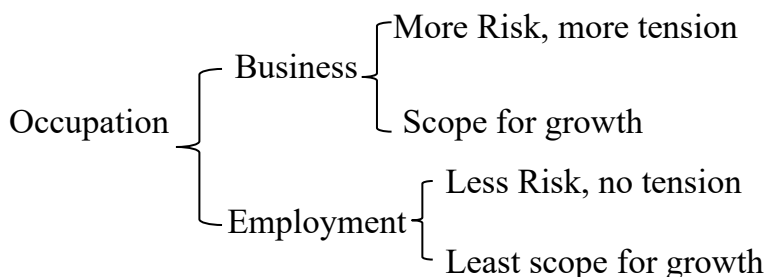
It refers to an action that can result in a losing situation. It is the probability that actual results will differ from expected results. Risk is composed of two components: the probability of something going wrong, and the negative consequences that result if it does.

Risk Analysis is a process for identifying and managing potential problems. It includes:

12. Identification of the existing and possible threats.
13. Estimating the possibility of realising these threats.
14. Estimating the possible impact of the realisation of the threat.
15. Accepting, sharing, managing and controlling risk.

Brainstorming, Root cause analysis, SWOT analysis, checklist analysis, decision trees, and other tools are common methods for risk analysis.

**Decision Tree:** A graphical representation of alternative actions and their potential outcomes. It helps to weigh possible actions based on their costs, probabilities, and benefits.



## Decision Making and Conflict

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Decision-making is accompanied by conflict. Conflict and choice are closely related. Choice produces conflict, and conflict is resolved by making a choice. Any decisions must take into account the conflicting needs of the individuals affected by the decisions. Conflict resolution is a part of the decision-making process. The effectiveness of conflict resolution depends on the skill and leadership traits of the decision-maker. The following are some strategies:

1

8. Consensual decision-making: In real-world organisations, each group has its own agenda. Hence, some consultation and some degree of overriding individual agendas are required.
9. Keep the interests of the organisation: This is necessary to prevent individuals and groups from hijacking the decision-making process with their own agendas.
10. Elicit information from the individuals: This helps provide balance and facilitate grievance redress to the affected parties.

## REVIEW QUESTIONS

### Section A: Short Answer

22. What is conflict management?
23. Explain the importance of organisational culture.
24. What are the features of organisational development?
25. What are the main objectives of organisational development?

### Section B: Short Essay

4. What does role conflict mean?
5. What are the advantages of functional conflict?
6. What are the functions of organisational culture?
7. What are the important determinants of organisational culture?
8. Define the term Organisational Development.
9. What are the features of Organisational Development?
10. What are the objectives of Organisation Development?

### Section C: Essay

3. Explain the positive and negative consequences of conflict in an organisation.
4. What are the advantages of functional conflict?
5. Explain the features of organisational culture.
6. Explain the importance of organisational culture.
7. Define the term organisational change. List out the features of organisational change.
8. What are the main objectives of organisational development?

9. “A strong organisational culture can both support and hinder change.” – Analyse this statement with suitable examples.
10. “Conflict is not always harmful; it can improve decision-making and innovation.” – Evaluate the conditions under which conflict becomes functional or dysfunctional.

## TACKLING ANALYTICAL QUESTIONS

19. “A strong organisational culture can both support and hinder change.”  
– Analyse this statement with suitable examples.

### Answer hints

Define *organisational culture*

Mention both sides clearly: how culture can *support* (*Functions of Organisational Culture*) and *hinder* change (*Strong and Weak Cultures*)

Add brief examples for both: *Google’s innovation culture that helps employees accept new ideas*. Bureaucratic objections for change of technology.

Include short analysis: Say that a strong culture acts as a double-edged sword — it unites people but can also create resistance if too rigid.

Conclude wisely: Best is Strong but flexible. Must keep their core values but stay open to change.

20. “Conflict is not always harmful; it can improve decision-making and innovation.” – Evaluate the conditions under which conflict becomes functional or dysfunctional.

### **Answer hints**

Short definition of Conflict

Functional Conflict –Its conditions. Quote examples

Dysfunctional Conflict –Its conditions. Quote examples

Analysis - Conflict acts as a double-edged sword. The outcome depends on leadership, communication, and the organisational culture of openness or rigidity.

Conclusion: Conflict is not always harmful. Effective managers use conflict as a tool for creativity, improvement, and stronger teamwork.

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