

Organizational Insights: Leadership, Teams, and Behavior

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Organizational Insights: Leadership, Teams, and Behavior

Based on MGU MCom Syllabus of Organisational Behaviour

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Preface

Organizational Behavior (OB) is a fascinating field that explores how individuals and groups interact within the workplace, ultimately influencing the effectiveness and culture of organizations. This book has been crafted to provide a comprehensive understanding of OB, aligning with the MGU MCom syllabus, and is designed to cater to students, scholars, and practitioners alike.

The first chapter delve into the basic concepts of OB, laying the groundwork for the subsequent discussions. Understanding individual behavior and motivation is crucial for fostering a productive work environment, which we explore in the second chapter. The dynamics of group behavior and leadership are examined in the third chapter, highlighting the importance of collaboration and effective leadership styles in achieving organizational goals. Organizational change, a constant in today's business landscape, is the focus of the fourth chapter, where we discuss strategies for navigating and implementing change successfully. Finally, we explore organizational culture and conflict in the fifth chapter, recognizing that a strong organizational culture can help mitigate conflicts and promote a harmonious workplace.

The insights presented in this book draw from both theoretical frameworks and practical applications, offering readers a well-rounded perspective on the complexities of human behavior within organizations. It is my hope that this text will serve as a valuable resource for those seeking to deepen their understanding of Organizational Behavior and apply these concepts to enhance individual and organizational effectiveness. Readers are encouraged to engage critically with the material, reflect on their own experiences, and consider how the principles of OB can be applied in their professional lives.

I extend my gratitude to the contributors, scholars, and practitioners who have enriched the discussions within this book. May it inspire a new generation of leaders and change-makers in the field of Organizational Behavior.

Author

01/09/2023

Module 1

Basic concepts of OB

Abstract

Organizational Behavior (OB) examines human behavior within organizational settings, integrating insights from disciplines like psychology, sociology, and anthropology to better understand, predict, and manage behaviors for achieving organizational goals and fulfilling individual needs. By analyzing individual behaviors, group dynamics, and structural aspects, OB aims to create efficient, adaptive, and harmonious workplaces. Classical and contemporary theories within OB help managers navigate structural complexities and improve decision-making. This interdisciplinary approach is crucial in addressing workforce challenges such as diversity, globalization, and technological changes, fostering a work environment that promotes individual growth and aligns personal and organizational goals.

The models of OB provide structured frameworks to interpret complex organizational dynamics and are grounded in various assumptions about worker motivation, authority, and relationships. The Autocratic Model, based on McGregor's Theory X, focuses on control and obedience through managerial authority but often leads to minimal performance. The Custodial Model addresses employees' security needs through economic rewards, leading to passive cooperation. The Supportive Model, inspired by leadership rather than authority, aligns organizational goals with employee growth and job satisfaction. The Collegial Model promotes a partnership-oriented environment, fostering teamwork and self-discipline. Complementary models, such as Normative, Empirical, and Ecological, offer additional perspectives for specific organizational settings. Together, these models demonstrate the evolving nature of OB, shifting from rigid authority frameworks to more democratic and inclusive approaches to meet employees' higher-order needs and promote organizational success.

ORGANISATION

An organisation is a group of people working together to achieve the common goal. Thus an organisation requires individuals, and objectives. Eg. 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/human' are the key to the success of any organization. But the behavior of human is much complicated. There is a need for theoretical understanding on the behaviour of employees in an organizational set up. The result of these empirical researches can be made for managing 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. Eg. feelings, attitude, perception, etc. It shapes and influences the overt behaviour.

Meaning of OB

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

Definition of OB

“Organizational Behaviour is the study and application of knowledge about how people act within organizations. It applies broadly to the behaviour of people in all type of organization 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 an organization for the purpose of applying such knowledge improving an organization's effectiveness”.

Stephen Robins

OB-Introduction

“OB is a systematic study of actions and reactions of people working in an organisation in order 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 behavior in organizational settings, the interface between human behavior and the organization, and the organization itself."

Gregory and Rickey

In short OB attempts to study:

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

Features of OB

1. It is the study about behaviour in organisations.
2. OB is a part of general management.
3. It represents behavioural approach to management.
4. OB contains a body of theory, research and application.
5. It helps in understanding human behaviour at work place.
6. OB helps in predicting the behaviour of individuals.
7. OB is an inter-disciplinary field of study.
8. OB synthesize knowledge drawn from various behavioural and social sciences.
9. OB involves three levels of analysis of behaviour-individual behaviour, group behaviour and behaviour of the organization itself.
10. OB provides a rational thinking about people and their behavior.
11. OB is both a science and an art.

12. OB seeks to achieve the organizational objectives through the fulfillment of employees' needs.

Significance/Role of OB

- 1) OB studies the behaviour of individuals and groups.
- 2) It systematically describe how people behaves under different conditions.
- 3) It helps to understand why people behave as they do.
- 4) It helps to understand organization and employees in a better way.
- 5) It helps to predict the future behaviour of an employee.
- 6) It describes the impact of organization 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 organization.

Scope of OB

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

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

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

1. Individual Behaviour

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

2. Group Behaviour

- (i) Work groups and group dynamics

- (ii) Dynamics of conflict (iii) Communication
- (iv) Leadership (v) Morale

3. Organization Structure and Process

- (i) Organizational Climate
- (ii) Organizational Culture
- (iii) Organizational Change
- (iv) Organizational Effectiveness
- (v) Organizational Development

Basic Concepts/ Determinants/Key elements of OBⁱ

OB studies three determinants of behavior in organizations: individuals, groups, and structure. OB starts with a set of fundamental concepts. They are related with 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 behavior, desire for involvement, value of the person.

2. The nature of organisations:

The related basic concepts are: social systems, mutual interest and ethics

1. Nature of People

- 1.1. **Individual differences:** The idea is originated from psychology. Each individual is different and should be treated differently. At the same time people have much 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.
- 1.3. **Whole Person:** Organisations wants to employ only the required skills. But the person appointed may have other engagements also. For eg. 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 are possible to

motivate people: Certain (a) actions that increase their need fulfillment and (b) actions that reduces/threatens their need fulfillment.

- 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 status. Two types of social systems exists in an organisation; formal and informal.
- 2.2. **Environment:** It means the social, legal, economic, political and technological environment influence an organization.
- 2.3. **Mutual Interest:** Organisations need people and people need organisation. Thus mutuality of interest should be obtained through the integrated efforts of individuals and employers.
- 2.4. **Ethics:** Ethical treatment is necessary for attracting and retaining valuable employees. Establishment of ethical standards, code of conduct, reward systems for notable performance, etc. are helpful. A good ethical environment helps individuals, organisation and the society.

Role of organisation behaviour

In the modern world, organisations are complex in nature. Employees are regarded as human resources, and not as commodities. Their behaviour and hard work depends on several factors. They can be utilized fully to the organizational benefit, only if they are motivated. Therefore the study of individuals in the organization is important. The importance of OB includes the following:

- 1) It helps to understand organization and employees in a better way.
- 2) It helps in improving industrial and labour relations.
- 3) It builds better relationship by achieving people's, organizational, and social objectives.

OB-Introduction

- 4) It helps in the formulation of various approaches of management.
- 5) It covers a wide array of human resource like behavior, training and development, change management, leadership, teams etc.
- 6) It brings coordination which is the essence of management.
- 7) It improves goodwill of the organization.
- 8) It helps to achieve objectives quickly.
- 9) It makes optimum utilization of resources.
- 10) It facilitates motivation.
- 11) It leads to higher efficiency.
- 12) It improves relations in the organization.
- 13) OB studies helps to improve decision-making
- 14) OB studies helps to respond and control stress.
- 15) OB studies helps to better communicate with others.
- 16) OB brings a platform for sharing the managerial experiences.

Foundations of OB

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

I. The fundamental concepts of OB:

1. Individual Differences and perception difference.
2. Personal life is not detached from his working life.
3. Individual needs motivate the behavior.
4. The desire for Involvement in decision making.
5. The value of the person.
6. Recognition of human dignity.
7. Organizations are social system.
8. Mutuality of Interest (people need organization and organization need people).

II Assumptions of HB

1. Human behaviour is caused. So it can motivated and directed.

2. He is affected by others' behaviour and he affects others' behaviour.
3. Psychology: Behaviour has 3 aspects- cognition (awareness), affection (feeling about), and conation (act after the feelings).
4. Personality: Unique and organized 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

Characteristics of HB

1. Influenced by a number of factors:
 - Simple form - Habitual behaviour. Eg. response to a sound.
 - Complex situation- response to a complex situation.
2. Varies in complexity – complex decision.
3. Different kinds of factors influence behaviour
 - Individual variables- age, sex, personality, perception, learning, motivation, attitude, Experiences.
 - Situational variable- organization, nature of job, work environment.
4. Individual behaviour
5. Individual difference
 - Physiology-age, sex, physical factors
 - Socio-psychological- personality, perception, learning, motivation, attitude.
6. Individual and group difference
7. Behaviour is purposeful –goal.
8. Changeable to a large extent
9. Shows stability

10. Behaviour is integrated.

Challenges and Opportunities of OB.

The following are some of the significant problems:

1. Improving People Skills:

Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. The employees and executives must be equipped to possess the required skills to adapt those changes. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills etc.

2. Improving Quality and Productivity:

Designing an effective performance appraisal system requires built-in training facilities. This will help to upgrade the skills of the employees to cope up the demands of the external environment. The lower level management is requires more technical skills. As they move towards upward level, their roles needs more human relations and conceptual skills.

3. Managing Workforce Diversity:

The product and services requires quality expected by the customers and users. For example, a customer of an automobile expects that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations is not met. The customer will perceive the quality of the car as poor. The key dimensions of quality includes performance, features, conformance (industry standards), reliability, durability, after sale services, response, aesthetics, reputations, Past performance and other intangibles, such as being ranked first.

4. Responding to Globalization:

Today's business is mostly market driven. Business operations are no longer restricted to a particular locality or region. Demand exist irrespective of distance, locations, climatic conditions, etc. The business operations are expanded to gain their market share and to remain in the top rank etc. Company's products or services are spreading across the nations using mass communication, internet, faster transportation etc.

(More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe.)

5. Working in network organization:

Global working through one link i.e. INTERNET, technology changes the people to work together and communicate at thousand miles, people can work from their home and non-office locations. For an instance; by facebook we can increase our networking by the use of technology.

6. Empowering People:

Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. In self-managed teams, workers operate largely without boss. Due to the implementation of empowerment concepts at all levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors and facilitators. It helps their subordinates to do their task with minimal guidance. The manager must learn to delegate their tasks to the subordinates and make them more responsible in their work.

7. Coping with Temporariness: In the modern world the Product life cycles are reducing, the methods of operations are improving, and fashions are changing very fast. In olden days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. So, workers need to continually update their knowledge and skills to perform new job requirements. Managers and employees must learn to cope with temporariness.

8. Stimulating Innovation and Change: Successful organizations 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 organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.

9. Emergence of the e-organization: This means e-commerce and e-business. E- Commerce refers to the business operations involving electronic mode of transactions. It encompasses presenting products on

websites and filling order. E-business refers to the full breadth of activities included in a successful internet based enterprise. As such, e-commerce is a subset of e-business.

10. **Improving Ethical Behavior:** Following unethical practices has become common practice. Eg. successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products, chemical companies discharging its untreated effluents into the river, etc. Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. The top-level management should define clearly the right and wrong conduct. It should develop a fair policy and appropriate system to increase confidence and trust over organization. There should have some logic against order you place to employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior.
11. **Helping the employees to manage work-life conflicts:** An individual has two side of life- one is professional life and the other one is family life. Flexible Working hours, reporting time, creating opportunities for employees, job security, design workplace and jobs.
12. **Dual Career Couples:** Dual career households are composed of couples in which both the 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.

Contributing disciplines to OB

Organizational Behavior is an applied behavioral science that is built upon contributions from a number of behavioral disciplines. The dominant areas are psychology, sociology, social psychology, anthropology, political science, and economics.

1. Psychology

Psychology is the science that seeks to measure, explain, and sometimes change the behaviour of humans and other animals. Psychologists concern themselves with studying and attempting to understand individual behaviour

Learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making process,

performance appraisals, attitude measurement, employee selection techniques, work design and job stress

2. Sociology

While psychology focuses on the individual, sociology studies people in relation to their fellow human beings. Sociologists study the social system in which individuals fill their roles. Sociology is the study of group behaviour in organisations, group dynamics, design of work teams, organisational culture, formal organisational theory & structure, organisational technology, communications, power and conflict. Learning theorists, personality theorists, counseling psychologists, and industrial & organizational psychologists contribute to the OB.

3. Social psychology

An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another. Major area is change – how to implement it and how to reduce barriers to its acceptance. OB have received valuable input from sociologists are group dynamics, design of work teams, organizational culture, formal organization theory and structure, organizational technology, communications, power, and conflict.

4. Social Work

Social work is a practice-based academic discipline that promotes social change, social development, social cohesion, empowerment, and liberation of people. It is an interdisciplinary profession.

5. Anthropology

Anthropology is the study of cultures and environments, differences in fundamental values, attitudes, and behavior between people in different countries and within different organizations.

6. Political science

Political science studies the behavior of individuals and groups within a political environment. Specific topics of concern here include the structuring of conflict, allocation of power, and how people manipulate power for individual self-interest.

7. Economics:

Economics is a social science concerned with the factors that determine 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. Technology:

Technology affects the behavior of employees. In today's world, people are highly influenced by technology.

Organizational Theory (OT)

Organizational theory is the sociological study of formal organizations, including businesses and bureaucracies. It also establishes their interrelationship with the environment in which they operate.

Examples include Classical/Traditional Theory, Human Relations/Neo-Classical Theory, Decision-Making Theory, Systems Approach, Weber's Ideal of Bureaucracy, Modern Theory, Hawthorne Study, Contingency Theory, Motivation Theory, Decision Theory, Scientific Management Theory, Administrative Theory, etc.

The classical/traditional theory concentrates on the formal structure of organization. It leaves the human aspect of organisation to personnel specialists.

Eg. Division of labor.

Neo-classical: why people behave as they do and what influences their behaviour.

Decision-making theory. Herbert A. Simon (1978, the Nobel Prize mainly on the basis of this theory) regards organisation as a structure of decision makers.

MODELS OF OB

OB models are the techniques which help us to understand complex things and ideas in a clear manner. Each model is based on certain assumptions about the people working in that organization. Autocratic model, Custodial model, supportive model, Collegial model, etc. are some common models of OB.

1. The Autocratic Model

Autocratic model is the first model, which has roots in the industrial revolution. Douglas McGregor has developed this model in his 'theory X'. This model leads to tight control of employees at work. 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 give higher performance either because of their achievement drive or their personal liking to the boss or because of 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 in 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) Organisation is authority oriented.
- 8) This authority is delegated by the right of command over the people.
- 9) The management believes that the employees have to be directed, persuaded and pushed into performance.
- 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 the survival needs of themselves and their families.
- 2) Some employees give higher performance 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 in the situation of time bound work.

Demerits

- 1) Employees may obey but they need not respect him.

- 2) The threat generally used by the managers is to withhold the wages if the workers do not obey them. Nowadays, this model is not applicable because there are minimum wages laws in most of the countries.
- 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, the need was felt to develop a model which will improve the employer-employee relations. The progressive managers, to overcome the shortcomings of the Autocratic model, used the custodial model. This model began to build on McGregor's Theory of Y.

Features:

- 1) This model emphasizes the economic rewards and benefits.
- 2) The success of the Custodial Model depends upon the economic resources (money).
- 3) The employees depend upon organisation rather than their boss.
- 4) The employer looks to security needs as a motivating force.
- 5) This introduces welfare programmes to satisfy 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. Eg. On site day-care centre, free transport facility.
- d) Welfare programmes lead to employee dependence on the organization.
- e) The basis of this model is economic resources.

Demerits

- a) It depends upon material rewards only to motivate the employees.

- b) It ignores 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 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. In fact, the managerial leadership style provides an atmosphere to help employees grow and accomplish their tasks successfully. The workers are by nature not passive and disinterested to organizational needs. They are made so by an inappropriate leadership style. Supportive model believe that a change in the leadership style, will make the workers ready to share responsibility, develop a drive to contribute and improve themselves. Thus, under supportive approach, the management's orientation is to support the employee's job performance for meeting both organizational 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 models-Autocratic 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) The management supports the employees' job performance, in addition to the monetary benefits.
- 7) The employee need that is met is 'status and recognition'

Merits.

- a) Favorable organisational climate is created with the help of leadership.
- b) Employees are helped to grow to the greater capacities, in compliance with the organizational goals.
- c) It is assumed that the workers will take responsibility and improve themselves, if given a chance.
- d) Workers can be self-directed and creative to the organization.
- e) This model takes care of the psychological needs of the employees.
- f) Supportive behavior 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 has been found to be effective in affluent (developed) countries only. It is effective where the workers are more concerned about their psychological needs like high self-esteem, job satisfaction etc.
- b) It has limited application in undeveloped and developing countries, where the majority of the workers are below the poverty line. For them, the most important requirement is the satisfaction of their physiological needs and security. They are not much concerned about the psychological needs.
- c) The supportive model is found more useful and effective in developed nations. It is less effective in developing nations because of employee's less awakening in the 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 upon the partnership between employees and the management. This model also begins to build on McGregor's Theory of Y.

Features:

- 1) The basic foundation of the collegial model lies on a feeling of partnership with employee.
- 2) Feeling of partners creates a favorable climate in the organisation.

OB-Introduction

- 3) Under collegial approach, employees feel needed and useful.
- 4) Workers see the managers as joint contributors and not as boss.
- 5) The collegial model relates to a team work/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 team work
- 4) In collegial environment, the workers have job satisfaction, job involvement, job commitment and some degree of fulfillment.
- 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

	Autocratic	Custodial	Supportive	Collegial
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:

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

(i) Normative Models:

The normative models seek to find out that 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. The organisational behavior is concerned with what is actually taking place in the organisations and how do people actually behave.

(iii) Ecological Models:

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

(iv) Non-Ecological Models:

As the name suggests this model is the opposite of ecological model. The non-ecological models assume stability in the environment. In the modern day world, when the environmental factors are assuming a lot of importance, 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 behavior is concerned with micro-level analysis this model is generally used.

(vi) Nomothetic Models:

These models deal with general situations. These are concerned with generalizations, laws, hypothesis which indicates regularity of behavior and correlation between variables. These models deal with situations like cross country, cross organisation, cross group, cross individual analysis of organisational system.

Interpretation of Different Models:

It becomes very clear that there is no single model which is best suited to the requirements of all the organisations. The managers will have to make use of a combination of models depending upon the circumstances of the case. But keeping in view the emergence of professional management, the use of Supportive and Collegial will be more as compared to the Autocratic and Custodial Models.

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

- (i) As soon as the understanding of human behavior develops or social conditions change, the model is bound to change. No one model is best for all times.
- (ii) Models of organizational behavior are related to hierarchy of human needs. As society advances on the need hierarchy, new models are developed to serve the higher order needs that is paramount at that time.
- (iii) Present tendency is towards more democratic models of organizational behavior.
- (iv) Different models will remain in use though new model predominates.

Previous Year Questions

1W

1. Describe the objectives of Organisational Behaviour ? 2021
2. How organisational theory is related to organisational behaviour?
Mdl
3. Define Organisational Behaviour.What are its goals? Mdl

2W

4. Identify the key areas of environmental challenges to O.B. 2021
5. Explain different models of organisational behaviour. Mdl
6. Discuss how various disciplines contributed to the development of organizational behaviour. Mdl

5W

7. Critically evaluate the models of O.B. 2021

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Module 2

Individual Behaviour and Motivation

Abstract

Human behavior encompasses a wide range of actions influenced by cultural, psychological, environmental, and personal factors. It is typically categorized into overt (observable) and covert (unobservable) behaviors, with the latter shaping the former. Behavioral studies draw from disciplines like psychology, sociology, anthropology, and economics, examining how core beliefs and attitudes affect responses. Key characteristics of human behavior include its complexity, variability, and purposefulness, shaped by physiological, psychological, and environmental influences. Individual differences also play a crucial role, as people may respond uniquely even in similar situations, although certain universal responses exist. Human behavior is dynamic, adapting over time while retaining stable traits shaped by learning and past experiences. Various models, including the Rational Economic Man, Social Man, Organizational Man, Self-Actuating Man, and Complex Man, provide insights into employee motivation, evolving from simple economic views to more nuanced perspectives that incorporate social and psychological dimensions.

Theories of learning and motivation further elucidate how individuals acquire knowledge and skills, influencing their behavior in organizational contexts. Key theories include Thorndike's Trial and Error Learning, Pavlov's Conditioning, Bandura's Social Learning, and Skinner's Reinforcement Theory, each highlighting different mechanisms of behavior acquisition. Motivation is driven by both intrinsic and extrinsic factors, with theories such as Maslow's Hierarchy of Needs, Cognitive Evaluation Theory, McGregor's Theory X and Y, Herzberg's Two-Factor Theory, Goal Setting Theory, Equity Theory, and Vroom's Expectancy Theory illustrating the complexities of workplace motivation. These frameworks emphasize the interplay between personal needs, perceived fairness, and the clarity of goals, all of which significantly shape human behavior in various contexts.

Concept of Human Behavior

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

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

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 favorable or unfavorable evaluation of the behavior in question." Your attitude highly reflects the behaviour you will portray in specific situations. Thus, human behavior is greatly influenced by the attitudes we use on a daily basis.

Characteristics of Human Behaviourⁱ

Humans are expected to follow certain rules in society, which conditions the way people behave. Some behaviors are common, some are unusual, some are acceptable, and some are outside acceptable limits. There are certain behaviours that are acceptable or unacceptable in different societies and cultures. The following are the common characteristics of human behaviour:

1. Influenced by a number of factors:

If some behaviour is influenced by a large number of factors, it is called complex behaviour. If some behaviour is influenced by a fewer factors, it is called simple behaviour.

For eg. A boy is reading a novel in a silent atmosphere in his room. When his mother calls him loudly, he reacts by leaving his chair. Here ‘mother’s voice’ is the only factor that influences the behaviour of the boy.

A boy walks through a road while someone make fun of him. The supposed reaction of the boy depends on a number of factors.

2. Behaviour varies in complexity:

Complex behaviour influenced by a large number of factors. Very complex behaviour may be seen in complex decision-making activities.

3. Various kinds of Influencing factors:

Human behaviour is influenced by **physiological** (hunger, thirst etc.), **psychological** factors (ideas, opinions, attitudes etc.) and **environmental** factors (Physical surroundings, nature of events, family, friends, larger society, overall cultural and social background, etc.). These factors gradually influence and shape the behaviour of people, as the person grows from infancy through childhood to adulthood. For eg. The behaviour of a young child in an ice cream parlor may be different from that of his late childhood and teenage.

4. Individual differences:

People differ in their physiological conditions, in their past experiences, in their abilities, in their background, etc. Hence the factors influencing the behaviour vary from one person to another and even from one group of people to another group of people. It is natural that if ten people are put in the same situation all of them do not behave alike. Each person’s behaviour differs from that of others in some respect or to some degree. For eg. Ten students are walking on a street and a small cat come across. One may just ignore it, one may try to catch it, one may stone on it, etc.

5. Shows Similarities:

Behaviour differs from person to person. But this does not mean that all people differ from all others, at all times and in all situations. There is also a considerable degree of similarity in behaviour among people. For instance, if a particle of dust falls into a person’s eye, he tries to remove it. This type of behaviour is universal. Increasing similarities are attributed to factors in the environment such as social, political, and economic conditions of the society. Increasing differences are attributable to factors in the

individual himself such as his abilities, past experience etc. This trend of increasing differences and similarities are due to the fact that individuals grow and the environment changes.

6. Purposeful or Goal Directed:

Human behaviour is always purposeful. His actions are always directed towards some goal. This behavior can be of various types: Positive goal directed behaviour, Negative goal directed behaviour, avoidance behaviour, etc.

7. Changeable to a large extent:

It is possible to change behaviour by modifying the concerned factors. 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. These changes result from experience, generally referred to as results of learning. Much of human behaviour is a result of learning.

8. Shows Stability:

While behaviour of people changes, at the same time there is also certain stability in behaviour. It does not change with every change in the environment nor do all forms of behaviour change. Eg. you may still find your grandmother preferring old ideas and old ways of life, though she is living in an ultramodern society.

9. Behaviour is integrated:

Behaviour always shows an order and a hierarchy of purposes. Every individual believes as a total person and not in an unpredictable manner.

Models of Man

Models are tools of cognition/reasoning that allows to present many complex features or process in a simple, transparent way. A model explains a complex phenomena 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) Organizational Man, (4) The Self Actuating Man, and (5) Complex Man.

1. Rational Economic Man:

Here the assumption is that, employees are rational and are primarily motivated by money. This model is based on classical organisation theory.

- (i) People are motivated by economic incentives.
- (ii) As the organisation controls the economic incentives, human beings are manipulated, motivated and controlled by the organisation.
- (iii) The feelings of the people are essentially irrational and selfish.
- (iv) Organisations can be designed as to neutralize and control people's feelings.

Merits:

1. People are induced to produce more by economic incentives.
2. There is no organization -employee conflict because both are satisfying their needs simultaneously.
3. Management will get more production and people will get more money.

Drawbacks:

1. This model is based on the classical organisation theory. It does not suit the present day organisation.
2. The economic incentives can work till the man is not reasonably satisfied by the need of money.
3. After a certain stage only money will not be sufficient for employees. His psychological needs cannot be fulfilled by the organization.
4. Therefore, the whole assumptions of rational economic man are not sufficient in understanding and predicting human behaviour.

2. Social Man:

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

- (i) Human beings are basically motivated by social needs.
- (ii) Their efforts are directed towards getting this satisfaction by maintaining relationships with others.
- (iii) A human being is more responsive to the pressures of his social group than to the incentives and controls of the management.
- (iv) He values social relationship higher than his economic motives which are directly under the control of management.
- (v) The amount of work to be done by a worker is determined by the social norms.
- (vi) Generally people do not act or react as individuals but as members of a group.
- (vii) People in organisations need opportunities to use their individual creativity.
- (viii) Employees growth needs should be met to function effectively.

3. Organisational Man:

It is an extension of social man. This concept was introduced by William Whyte. It is very important for a person to be loyal to the organisation and cooperative with the fellow workers. The basic idea coincides with Henry Fayol, who suggested that individual interest should be subordinated to the general interest. The basic assumptions are:

- (i) Individual by himself is isolated and meaningless. The group is the source of activity. Individuals create only when they move in a group.
- (ii) The ultimate need of every individual is belongingness. He wants to belong to his families, friends, relatives, colleagues and other members of the society as a whole.
- (iii) The goal of belongingness is achieved with the help of science. Whenever there is a conflict between the needs of the society and the needs of the individual, an equilibrium can be created by applying the methods of science.

- (iv) There is no conflict between the individual interest and the interest of the organisation. If there is any conflict, individual interest will be sacrificed in favour of the group interest to remove the conflict.

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:

- (i) Man's inherent need is to use his capabilities and skills as to have the satisfaction of creating certain things.
- (ii) Every unsatisfied need is a motivational factor for him.
- (iii) Self actualization is the ultimate goal, because it is last in the hierarchy.
- (iv) In the process of self actualization, the behaviour of the individual and he moves from immaturity to maturity.
- (v) Man is primarily self motivated and self controlled. Any incentives given by the management cannot motivate him after a certain level. Any control imposed on him cannot threaten him.
- (vi) If a man is left free, he will put in his maximum efforts.

5. Complex Man:

There are many complex variables, which determine the human behaviour. These variables are quite unpredictable. So the human behaviour which is based on these variables cannot follow a set pattern.

The behaviour of man can be understood and predicted in the given conditions, depending upon the assumptions made. But research has indicated that even if cause-effect relationship is established between the variables and behaviour, it is not easy to understand and predict the individual behaviour because of the individual differences. People are not only complex but are also highly variable. Though their needs can be arranged in a hierarchy, this hierarchy is also not universal. Different people may have different hierarchies.

Factors influencing Individual Behavior

Personal, Environmental and Organisational factors influences the behavior of individuals.

I. Personal Factors- It includes biographic and learned characteristics

i. Biographic Characteristics

1. Physical Characteristics

height, skin, complexion, vision, shape and size of nose, weight etc.

2. Age

3. Gender

4. Religion

5. Marital Status

6. Experience

7. Intelligence

8. Ability- Intellectual and Physical Abilities

ii. Learned Characteristics

1. Personal traits such as dominance, aggressiveness, persistence, patience, open mindedness, extrovertness and other qualities are reflected through a person's behavior.

2. Perception - viewpoint by which one interprets a situation.

3. Attitude - tendency to act in a certain way, either favorably or unfavorably concerning objects, people or events.

4. Values - beliefs that guide actions and judgments across a variety of situations.

II Environmental Factors:

i. Economic Factors

a. Employment level/Income level

b. Wage Rate

c. General economic environment

d. Technological development

ii. Socio-cultural Factors - cultural background shapes values and beliefs

iii. Political Factors - political ideology, political stability and corruption.

iv. Legal Environment: Adherence and attitude to prevailing laws.

III Organisational Factors:

- i. Physical Facilities – noise level, heat, light, ventilation, cleanliness, nature of job, office furnishing, number of people working at a given place etc.
- ii. Organisation Structure and Design: reporting system, lines of communication, etc.
- iii. Leadership: system of leadership is established by the management to provide direction, assistance, advice, coaching, etc.
- iv. Reward System

Personality

The word personality is originated from the Latin word ‘persona’ which means ‘theatrical mask’.

Personality means the individual differences in patterns of thinking, feeling and behaving. These sets of behaviors, 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, organized collection of psychological traits in the human being that influences his interactions with social and physical environment surrounding them.”

Randy Larsen and David Buss

Determinants of Personality

Personality of a person is influenced by a number of factors like brain, physical factors, social factors, culture, religion, heredity, etc.

Personality Traits

Trait means qualities of characteristics. Personality trait means characteristics of personality. It reflects people’s patterns of thoughts, feelings, and behaviors. This helps us to differentiate one person from another. Expressions like “talkative,” “quiet,” “active,” or “anxious,” etc.

describes personality traits. Features of personality traits are consistency, stability, and individual differences.

Consistency: Individuals must be somewhat consistent in behavior across situations related to the trait. For example, if they are talkative at home, they also tend to be talkative at work.

Stability: Personality traits are somewhat stable over time. If they are talkative, at age 30, they will also tend to be talkative at age 40.

Individual differences: People differ from one another on behaviors related to the trait. Eg. Walking on two feet, talking clearly, etc. are not personality traits. Because there is no clear individual difference. But people differ on how frequently they talk and how active they are.

Big Five Personality Theory:

This model is developed by Eyseneck. As per this model, there are five major personality traitsⁱⁱ - Openness; Conscientiousness; Extraversion; Agreeableness; Neuroticism. Each trait represents a range. It can be high, low, or middle with regards to each trait. Personality traits are relatively stable over time. They often do gradually change across the life span.

1. **Openness:** Openness to experience tends to be correlated to another psychological trait called absorption. It involves the ability to become immersed in imagination or fantasy. This can also be linked to the tendency to be hypnotizable. People who are high in openness tend to have many of the following characteristics:

- (1) Creative
- (2) Intelligent and knowledgeable
- (3) Give great attention to mental imagery
- (4) Interested in new things
- (5) Enjoys hearing new ideas
- (6) Likes thinking about abstract concepts
- (7) Usually more liberal and open to diversity
- (8) Interested in artistic endeavors
- (9) Adventurous

2. Conscientiousness: It is a personality trait where one acts based on what is right (what he knows as right). It reflects the tendency to be responsible, organized, hard-working, goal-directed, and to adhere to norms and rules. Conscientiousness comprises self-control, sincerity, responsibility, and reliability. They will keep trying, when they fail. They are often driven by their personal goals.

3. Extrovert: Extroversion is characterized by sociability, talkativeness, assertiveness, and excitability. People who are high in extroversion tend to seek out social stimulation and opportunities to engage with others. These individuals are often described as being full of life, energy, and positivity.

Introvert: People who are low in extroversion. They tend to be quiet, reserved and less involved in social situations. It is important to note that introversion and shyness are not the same.

Ambivert: a person who has a balance of extrovert and introvert features in their personality.

Omnivert: A person who is an introvert at some times and an extrovert at others.

4. Agreeableness: They are usually warm, friendly, cooperative, polite, kind, empathetic and tactful. They generally have an optimistic view of human nature and get along well with others.

5. Neuroticism: They are very emotionally reactive. They may emotionally respond to events that would not affect most people. Anxiety, anger, depression, self-consciousness, stress, immoderation, dramatic shift in mood and vulnerability are its sub traits. Neuroticism is associated with a diminished quality of life. It brings feelings of ill-will, excessive worry, occupational failure, and marital dissatisfaction. High levels of neuroticism will contribute to poor work performance due to emotional preoccupation, exhaustion, and distraction. It also results in injury to marital relationships.

Psychoticism refers to a personality pattern characterized by aggressiveness and interpersonal hostility. They may engage in anti-social behaviors, impulsiveness, cruel, aggressive or non-conformist behavior.

Perception:

Perception is the way in which a person experiences the world. It is viewpoint by which one interprets a situation. This is a cognitive (intellectual) process. In the perception process, people receive many different kinds of information through all five senses. They assimilate that information and then interpret them. Different people perceive the same information differently. This individual differences are largely the result of the cognitive processes.

Process of perception

There are five stages of perception: stimulation, organization, interpretation, memory and recall.

- (a) **Stimulation:** Perception process begins when our sensory receptors (eyes, ears, tongue, nose, and skin) come in contact with sensory stimuli (sights, sounds, tastes, smells, and touches) around us. We are exposed to an infinite amount of stimuli, some of which we pay attention to, and some we tune out completely.
- (b) **Organising:** It helps the effective use of senses. It is the ability to identify objects to the next stage of normal perception. Rules, schemata and scripts are the mechanisms of organising. Law of similarity, simplicity, proximity etc. are the rules of organizing¹.

People develop **schemata** from their actual and indirect experiences from daily activities or from television, reading or gossip. It may cause perception errors.

A **script** focuses on action. People tend to draft scripts in their subconscious mind. It stands as a basis of their perception. For eg. Typical doctor is scripted in the mind of people as a serious man.

(c) Interpretation-Evaluation

People interpret and evaluate individuals depending on one's own script. For example while meeting a new person who is a doctor, one tend to view this person as someone serious, successful, health conscious and academic strong.

¹ Gestalt Law of perceptual organization. Similarity- People tend to organize different colored dots as different groups. Simplify- perceiving complex presentation as simple as possible. Proximity – Perceiving adjacent dots as one group.

Ref: www.verywellmind.com/gestalt-laws-og-perceptual-organization

(d) Memory

It is storage of both perception and interpretation that are kept according to scripts and schemas. Experiences are heavily influenced by individuals' prejudices and schemata.

(e) Recall

After some time, individuals want to recall certain information from the memory stored. Recall stage reconstruct what individual heard in a way that are meaningful. Recall information is consistent with schemas.

Factors influencing Perception

External, internal and symbolic factors influence perception of individuals.

1. External Factors:

Intensity (low vs high sound), size (small vs big objects), frequency (single vs repeated events), order (order in which the objects are presented), novelty and familiarity. For eg. We are most likely to perceive the face of friend in the crowd. People with unusual clothing will get attention in the group; moving things get more attention than stills; people of higher status get more attention; in a crowd of men, a woman is more attracted and vice versa.

2. Internal Factors:

They are factors related to the characteristics of the perceiver. These include needs and desires, experience, learning, and Personality. Individual differences affect perception of organization. Perception on coworker shapes the way one work. It's necessary to respect these differences with others to create harmony.

Motivations will impact the perception on work. Our motivations affect the way we approach a situation. In a group work, each member's motivations will be different.

An organization's values, mission, and beliefs are important factors influencing perception. Past experiences are also significant factors influencing perception. They shape our personal biases and opinions. They shape our expectations from others and ourselves.

3. Situational Factors

Situations affect the perception. Elements in the environment like time, location, light, heat, etc. are situational/environmental factors that affect perception.

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 who perceives tree branches at night as if they are goblins. (കുട്ടിച്ചാത്തൻ; വേതാളം; ഇന്നാംപേച്ചി; ഭൂതം.)
2. **Hallucination** (ഭ്രമം, മായാദൃശ്യം; ഇല്ലാത്ത അനുഭവം ഉള്ളതായ തോന്നൽ; മതിഭ്രമം; വിഭ്രാന്തി): It means a sensory experience that appear real, but are created by mind.
3. **Stereotyping:** It is an over-generalized belief about a particular category of people. It can be positive or negative. Eg. Politicians are corrupt, Govt. 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.

Eg. 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. Eg. Assessing a person based on his dressing.
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 actually is. It is because it was compared to something worse. Eg. 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 a best group.
7. **Halo/Horn effects:** These are cognitive bias. Here perception is unduly influenced by a single trait. When it is influenced by a negative trait, it is horn effect. When it is influenced by a positive trait, it is halo effect.

Eg. Halo effect: Impression on celebrities, own religious leaders, own political leaders.

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

8. **Similarity-Attraction Effect:** It is the tendency of people to be attracted to others who are similar to themselves in certain respect. Eg, attitudes, values, activity preferences, and attractiveness. “birds of a feather”.
9. **Atributional Error:** It is a cognitive bias. Peoples have a tendency to explain someone’s behavior in terms of their personality. For eg, Mr X failed in an examination. Y presumes that it was because of his inability to learn (internal attribution). Mr. X explains that he failed, because he was affected by fever that day. He blames the situation rather than himself. (external/situation attribution)

Recently in Kerala, Madhu was killed by a mob who suspect him as a thief. Though poverty was the reason.

10. **Self-fulfilling prophecy:** Pre-conceived expectations and beliefs determine the perception. Eg. When a teacher, labelled a kid as stupid (because he has illegible handwriting). Soon the kid believed on teacher and behave like one.
11. **Status effect:** Giving better appraisals for those in higher level positions than those in lower level. For eg. A play back singer in cinema or a reality show fame may get more score, in a music competition, than an ordinary student who sung better.

Attitudeⁱⁱⁱ

“Attitude is a little thing that makes a big difference”

-Winston Churchill

Attitude refers to a set of emotions, beliefs, viewpoint, mindset and behaviors 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 behavior. Attitudes and actual behavior are not always perfectly aligned. Some features of attitude are given below:

1. Attitudes are the complex combination of personality, beliefs, values, behaviors, and motivations.
2. It can fall from very favorable to very unfavorable.
3. Every individuals hold attitudes.

4. Attitude exists in every person's mind.
5. It helps to define our identity, guide our actions, and judgments.
6. Attitude helps us to define how we see situations.

Personality traits and attitude appears to be closely related. Personality traits are more rigid and permanent. Attitude may change with different situations and experiences. So, attitudes are learned and acquired. Attitude is composed of three components: Cognitive, Emotional and Behavioral Components.

Cognitive component: This involves a person's belief and knowledge about an attitude object. For eg: "I believe spiders are dangerous", "Mask protect us from pandemics", "Seat belt reduces risk in accident"

Emotional Component: It is related to a person's feelings and emotions about the attitude object. For eg: "I am scared of spiders", "Love of nature is important", "Love of human is important",

Behavioral Component: Attitude influences how one act or behave. For eg: "I will scream if I see one spider", "I use to wear mask and seat belt."

Types of attitude

Positive, negative, neutral and mixed are the major types of attitude.

1. **Positive attitude:** Major traits of this attitude are confidence, optimism, sincerity and reliability. Such people will pay attention to the good, rather than bad in people, situations, events, etc. They will consider a mistake/failure as an opportunity. They learn from mistakes. Cheerfulness/happiness, sense of responsibility, flexibility, determination, tolerance, willingness to adapt, humility and diligence are other traits of this attitude.
2. **Negative attitude:** Major traits of this attitude are Hatred, Pessimism, Resentment, and Doubt. Such people will pay attention to the bad, rather than good in people, situations, events, etc. They are likely to complain about changes, rather than adapting to the changing environment. They blame others on their failure. Anger, frustration, resentment, jealousy and inferiority are the other traits of negative attitude.

3. **Neutral Attitude:** Indifference and unemotional are the major traits of this attitude. Such people do not give enough importance to situations. They simply ignore the problems. They just leave it for someone else to solve. They don't feel even the need to change.
4. **Sikken Attitude:** It is similar to negative attitude, but much harmful. This is most complicate and destructive attitude. It is a constant state of negativity and aggressiveness. This type of attitude is rooted in one's personality.

Values

Values are basic and fundamental beliefs that guide for human behavior. They are the motive behind purposeful action. Values of people are associated with values of their culture. Personal values exist in relation to cultural values. It may either in agreement with or divergence from prevailing norms. Eg. Friendliness, dependability, humor sense, fearlessness, courage, adventurous, dependability, compassion, kindness, optimism, respect, spirituality, wisdom, etc.

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.

Learning

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

Learning is "any relatively permanent change in behaviour 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 **change in behaviour**—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

There are four stages of learning: Stimulus, responses, motivation and reward.

1. **Drive/Stimulus:** A stimulus is anything that elicits a response. Learning frequently occurs in the presence of drive - any strong stimulus that impels action. Drives are basically of two types -primary (or physiological); and secondary (or psychological). These two categories of drives often interact with each other. Individuals operate under many drives at the same time. Eg. touch, vision, taste, smell, sound.
2. **Response:** The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception etc.
Eg. Hungry – eat food, rains – takes umbrella.
3. **Reinforcement:** Anything that strengthens/increases a behavior is called reinforcement. It is a fundamental condition of learning. It means the probability of occurrence of responses with which they are associated. Motivation induces reinforcement.
4. **Retention:** The stability of learned behavior over time is defined as retention. Its contrary is forgetting. Some of the learning is retained over a period of time. Others may be forgotten.

Types of Learning:

1. **Motor learning:** Activities that involve the muscular coordination. Eg. walking, running, skating, driving, climbing, etc.
2. **Verbal learning:** This involves the languages and other communication devices we use. Eg. signs, pictures, symbols, words, figures, sounds, etc.

- 3. Concept learning:** It is the form of learning which requires higher order mental processes like thinking, reasoning, intelligence, etc. Eg. the concept of wild animal, domestic animal, family, temple, church, etc.
- 4. Discrimination learning:** Learning to differentiate between stimuli and response appropriately to these stimuli. Eg. horns of different vehicles like bus, car, ambulance, etc.
- 5. Learning of principles:** Principles always show the relationship between two or more concepts. Eg: 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, generalization, etc. This is useful to overcome problems. Eg. Overcoming stress related to a complex situation.
- 7. Attitude learning:** Attitude is a predisposition which directs our behaviour. We develop different attitudes from our childhood about the people, objects and everything we know. Our behaviour may be positive or negative depending upon our attitudes. Eg. attitudes towards the poor, pets, etc.

Theories of Learning:

Psychologists have conducted many experiments on animals and human to obtain certain definite conclusions to explain the modes of learning. These are called as theories of learning.

Trial and Error Learning Theory:

EL Thorndike (1874-1949).

He states that learning takes place through trial and error method. The essence of this theory is- as the trials increase, the errors decrease. According to him learning is a gradual process where the individual will make many attempts to learn. Experiment: Cat and puzzle box with fish. Cat reduced random movements with each trials.

Learning by Conditioning:

Ivan P Pavlov (1849-1936)

Conditioning means 'getting used' to, or 'adjusted to a new situation, or a stimulus'. It is a process of substituting the original stimulus by a new one

and connecting the response with it. This theory states that ‘a new stimuli’ (bell) becomes a substitute after pairing with ‘original stimuli’ (food) and acquires the capacity to elicit a response. It is because the association (conditioning) is formed between CS and UCS.

Social Learning:

Albert Bandura (1977)

Models: Models are individuals that are observed. For eg. children are surrounded by many influential models, such as parents, characters on TV, peer group and teachers. These models provide examples of behavior. People observe the behavior of others, their attitudes and the outcome of that behavior.

Behavior modification

It means the alteration of behavioral patterns through the use of learning techniques. One can change the way we act, or react, by learning. We can't force someone to change their behavior. However, we can motivate them to change their behavior. There are several techniques used for the modification of behavior. These techniques are based on motivational theories.

Reinforcement Theory of Motivation

Skinner

Reinforcement is the process of shaping behavior by controlling the consequences of the behavior. Individual's behaviour is a function of its consequences. It is based on “law of effect”. Behaviour with positive consequences tends to be repeated, but behaviour with negative consequences tends not to be repeated. There are four types of reinforcements: Positive, negative, punishment, extinction.

1. **Positive Reinforcement-** This implies giving a positive response when an individual shows positive behaviour. This will increase probability of outstanding behaviour occurring again. If and only if the employees' behaviour improves, reward can said to be a positive reinforce. Eg. Treating a child with an ice cream cone when he stays quiet and obedient during a shopping trip.

2. **Negative Reinforcement-** This implies rewarding an employee by removing negative / undesirable consequences. Eg. Removing restrictions from a child when she follows the rules.
3. **Punishment-** It implies removing positive consequences so as to lower the probability of repeating undesirable behaviour in future. Punishment means applying undesirable consequence for showing undesirable behaviour. For eg. Suspending an employee for breaking the organizational rules.
4. **Extinction-** It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour. For eg. if an employee no longer receives praise and admiration for his good work, he may feel that his behaviour is generating no fruitful consequence. Extinction may unintentionally lower desirable behaviour.

Motivation

Motivation is derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. It means the desire to act for a goal. Motivation is the driving forces behind human behavior.

Performance of an individual depends on his ability backed by motivation. Ability refers to the skill and competence of a person to complete a given task. Person's desire to accomplish the task is motivation. Organisation becomes successful when there are motivated employees with ability.

$$\text{Performance} = f(\text{ability} \times \text{motivation})$$

A motive is an impulse (instinct) that causes a person to act. Motivation is an internal process that makes a person to move toward a goal. Motivation, can't be directly observed. Instead, motivation can only be inferred by noting a person's behavior. Adequately motivated employees will be more productive, more engaged and feel more invested in their work.

According to Abraham Maslow "motivation is the result of a person's attempt at fulfilling five basic needs: physiological, safety, social, esteem and self-actualization. These needs can create internal pressures that can influence a person's behavior."

The idea of ‘happy’ employees and ‘motivated’ employees are different, though related. Motivation describes the level of employees desire to perform, regardless of the level of happiness.

Objectives of Motivation

1. **Increase Willingness** to do the Job: Increasing worker motivation means workers willingly carry out the tasks required by the job.
2. **Improves the ways** to do a job: Motivated employees are always looking for better ways to do a job.
3. Improves the **quality**: Motivated employees are more quality oriented. For eg. A motivated clerk may take extra care in filing an important document.
4. **Attain goals** of organisation: Motivation makes a person to move toward a goal. It improves discipline with pride and confidence in cohesive manner as to achieve the organizational goals.
5. Increase **Job Satisfaction**: Motivation increases job satisfaction. It in turn improves productivity.
6. Increases **loyalty**: It improves the loyalty of the employees towards the organisation.
7. Increase **Retention**: Motivation helps to reduce the rates of labor’s turnover and absenteeism among the workers.
8. Increases **public image**: Motivated employees increases the public image on the organisation.
9. Increase **performance**: Motivation converts abilities into performance.
10. Reduces **grievances**: Motivation helps to reduce the number of complaints and grievances.

Types of Motivation

Out of 7.5 billion (750 crore) people in the world - no two people have exactly the same filters. We see things through our unique mental filters like our spirituality, our identity, our values and beliefs, our memories and experiences, our programs, our survival needs, etc.

Basically there are two types of motivation – Intrinsic and Extrinsic

1. Intrinsic Motivation^{iv}:

Intrinsic motivation is there when we do something because we enjoy it. Here the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system. Our deep-rooted desires have the highest motivational power. For eg:

- a) Acceptance: We all need to feel that our co-workers accept us, and our decisions.
- b) Curiosity: We all have the desire to be knowledgeable.
- c) Honor: We all need to respect the rules and to be ethical.
- d) Independence: We all need to feel we are unique.
- e) Order: We all need to be organized.
- f) Power: We all have the desire to be able to have influence.
- g) Social contact: We all need to have some social interactions.
- h) Social Status: We all have the desire to feel important.
- i) Self-Motivation
is the ability to do what needs to be done, without the influence from other people. Self-motivated people can find a reason to complete a task, even when challenging, without needing another to encourage them.
Eg. Steve Jobs, Rishiraj Singh, etc.

2. Extrinsic Motivation:

It means doing something for external rewards or to avoid negative consequences. Extrinsic motivation is external in nature. Individual's motivational stimuli are coming from outside. Eg. Monetary benefits from the employer, Employee of the month award, Benefit package, Bonuses, etc.

Other types of motivation:

1. Primary motives:

Basic drives, innate/inborn motives. They are necessary for the survival of the species. Eg. hunger, thirst, sex, avoidance of pain, etc.

2. Stimulus Motives:

They are also innate, but not necessary for survival. Eg. Activity, curiosity, etc.

Types of stimulus motives:

Achievement, competence, affiliation, power, fear and incentives can also motivate people.

1. Achievement Motivation:

“I want to achieve [triumph, milestone, award, recognition], so I’m going to do [action].”

It is also called the drive for competency. People are driven to achieve goals and tackle new challenges. They desire to improve skills and prove their competency to both others and selves. Eg. World champion Joby Mathew, Steve Jobs, etc.

2. Growth (Competence) Motivation:

“I want to be competent, so I’m going to do the action.”

It is the drive to be good at something. It allows the individual to perform high quality work. Competence motivate people to seek job mastery, take pride in developing their problem-solving skills, and strive to be creative when confronted with obstacles. They learn from their experience. Eg. Professionals, Sports stars, etc.

3. Affiliation (Social) Motivation:

“I want to feel a sense of belonging, (I am part of a club/community), so I’m going to do the action.”

It is a drive to relate to people on a social basis. Persons with affiliation motivation perform better when they are complimented for their co-operation. This motivation is of greater use where money cannot be used to motivate. Eg. Lions/Rotary Clubs

4. Power Motivation:

“I want to feel strong, powerful and influential, so I’m going to do [action].”

It is the drive to influence people and change situations. Power motivated people are willing to take risk to do so.

Eg. Arawind Kejariwal, Kiran Bedi, etc.

5. Incentive Motivation:

“I want to get [specific reward], so I’m going to do [action].”

It is where a person reaps a reward from an activity. It is the attitude of “you do this and you get that”. It is the type of rewards that drive people to work a little harder.

Eg. Bonus, commission, promotion, etc.

6. Fear Motivation:

“I want to avoid [bad thing], so I’m going to do [action].”

Fear motivation coerces a person to act against his will. It is helpful in the short run. It is called “carrot and stick,” where incentive is the carrot and fear is the stick. Managers following Theory X come into this category. In Indian army, this kind of motivation is very popular.

Motivational skills are those that enable a person to become motivated and work toward achieving goals, whatever they might be.

Attitude & Motivation:

Attitude is how people think and feel. It is their self-confidence, their belief in themselves, and their attitude to life. It is how they feel about the future and how they react to the past. An attitude is a mental orientation and emotional position. Eg. “Hey, I’m a good person”. Attitudes shape who and what we are. Motivation is simply the energy required to sustain a positive attitude. If positive attitude is a fire, then motivation is what fans it.

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 behavioral 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** (Operant conditioning) of B.F. Skinner: 1920/38
- It focus on **HOW outcomes** influence behaviors. ie How Rewards & Reinforcements Sustain Motivation Over Time. (Page 14)

1. Maslow's need hierarchy model:

A THEORY OF HUMAN MOTIVATION

Abraham Harold Maslow^v (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'

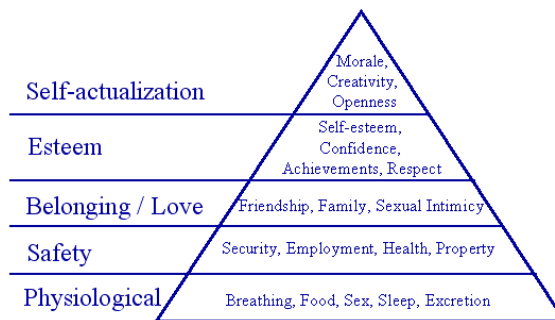
Man is a wanting animal and rarely reaches a state of complete satisfaction except for a short time. As one desire is satisfied, another pops up to take its place. When this is satisfied, still another comes into the foreground, etc. It is a characteristic of the human being throughout his whole life that he practically always desires something.

As a man's income increases he finds himself actively wishing for things that he never dreamed of a few years before. The average Malayalee yearns for automobiles, refrigerators, and television sets because they are real possibilities; he does not yearn for ships or planes because they are in fact not within the reach of the average Malayalee. It is quite probable that he does not long for them unconsciously either.

Essence:

1. Human beings have wants and desires which can influence their behavior. Satisfied needs are not motivators. Only unsatisfied need can influence the behavior.
2. Needs can be arranged in the order of their importance, hierarchy or from basic to complex.
3. The person advances to the next level of hierarchy, only when the lower-level need is, atleast, minimally satisfied.
4. It divides human needs into five levels- physiological, safety, belongingness, self-esteem and self actualization needs

The model



The Basic Needs

a) Physiological Needs:

The needs that are usually taken as the starting point for motivation theory are the so-called physiological drives. Classic examples of hunger, sex, and thirst. Undoubtedly these physiological needs are the most powerful of all needs. In the human being who is missing everything in life in an extreme, the major motivation would be the physiological needs rather than any others. A person who is lacking food, safety, love, and esteem would most probably hunger for food more strongly than for anything else. For the man

who is extremely and dangerously hungry, no other interests exist but food (Homeostasis^{vi}) needs.

He dreams food, he remembers food, he thinks about food, he emotes only about food, he perceives only food, and he wants only food. Life itself tends to be defined in terms of eating. Anything else will be defined as unimportant. Freedom, love, community feeling, respect, philosophy, may all be waved aside as fripperies that are useless, since they fail to fill the stomach. Such a man may fairly be said to live by bread alone. It is quite true that man lives by bread alone-when there is no bread.

b) Safety or Security Needs:

If the physiological needs are relatively well satisfied, there then emerges the safety needs (security; stability; dependency; protection; freedom from fear, from anxiety and chaos; need for structure, order, law, limits; strength in the protector; and so on). Practically everything looks less important than safety and protection (even sometimes the physiological needs, which, being satisfied, are now underestimated).

Just as a satisfied man no longer feels hungry, a safe man no longer feels endangered. The need for safety is dominant only in real emergencies, e.g., war, disease, natural calamities, crimes waves, societal disorder, neurosis, brain injury, breakdown of authority, chronically bad situations. The safety needs can become very urgent on the social scene whenever there are real threats to law, to order, to the authority of society.

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

If both the physiological and the safety needs are fairly satisfied, there will emerge the love, affection and belongingness needs. The person will feel keenly, the absence of friends, a sweetheart, a wife, or children. He will hunger for affectionate relations, for a place in his group or family. He will strive with great intensity to achieve this goal. Love is not synonymous with sex. Sex may be studied as a purely physiological need. Love needs involve both giving and receiving.

d) Esteem Needs:

All people in our society have a need or desire for self-respect, self-esteem, and for the esteem of others. These needs are classified into two:

(a) desire for strength, for achievement, for adequacy, for mastery and competence, for confidence in the face of the world, and for independence and freedom.

(b) we have what we may call the desire for reputation or prestige, respect or esteem from other people, status, fame and glory, dominance, recognition, attention, importance, dignity, or appreciation.

Satisfaction of the self-esteem need leads to feelings of self-confidence, worth, strength, capability, and adequacy, of being useful and necessary in the world.

e) Self-Actualisation needs:

Even if all these needs are satisfied, a new restlessness will soon develop, unless the individual is doing 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-actualization. It refers to man's desire for self-fulfillment. The tendency for him to become actualized in what he is potentially. Eg. Desire to be an ideal mother, painting pictures or 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, commonness, and humaneness.
3. Giving more of the same reward may have diminishing impact on motivation.
4. It accounts for interpersonal variations in human behavior. 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 for a still higher level needs.
7. Maslow's approach is based on existential philosophy.^{vii}

Criticisms

1. Maslow's need hierarchy cannot be directly applied to work motivation.
2. The hierarchy does not exist among needs. At all levels, needs are present at a given time.
3. There are differences in the need hierarchy, across countries.
4. Individuals differ in the relative intensity of their various needs.
5. 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 realization of potential)- They are equal to Maslow's self-actualization needs.

Frustration Regression Principle

As per ERG theory, peoples have multiple needs to be satisfied simultaneously. In other words, more than one need may be operative at the same time. When a higher level need is frustrating, the individual may tries to increase his lower level needs. For eg. Inability to satisfy the need for social interaction, may increase the desire for more money. This is known as the frustration-regression principle. This impacts workplace motivation.

Moreover ERG theory says that variables such as education, family background, cultural environment, etc. may influence the driving force of a group of needs on a particular 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. Cognitive Evaluation Theory

People are motivated by two different forces: intrinsic motivators- by forces that are inside themselves and extrinsic motivators- by forces that are outside themselves. Cognitive evaluation theory explains the relationship between intrinsic and extrinsic motivators.

As per this theory:

When people are internally motivated:

Their feelings of competence and their drive to succeed also come from within. They are less dependent on the praise or criticism of others, rewards or punishments or to change their behavior.

When people are externally motivated:

Their motivation to succeed relies more on how others react to them and their environment, and they believe that they have less control over their own success or failure.

Intrinsic motivators: Achievement, responsibility, competence, etc.

Extrinsic motivators: Pay, promotion, working conditions, etc.

4. McGregor's Theory X and Theory Y

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

Theory X

Theory X is based on pessimistic assumptions of the average worker. This management style supposes that the average employee has little to no ambition, shies away from work or responsibilities, and is individual-goal oriented. Theory X style managers believe their employees are less intelligent, lazier, or work solely for money. This attitude of managers creates 'command-and-control environment' in the organization. It leads to centralised style of management. Authority is rarely delegated. They show

little confidence in employees. Theory X management assumes the following:

- Average person dislikes work and will avoid it if possible.
- Most people are not ambitious, have little desire for responsibility.
- People prefer to be directed.
- Most people have little aptitude for creativity in solving organizational problems.
- Motivation occurs only at the physiological and security levels of need hierarchy.
- Most people are self-centered.
- They must be controlled, or threatened with punishment to make an effort.
- Most people resist change.

Theory Y

Theory Y assumes that employees are happy to work, self-motivated, creative, and enjoy working with greater responsibility. Theory Y recognize individual differences. It encourage workers to develop their skills. There is a scope to align personal goals with organizational goals. This is an optimistic approach. It leads to participative (de-centralized) style of management. Theory Y management assumes the following:

- Work can be as natural as play if the conditions are favorable.
- People will be self-directed and creative to meet their work objectives.
- People will be committed to objectives if rewards address higher needs.
- The capacity for creativity can be spread throughout organizations.
- Creativity and imagination are common in the population.
- Under these conditions, people will seek responsibility.

The theory of X and Y concludes that there may be an initial need for tighter controls, since all employees are not mature. Controls can be relaxed as the employee develops.

5. Herzberg's Two factor theory (1968)

(Dual factor/ motivation-hygiene theory)

This theory was formulated on the basis of a survey of 200 accountants and engineers. The theory focuses 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'.

I. Hygiene factors:

Hygiene factors are essential for existence of motivation at workplace. These do not lead to positive satisfaction. But if these factors are absent at workplace, then they lead to dissatisfaction. They are mostly related to physiological needs. They include: Pay, company policies, fringe benefits, physical working conditions, status, interpersonal relations, job security, etc.

II. Motivators:

The motivational factors yield positive satisfaction. These factors are inherent to work. They motivate the employees for a superior performance. These factors are called satisfiers. Motivating factors include: recognition, sense of achievement, promotional opportunities, responsibility, etc.

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 possible combinations:

- 1) **High Hygiene + High Motivation:** The ideal situation where employees are highly motivated and have few complaints.
- 2) **High Hygiene + Low Motivation:** Employees have few complaints but are not highly motivated. The job is viewed as a paycheck^{viii}.
- 3) **Low Hygiene + High Motivation:** Employees are motivated but have a lot of complaints. A situation where the job is exciting and challenging but salaries and work conditions are not up to par.
- 4) **Low Hygiene + Low Motivation:** This is the worst situation where employees are not motivated and have many complaints.

Criticisms

1. The procedure adopted by Herzberg is limited in its methodology. When things are going well, people claim credit for themselves. Contrarily, they blame failures on the extrinsic environment.
2. Herzberg's methodology looked only at satisfaction, not at productivity.
3. The theory ignores situational variables.^{ix}
4. This is not a theory of motivation.
5. It is only an explanation to job satisfaction.
6. Two factors are not distinct. Both motivators and hygiene factors contribute to satisfaction and dissatisfaction.

6. Goal setting Theory (1968)

Edwin A. Locke

According to this theory, goal setting is essentially linked to task performance. Goals give direction to an employee about the needs and efforts. Individuals who set specific goals performed better than those who set general, easy goals. Specific and clear goals lead to greater output and better performance.

Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them. He sets next goal for attainment. There are five principles of goal setting: Clarity, challenge, achievability,

commitment and feedback. People are more likely to achieve difficult yet attainable goals, than less difficult goals.

7. Equity Theory of Motivation.

J. Stacey Adams

Adams' equity theory says that individuals want a fair relationship between inputs and outputs.

Inputs include time, effort, hard work, commitment, ability, tolerance, personal sacrifice, loyalty, etc.

Output include salary, benefits, job security, recognition, responsibility, a sense of community, praise, recognition, development, pride, the opportunity to progress, etc.

Individuals need to perceive that:

- the rewards they receive for their contributions are fair and
- these rewards are similar to those received by their peers.

If individuals perceive that their rewards are not fair, they will feel distressed and try to change things to create a sense of fairness.

8. Expectancy model.

Victor Vroom (1932)

Vroom's expectancy theory is a process theory of motivation. It says that an individual's motivation is affected by their expectations about the future. Motivation is a function of valence, instrumentality and expectancy. If any of these factors are lacking, one may lack motivation.

- **Valence:** How much they value the potential rewards associated with the specific results or behaviors. Valence captures the fact that "I find this particular outcome desirable because I'm me."
- **Expectancy:** How much they believe that their additional effort will help them achieve the target results of behaviors. Expectancy describes the person's belief that "I can do this." Usually, this belief is based on an individual's past experience, self-confidence, and the perceived difficulty of the performance standard or goal.

- **Instrumentality:** How much they believe the rewards will actually appear should they achieve the desired outcomes or behaviors. Instrumentality reflects the person's belief that, "If I accomplish this, I will get that."

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^v 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.

^{vi} Homeostasis refers to the body's automatic efforts to maintain a constant, normal state of the blood stream. Eg of this process includes: (1) the water content of the blood, (2) salt content, (3) sugar content, (4) protein content, (5) fat content, (6) calcium content, (7) oxygen content, (8) constant hydrogen-ion level (acid-base balance), and (9) constant temperature of the blood. Obviously this list could be extended to include other minerals, the hormones, vitamins, etc. If the body lacks some chemical, the individual will tend (in an imperfect way) to develop a specific appetite or partial hunger for that missing food element. Sexual desire, sleepiness, sheer activity and exercise, and maternal behavior in animals are homeostatic.

^{vii} Existential philosophy emphasises individual existence, freedom and choice. Human defines their own meaning in life, and tries to make rational decisions, despite existing in irrational universe. The basic tenet is that man is healthy, good, and creative being, and is capable of working out his own destiny.

^{viii} Those that have all the money they need, and are not motivated by a paycheck.

^{ix} Situational Variables are factors in the environment that can unintentionally affect the results of a study. Eg. Mood of respondent.

Module 3

Group Behaviour and Leadership

Abstract

Interpersonal behavior plays a critical role in fostering relationships within organizations, directly impacting performance and employee satisfaction. Effective frameworks like Transactional Analysis (TA) and the Johari Window enhance understanding of interpersonal dynamics and self-awareness. TA categorizes personality into three ego states—Parent, Adult, and Child—shaping communication styles and interactions, while the Johari Window model promotes improved communication by expanding the Open Area of self-awareness. Group dynamics are influenced by various theories, including Festinger's Proximity theory and Tajfel's Social Identity Theory, and they can be classified into types like primary, secondary, formal, and informal groups. The stages of group development, outlined by Tuckman, highlight the progression from forming to adjourning, emphasizing the importance of group norms, effective decision-making techniques, and the various structures teams can take within organizations.

Leadership is fundamental to group dynamics and organizational success, with Rensis Likert's management systems categorizing leadership styles and emphasizing the need for adaptation based on context and follower maturity. Transformational leadership theories, developed in the 1970s, focus on motivating followers to achieve significant change, distinguishing between transactional and transformational leadership styles. Charismatic leaders, as described by Weber, can inspire loyalty but may also lead to dependency issues. Key components of transformational leadership identified by Bass include individual consideration, intellectual stimulation, inspiration, and idealized influence, highlighting the complex nature of leadership in cultivating an engaged and motivated workforce. Overall, understanding interpersonal behaviors, group dynamics, and effective leadership strategies is essential for fostering a collaborative and productive work environment.

Interpersonal Behaviour

It means the interaction between two or more persons. It is necessary to maintain relationship within organization. Positive relationships leads to better performance and overall happiness. Negative relationship leads to poor performance.

Transactional Analysis (TA):

TA is a theory developed by Dr. Eric Berne, a psychoanalyst, in the 1950s. TA is a psychological method to improve communication. TA subdivides the human personality into three- Parent ego, Adult ego and Child ego. It is basically the concept of Sigmund Freud's concept of the human psyche- id, ego, and super-ego¹.

¹ **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 drives prevailing in all. Id is the only component of personality that is present from birth.

For eg. When a child is hungry, the "id" wants food, so the child cries. If the child feels uncomfortable or just wants attention, the id pushes for those needs to be met. The id doesn't think about what's real or about anyone else's needs—only its own satisfaction matters.

Ego: The ego deals with reality. It tries to meet the desires of the **id** in a way that is socially acceptable. The ego recognizes 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 way that is accepted by the society.

For eg. She was really interested for the ‘liquor’, during the party, but she waited for the drinking water, because.

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

Super-ego:

The superego is the last part to develop, and it focuses on morals and judgments about right and wrong. Even if the superego and the ego agree on a decision, the superego's choice is based on moral values, while the ego's choice is influenced more by what others might think or by possible consequences. For eg. She was really interested for the ‘liquor’, during the

Eric Berne postulated three more ‘ego states’—the Parent, Adult, and Child states. These ego states are largely shaped through childhood experiences. Typically, according to TA, people consistently use three ego-states:

(a) **Parent** ("exteropsyché"): This is a state where people react, feel, and think in ways that unconsciously mirror how their parents (or other parental figures) acted, or how they understood those actions. For example, a person might shout in frustration because they learned from a key figure in childhood that this is how to handle similar situations. Parent state can be positive (caring, love, helping) or negative (criticize, punishing).

(b) **Adult** ("neopsyché"): The Adult is an ego state that functions like an intelligent system, processing information and making predictions about emotions. When a person is in the Adult state, they focus on understanding reality objectively.

(c) **Child** ("archaeopsyché"): The Child is an ego state where people think, feel, and act as they did in childhood. For instance, someone who receives a poor evaluation at work might look down and cry, much like when they were scolded as a child. Similarly, a good evaluation might lead to a big smile and a joyful thank-you. The Child is the source of emotions, creativity, playfulness, spontaneity, and closeness with others. Child state can be either natural child (curious, creative, open) or adaptive child (guilty, afraid, anxious, prideful).

Life Position Quadrants

According to the International Transactional Analysis Association, “TA is a theory of personality and a systematic psychotherapy for personal growth and personal change.” There are four life positions that a person can hold. The positions are stated as life positions:

party, but she waited for the drinking water. Because she believed that taking ‘liquor’ is a bad habit as well as a wrong model to 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.

- a) **I'm OK and you are OK.** This is the healthiest position about life. It means that I feel good about myself and that I feel good about others and their competence. He is ready to get on with others.

Life Position Quadrants

You are OK

I'm not OK and you are OK



Depressive Position

I'm OK and you are OK.



Healthy Position

I am Not OK

I'm not OK and you are not OK.



Hopeless/ despair position

I'm OK and you are not OK



Arrogant position

I am OK

You are not OK

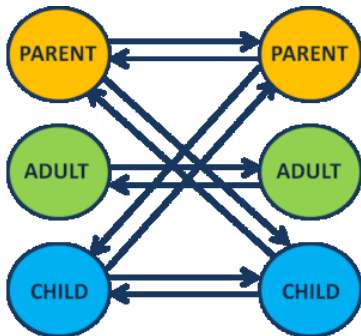
- b) **I'm OK and you are not OK.** In this position I feel good about myself but I see others as damaged. It is usually not healthy. People in this position feel themselves superior to others. They see others as inferior and not OK.
- c) **I'm not OK and you are OK.** In this position the person sees himself as the weak partner. He will unconsciously accept abuse as OK. People in this position have a particularly low self-esteem. They will put others before them. They may have a strong 'Please Others' driver.

- d) **I'm not OK and you are not OK.** This is the worst position. It means that I believe that I am in a terrible state and the rest of the world is as bad. There is no hope for any ultimate supports.

Importance of TA

1. As a theory of personality, TA describes how people are structured psychologically. For this it uses the ego-state (Parent-Adult-Child) model.
2. The model helps explain how people express their personality in their behaviour.
3. It is a theory of communication that can be used for the analysis of systems and organisations.
4. It explains how our adult patterns of life originated in childhood. It assumes that we continue to re-play childhood strategies.
5. It offers a theory for child development.
6. In practical application, it provides a method of therapy for individuals, couples, families and groups.

Transactions between Ego States



Transaction denotes verbal and non-verbal communication between people. Analysis of transaction is the heart of TA. The way of communication depends on the ego states of both. TA proposes two types of transactions: Complementary and crossed.

1. Complementary Transaction:

The message expects a response from the recipient. For eg. How are you? This type of transaction can take place between parent to parent/

adult/child, adult to adult/child/parent, and child to child/adult/parent. Here the stimulus and response are parallel.

2. Non-complementary/Cross Transactions:

Non-complementary transaction does not result into expected response. Hence the stimulus and response are not parallel. Stroke means giving recognition to the other (eg. eye contact, physical touching, etc.). There are three types of strokes – positive, negative, and mixed.

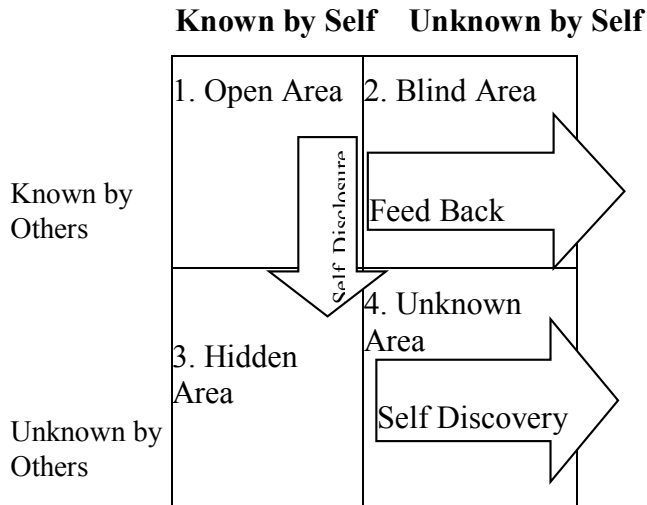
Benefits of TA

1. TA gives a tool for personal evaluation.
2. TA is a tool for positive communication.
3. It increases inter personal effectiveness.
4. It helps to develop positive thinking.
5. It increases self-motivation and helps to motivate others.
6. It helps to increase the efficiency of leadership.
7. TA is simple and easy to learn.
8. It provides a simple practical tool to experiment.
9. It helps to solve problems in life.
10. It helps to create a good work environment.

Levels of Self Awareness and The Johari Window

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

1. **Open Area:** This is what you and others know about you, such as your behavior, skills, attitudes, and "public" history.
2. **Blind Area:** This includes things others see about you that you're unaware of, like feelings of inadequacy or behaviors you don't notice but others do. These can be difficult to acknowledge.
3. **Hidden Area:** These are things you know about yourself but choose not to share with others.
4. **Unknown Area:** This area contains things that are unknown to both you and others.



The Open Area is the most important part of the Johari Window. Typically, the more people know about each other, the more productive, cooperative, and effective they'll be together. The goal is to expand the Open Area, without revealing overly personal information.

Expanding this area is called "self-disclosure"—a give-and-take process between you and the people you interact with.

Groups in organization:

From birth, a person grows up within the family, which is their first group. Here, a child learns social norms, values, and societal rules, making the family their primary group. The family plays a significant role in socializing the child and shaping their personality. Later, secondary groups—such as neighbors, school, playground, friends, clubs, and organizations—also influence their development. Throughout life, people belong to various groups, and their behavior is shaped by the group they're part of at any given time.

Group

A group is two or more persons who interact with each other in such a manner that the behavior of one is influenced by the behavior of the others. Groups are constituted to provide individuals with mutual support.

Groups can be defined as “several individuals who comes together to achieve a particular task or goal.”

“Groups consist of two or more persons engaged in social interaction with one another. The group have some stable structure, interdependence, common goals, and recognize that they are in fact part of a group.” Barone and Byrne (1988)

Nature of Group

1. A group consists of more than one person.
2. A group must interact with each other.
3. The members must be interdependent in some manner.
4. The persons must have some common motive to achieve.
5. They meet together to satisfy some common purpose.
6. The relationship between members must be more or less stable.
7. Group is a social unit.

Thus just being in the same place at the same time is not enough. Sitting together in a cinema hall or in bus does not mean a group unless the persons have a common motive to achieve through this group. By making a brief conversation between two passengers in a bus/train/plain does not make a real group. Collection of individuals without a common purpose does not make a social group.

What makes a group?

The term ‘group’ is used in the following contexts.

- a) **Physical proximity:** A number of persons sitting, talking, or walking together may be called as a group.
- b) **Virtual Proximity:** Now a days, social media platforms also provides virtual proximity, which can be called as a group.
- c) **Common characteristics:** Here members may not have any relationship with each other, but they have some common characteristics. Eg. Tax payers, merchants, students, social workers, politicians, priests, etc.
- d) **Members** of a particular organization: Political, religious, clubs, etc.

- e) **Common goal:** Eg. Festival committee, enquiry commission, etc. Such groups disintegrate after the achievement of common goal.

Reasons for Group formation:

(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 gap of managerial ability, Careful planning, Medium of information, etc.

Kinds of group²

- | | |
|------------------------------------|--------------------------------------|
| 1. Primary and Secondary groups | 7. Formal and Informal groups |
| 2. Peer Group and Buddy Group | 8. In-groups and Out-groups |
| 3. Autocratic and Democratic group | 9. Face to face and Co-acting groups |
| 4. Membership and Reference Groups | 10. Command group and Task group |
| 5. Friendship groups and Cliques | 11. Interest and Pressure Group |
| 6. Committees and Commissions | |

1. Primary and secondary groups:

Primary groups are close-knit and usually small, characterized by intimate relationships that tend to last a long time. Examples include family members and close friends.

In contrast, secondary groups are typically larger and more impersonal. They can vary in size but are often short-term. Examples include classmates and coworkers.

² <http://www.psychologydiscussion.net>

2. Formal and informal groups:

Members of a formal organization form a formal group. Eg. Indian citizen, XYZ College Students, etc.

An informal group is one without any definite norms, rules or regulations. The members themselves form such groups for social interaction. Informal groups are social oriented. Functional proximity, like-minded people, similar status (in terms of hierarchy or economic status), etc. form informal groups. Eg. A picnic party, a tea party, Small friendship groups, play groups, gangs, etc.

3. Peer group and Buddy Group:

Peer group is both a social group and a primary group of people who have similar interests, age, background, or social status. The members of this group are likely to influence the person's beliefs and behaviour. Peer groups are very influential on childhood and adolescent social development

Buddy group is a system of arranging individuals in pairs. It is common in trucking and militaries. It is done for mutual safety in a hazardous situation.

4. In-groups and out groups:

Those who support the group goal and group norm are called "ingroup". Those who oppose the 'in group' are called "outgroup".

5. Autocratic and democratic group:

If the existence of the group depends upon the leader of the group, it is called autocratic group. Eg. Political parties like 'Janapaksham, JSS, etc.

If every member of a group is allotted with some responsibility, it is a democratic group. Morale is high in democratic group as there is internal cohesion between the different members.

6. Face to face and Co-acting groups:

When the members see the other members while doing the similar activities, it is called face to face group. The sights and sounds of others stimulate the individual to do more work. Eg. Colleagues.

Co-acting means, act together. People, who share the same goal and work towards it without interacting, is called Co-acting group. Eg. People for environmental protection, gender equality.

7. Membership and Reference Groups:

If the entry is restricted on some features (say membership fee), it is a membership group. They are formed for the affiliation related needs. Eg. Rotary/Lions Club

Reference group includes individuals or groups that influence our opinions, beliefs, attitudes and behaviors. Eg. Family members, relatives, friends, etc.

8. Command group and Task Group:

Command group is a group consisting of individuals who report directly to the manager. It is a frequent type of formal group. It is relatively permanent and is shown in the organisational chart.

Task group is a temporary small group formed to complete a particular task. It is generally informal group in nature.

9. Committees and Commissions:

Committee is a group of persons formed to discuss on problems and to recommend or decide solutions. Its members may be selected from any level irrespective of the structure. Members may go into details of the problem.

Eg. Standing/Ad-hoc-Committee, Executive/Advisory Committee, and Formal/Informal Committee. For example, Tender Purchase Committee (TPC), enquiry committee against an allegation.

Commissions are constituted by a Government either on an ad hoc or permanent basis. The objective is to guide, advice or provide solutions to various issues coming under the concerned ministry. Eg. Kothary Commission

10. Friendship groups and Cliques:

Friendship groups are formed by like-minded people.

Cliques are a small close-knit group of people who do not readily allow others to join them. They are very few numbers of colleagues (max.5/6) or friends who commonly associates.

11. Interest groups and Pressure Groups:

Interest groups are formed by persons with similar interest. Eg. music club, volleyball club.

Pressure group (Lobby) is an organised group that seeks to influence the management/Govt. policy or legislation.

Group Dynamics

Group dynamics is the study of the forces operating within a group. It refers to the attitudinal and behavioral characteristics of a group. It is concerned with why and how groups develop. Group dynamics can be used as a means for problem-solving, team work, and to become more innovative and productive as an organisation. There are several theories as to why groups are formed and developed.

Theories of Group Formation

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

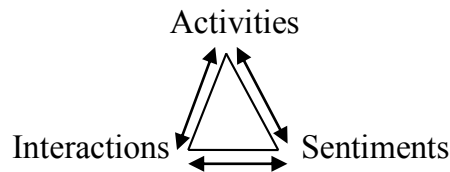
1. Festinger's Propinquity (Convenience) theory:

Accordingly individuals affiliate with one other because of geographical proximity. The greater physical proximity between people, the greater the chance that they will form friendships or romantic relationships. This phenomenon is observed in daily practice by all.

Propinquity theory was proposed by the psychologists Leon Festinger, Stanley Schachter, and Kurt Back, based on a study carried out in 1950 in the Westgate student apartments on the campus of MIT Massachusetts, USA.ⁱ

2. Homans' Social System theory

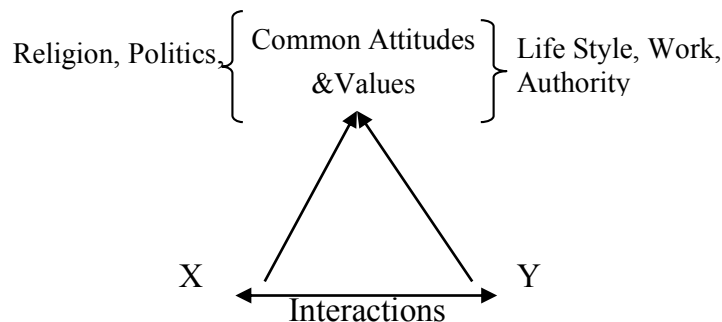
Homan's theory is based on three concepts, namely, **activities, interactions and sentiments**, which are directly related to each other. The members of a group share activities and interact with one another not just because of physical proximity, but also to accomplish group goals. **Interaction** is the key element, which develop common sentiments for one another.



According to George C. Homans, “the more activities persons share, the more will be their interactions and the stronger will be their shared activities and sentiments; and the more sentiments persons have for one another, the more will be their shared activities and interactions”.

3. New Comb’s Balance theory:

The theory as proposed by Theodore Newcomb. It states that “persons are attracted to one another on the basis of **similar attitudes**, objects and goals. Once a relationship is formed, it maintains a balance between the attraction and the common attitudes. If an imbalance occurs, it attempts to restore the balance. If the balance cannot be restored, the relationship dissolves”.



Groups are often formed based on similar attitudes and values. Both propinquity (physical proximity) and interaction contribute to this process, leading to what is known as the balance theory, which adds the element of "balance" to these factors.

For example, Mr. X might interact with Mr. Y and form a group due to shared attitudes and values related to authority, work, lifestyle, religion, or politics. They aim to maintain a balanced relationship based on their mutual attraction and common beliefs. If they cannot achieve this balance, the group is likely to dissolve.

4. Kelley's Social Exchange theory

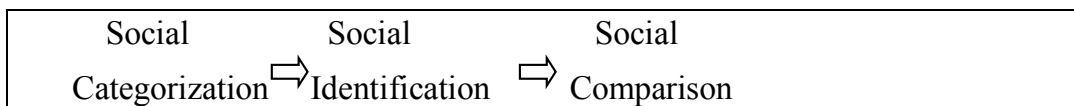
This theory is based on reward-cost outcomes of interaction between people. It is based on the idea that people seek to maximize rewards and minimize costs. Thus, there is an exchange relationship in terms of rewards and costs. Rewards from interactions satisfy needs. Costs incur anxiety, frustrations, embarrassment, or fatigue. Propinquity, interaction and common attitudes have roles in the exchange theory. Rewards greater than costs is required attraction.

Reward-to-cost ratios are not static. It may change over time. Relationships that a person found satisfying at one point on time may become dissatisfying later. For eg, sex may be extremely rewarding for members of a newly married couple but may decrease over the years.

5. Tajfel's Social Identity Theoryⁱⁱ

According to Henri Tajfel (1970's), "social identity is the portion of an individual's self-concept derived from perceived membership in relevant social group". The groups (e.g. social class, family, football team etc.) are an important source of pride and self-esteem. Groups give us a sense of social identity: a sense of belonging to the social world.

The theory states that the in-group will discriminate against the out-group to enhance their self-image. There are three mental processes involved in evaluating others "in-group" and "out-group". These take place in a particular order.



a. Categorization: People categorize objects in order to understand and identify them. Similarly we categorize people like black, white, Indian, Foreign, Malayalee, Christian, Muslim, student, and bus driver etc.

b. Identification: People adopt the identity of the group we have categorized ourselves. For example 'If you have categorized yourself as a student, you will adopt the identity of a student and begin to act in the ways you believe students act.'

c. Comparison: Once people have categorized themselves as part of a group, we then tend to compare that group with other groups. If our self-

esteem is to be maintained our group needs to compare favorably with other groups.

Stages of Group Development

A team can't be expected to perform well right after it's formed; building a team is like nurturing a relationship. It requires time, patience, support, and effort to strengthen the group. Bruce Tuckman describes a five-stage model of group development: Forming, Storming, Norming, Performing, and Adjourning.

1. Orientation (Forming Stage):

In the forming stage, the group is just starting to come together, marked by anxiety and uncertainty. Members are cautious in their behavior, eager to be accepted. They avoid conflict and misunderstandings while forming impressions of each other. During this stage, group members learn how to operate, what is expected of them, and what is acceptable.

2. Power Struggle (Storming Stage):

In the storming stage, disputes and competition peak as dominant members emerge. Less assertive members tend to stay within their comfort zones. This stage raises questions about leadership, authority, rules, responsibilities, and the group's structure.

3. Cooperation and Integration (Norming Stage):

By the norming stage, group interactions become enjoyable and cooperative. Communication is open, and mutual respect flourishes. Disputes are easier to resolve, and the group leader's role becomes less dominant, allowing members to take initiative. The group becomes more united at this stage.

4. Synergy (Performing Stage):

The performing stage is characterized by synergy, where the group achieves results greater than the sum of its parts ($1+1+1=6$). With high morale, members feel a sense of belonging and trust each other. The group remains focused on its goals, demonstrating flexibility and interdependence.

5. Closure (Adjourning Stage):

The adjourning stage can be confusing, occurring when the team's task is successfully completed. At this point, the project is winding down, and team members prepare to disband.

Group Cohesiveness:

Cohesion means unity. Group cohesiveness means 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 the group membership, the more cohesive it will be.

Factors Influencing Group Behaviour

(1) Similarities of Attitudes and Values, (2) Size of the Group, (3) Time, (4) Location, (5) Status, (6) Difficulty in Entry, (7) Inter Dependency, (8) Management Behaviour, (9) Member Turnover, (10) Threat, (11) Previous Successes and Shared Goals, and (12) Cooperation.

1. Similarities of Attitudes and Values:

People enjoy the company of persons who hold similar opinions. This provides us with a feeling that we are right. Similarity in attitudes and values increases group cohesiveness.

2. Size of the Group:

When the group is small, its members have constant face to face contacts. In large groups, the possibility of interaction among members is less. There the expression of disagreement and dissatisfaction increases. Thus large groups show less cohesiveness.

3. Time:

The more time people spend with one another, they will be closer to each other. It strengthens the degree of cohesiveness.

4. Location:

If the members of a group are separated from other groups, they will develop greater cohesiveness. Where there is no dividing line between one group and another, cohesion will be less.

5. Status:

Status of a group determines the degree of group cohesiveness. A high status group receives greater loyalty from its members. This makes the group stronger.

6. Difficulty in Entry:

In exclusive and elite groups the members are selected on the basis of certain criteria. This adds to the degree of attraction towards each other. So the selected members feel a sense of pride. It will increase cohesiveness.

7. Inter Dependency:

If the members are doing dependent activities, the group will be more active. Mutual dependency leads to greater cohesiveness.

8. Management Behaviour:

Unhealthy competition among employees, makes relations difficult. If the management builds solidarity by rewarding cooperative behaviour, there will be close relationships. The cohesive group can help attain the group goals more effectively.

9. Member Turnover:

The higher the degree of member turnover, makes the group less cohesive.

10. Threat:

Threat is a very powerful force which unifies the group, particularly when it comes from:

- (i) Outside the group (ii) Cooperation can help to overcome the threat and
- (iii) There is little or no chance for escape.

11. Previous Successes and Shared Goals:

Cohesiveness of the group increases when the group achieves a meaningful goal. Success is shared by all the members.

Group Norms

Group norms are the expectations and behaviors associated with a social group. Group norms are usually not documented by the organizations. These are the agreed upon behaviours of the members. They are informal

rules. Eg. Avoid office politics, Avoid religious criticisms, Avoid hidden agendas.

Group Decision making

Where a group of individuals are brought together to determine a solution to a problem, it is called GDM. There are mainly four methods of Group Decision Making: NGT, Delphi technique, Brainstorming and Didactic interaction.

1. Nominal Group Technique (NGT)

NGT method has the following steps:

1. **Silent Idea Generation:** Members write down their ideas independently and silently, without any verbal discussion. This helps prevent dominant personalities from overshadowing others and fosters individual creativity.
2. **Collection of Ideas:** The group coordinator collects the written ideas and displays them on a large blackboard for everyone to see.
3. **Discussion of Ideas:** The group discusses each idea one by one. Participants are encouraged to comment on the ideas for clarification and improvement.
4. **Evaluation of Ideas:** After all ideas have been discussed, they are evaluated based on their strengths and weaknesses.
5. **Voting on Ideas:** Each member votes on each idea, providing input on their preferences.
6. **Ranking Solutions:** The ideas are ranked based on the priority of each alternative solution.
7. **Selection of Final Solution:** The idea with the highest overall ranking is chosen as the final solution.

ii. Delphi Technique:

This technique is a modification of the Nominal Group Technique (NGT) where experts are physically separated and do not know each other, preventing undue influence from group members. However, this process can be quite time-consuming. The steps involved are:

1. **Initial Questionnaire:** Experts are asked to suggest potential solutions to a problem through a series of carefully designed questionnaires.
2. **Completion of Questionnaire:** Each expert completes and submits the initial questionnaire.
3. **Compilation of Results:** The results of the questionnaires are compiled at a central location, and the coordinator prepares a second questionnaire based on the initial responses.
4. **Distribution of Results:** Each expert receives a copy of the compiled results along with the second questionnaire.
5. **Review and Response:** Experts review the results and respond to the second questionnaire.
6. **Iteration for Consensus:** This process is repeated until a consensus is reached among the experts.

iii. Brainstorming:

It involves a group of people, usually between 5 and 10. They sit around a table to generate free ideas.

1. The primary focus is on generation of ideas.
2. Focus is to generate not to evaluate ideas.
3. All these ideas are written on the black board so that everybody can see every idea.
4. They try to improve upon such ideas.

iv. Didactic Interaction:

This technique is applicable only in a situation with 'yes or no' solution. Here the experts are grouped into two. One group discuss the pros and the other group cons. The groups meet and discuss their findings and their reasons. This interchange of ideas and understanding of opposing viewpoints results in mutual acceptance.

Teams

A team is a group of interdependent individuals, who works for a specific goal. Team members share the common goal.

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 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. Level of trust and commitment is low	7. Level of trust and commitment is high
8. Synergy is neutral or negative	8. Synergy is positive
9. May not have Active participation of all members	9. Active participation of all members
10. Chances of conflicts are more	10. Chances of conflicts are less

Types of teams

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

1. **Functional Teams:** These are groups of employees from the same department working towards shared goals, led by a manager or department head. Examples include marketing teams and R&D teams.
2. **Cross-Functional Teams:** Composed of individuals from various departments, these teams tackle specific tasks that require diverse skills and expertise.
3. **Self-Managed Teams:** These teams consist of employees from the same organization who work together without managers. They have a wide range of objectives and aim to achieve a common goal, functioning with a degree of autonomy.

4. **Virtual Teams:** Made up of individuals working from different physical locations, virtual teams use technology to collaborate and achieve a common goal.
5. **Operational Teams:** Members of operational teams support other teams within the organization. They ensure that projects progress smoothly and that there are no obstacles in the workflow.
6. **Leadership Teams:** Comprising leaders from various departments, leadership teams collaborate to develop new strategies for improved operations. Their members are typically skilled and experienced individuals.

Authority and Power

Fayol defines authority as the right to give orders and the power to exact obedience. Responsibility involves being accountable. It is associated with authority. Authority and responsibility go together. They are two sides of the same coin. There should be a balance between authority and responsibility.

Power

Power is the ability to get things done, sometimes over the resistance of others. Some people like to work under strong authority. They feel that their boss is a natural born leader.

Sources of Power

Power can be categorized into two main types: positional power and personal power. Here's a breakdown of each:

A. Positional Power Sources

1. **Legitimate Power:**

This power comes from a person's formal right to make demands and exert influence due to their position. Examples include a principal, president, prime minister, or CEO. Legitimate power is tied to titles and roles, and when one loses their position, this power diminishes. People are influenced by the title rather than the individual.

2. **Reward Power:**

This source of power arises from an individual's ability to provide rewards for compliance or obedience. If others believe you will

reward them (with pay raises, promotions, desirable assignments, or compliments), they are likely to follow your requests.

3. **Coercive Power:**

Coercive power is based on the belief that someone can punish others for noncompliance. Common tools of coercion include threats and punitive actions. This type of power can be problematic and may lead to abuse.

4. **Informational Power:**

This power stems from an individual's ability to control information that others need to achieve their goals. Information can be used to assist others or as a bargaining tool.

B. Personal Power Sources

1. **Expert Power:**

This power derives from a person's high level of skill and knowledge. Experts can understand situations, suggest solutions, and make sound judgments, earning the trust and respect of others who seek their guidance in their area of expertise.

2. **Referent Power:**

Referent power is based on a person's attractiveness and worthiness in the eyes of others. Celebrities often wield referent power, influencing consumer decisions. In the workplace, individuals with referent power can significantly impact others but may misuse this influence if lacking integrity.

3. **Charismatic Power:**

Charismatic leaders have the ability to inspire and influence others, often without formal authority. Their charm and appealing personal qualities attract others, making charisma a valuable asset in various contexts.

4. **Moral Power:**

Moral power is grounded in values such as integrity, commitment, fairness, service, and respect. However, moral standards can vary across individuals, cultures, religions, and organizations.

Tactics used to gain power

Tactics are methods that individuals use to convert their sources of power into specific actions aimed at achieving strategic objectives. Here are some examples of these tactics:

1. **Bargaining:**
This involves negotiations where benefits are exchanged. The party with greater bargaining power typically secures more favorable outcomes.
2. **Friendliness:**
Being humble and friendly can be a tactic to gain influence over others, as positive interactions can foster cooperation.
3. **Coalition:**
A coalition is a temporary alliance formed by two or more individuals working together toward a common goal, pooling their resources and efforts.
4. **Competition:**
Groups may compete with one another for a larger share of limited resources, attempting to influence how those resources are allocated to increase their own power.
5. **Cooperation:**
Some groups may allocate important positions or resources to others to ensure cooperation, reducing potential criticism and threats from those groups.
6. **Reason:**
Using facts and data to present logical arguments can help an individual gain influence by persuading others with evidence.
7. **Assertiveness:**
This involves a direct and forceful approach, such as demanding compliance with orders or directing individuals to fulfill requests.
8. **Higher Authority:**
Some managers may seek the backing of higher-level authorities to reinforce their requests to subordinates, adding weight to their demands.
9. **Sanctions:**
This traditional method involves using rewards and punishments, such as offering or withholding pay raises, or promoting or demoting individuals.

10. Pressure:

This tactic involves using threats or hostility to gain power. For instance, trade unions might threaten strikes if their demands are not met, while management might threaten a lockout if terms are not accepted.

11. Expertise:

This refers to the influence that comes from having specialized knowledge or skills, allowing individuals to sway others based on their competence.

Status

Status refers to an individual's relative social or professional position compared to others. It can be categorized into two types: **ascribed status** and **achieved status**. Ascribed statuses are those assigned at birth or involuntarily acquired, such as being a parent, child, or sibling. In contrast, achieved statuses result from personal effort and choices, such as becoming a spouse, employee, homeowner, priest, merchant, or writer. Essentially, status reflects our social position within a group.

Status System

A status system organizes a social system around the positions of individuals. It encompasses the levels of respect, honor, assumed competence, and admiration that people, groups, and organizations receive in society. This status is shaped by widely held beliefs and is influenced by the possession of various traits considered to indicate superiority or inferiority, such as confidence in communication. Social status affects our feelings, thoughts, and actions.

Problems caused by status systemⁱⁱⁱ

1. It creates economic and social un-equilibrium in the society.
2. Social stratification causes social disparity.
3. Low status people may have less access to economic resources.
4. It affects the health and life expectancy of people.
5. It creates class system in the society.
6. People with low social status may have low mental health.
7. They may experience low self-esteem.

Leadership

Leadership is the ability of an individual to influence and guide other members. It is the art of motivating a group of people toward a common goal. It is the potential to influence the behaviour of others. Leadership provides direction for an organisation and its members.

Dictionary meaning: “the action of leading a group of people or an organization, or the ability to do this.

“If your actions inspire others to dream more, learn more, do more and become more, you are a leader.” -- John Quincy Adams

Leadership is the art of persuasion—the act of motivating people. It has nothing to do with authority or seniority. True leaders keep pushing forward even when there’s no carrot dangling in front of them. Leader and followers are closely related.

Features of Leadership

1. It is an inter-personal process. Leader guide the members towards the goals.
2. Leader possess intelligence, maturity and personality.
3. Leadership is a group process. It involves people’s interactions.
4. A leader is involved in moulding the behaviour of the group towards the goals.
5. Leadership is situation bound.
6. There is no best style of leadership.
7. The best style of leadership depends upon tackling with the situations.

Traits (Qualities) of Great Leaders

1. Results Orientated: Great leaders spend their energy on the most effective activities to achieve the greatest outcomes.
2. Vision: Leaders use the vision to motivate and guide action. Every member of the group should be able to describe a similar picture.
3. Strategically Focused: A leader should be strategically focused. Seeing the bigger picture and looking forward are critical to succeed as a leader.

4. Get Work Done Through Others: Leader must be very good at delegating. It helps to get work done through others.
7. Good at Dealing with Conflict: Conflict is going to happen, because people think in different ways. A leader must be very good at dealing with conflict.
8. Make High-Quality Decisions: Making decisions is one of the basic actions of an executive. Leaders need to make both quality and timely decisions.
9. Trusted Leader: A trusted leader will get more from his people and have a stronger following. It takes a long time to earn trust.
10. Incredible Communicator: Communication is one of the basic leadership capabilities. Great leaders listen incredibly well as part of their communication skills.
11. Humour: Great leaders never take anything too seriously. Great followers find the joy and humor in any situation.
12. Courageous: A courageous leader gives confidence to do their jobs to the best of their ability.
13. Role model: A role model is someone who inspires others to imitate his or her good behavior.
14. Self control: Self-control is the ability to regulate one's emotions, thoughts, and behavior in the face of temptations and impulses.
15. Sense of judgement: It is the ability to judge, make a decision, or form an opinion objectively, authoritatively, and wisely.
16. Sacrifice: A great leader will sacrifice some of their power and distribute it amongst those that they trust.
17. Trouble shooter: Leader should be capable to solve major problems or difficulties that occur in a group.
18. Charisma: It is compelling attractiveness that can inspire devotion in others. It is a very rare trait.
19. Team work: Leader should be capable of converting a group into team.
20. Responsibility: Leader should be able to take up responsibilities.

Leadership styles.

Leadership style is the way a person uses power to lead other people.

1. Autocratic Leadership:

Autocratic leadership style is centered on the boss. It is a management style. Here one person controls all the decisions. He takes very little inputs from other group members. Such leaders make decisions based on their own beliefs. They do not involve others for their suggestions.

This type of leadership style is effective where it requires quick decision-making. Guidelines, procedures and policies are all natural additions of an autocratic leader.

Eg. Adolf Hitler, Napoleon Bonaparte, and Queen Elizabeth I³,

1. Hard-boiled Autocratic: Leader is very strict. Negative motivation is common.
2. Benevolent Autocratic: Leader tries to use positive motivation. eg. Praise and pats on the back. Some degree of participation may be allowed based on the situation.
3. Manipulative Autocratic: He makes the subordinates feel that they are actually participating in decision-making. But he might take decisions himself.

2. Democratic Leadership:

In this leadership style, subordinates are involved in making decisions. Democratic leadership is centered on subordinates' contributions. Leader holds final responsibility, but he delegates authority to others. The most unique feature of this leadership is that communication is active upward and downward. It is the most preferred leadership.

3. Strategic Leadership Style:

It refers to a manager's potential to express a strategic vision for the organization, and to motivate others to acquire that vision. It is the ability of influencing others to voluntarily make decisions that will enhance the prospects for the organisation's long-term success.

³ Union minister for rural development Jairam Ramesh described BJP's prime ministerial candidate Narendra Modi as an 'autocratic leader'.

4. Team Leadership:

Team leadership works with the hearts and minds of all those involved. The vision of the leader provides a strong sense of direction. He achieves results by maintaining a balance between a concern for people and a concern for production.

5. Cross-Cultural Leadership:

This form of leadership normally exists where there are various cultures in the society. International organisations require such leaders. Most of the in the United States are cross-cultural because of the different cultures that live and work there.

6. Facilitative Leadership:

Facilitative leadership is too dependent on measurements and outcomes. If the group is high functioning, the facilitative leader uses a light hand. On the other hand, if the group is low functioning, the facilitative leader will be more directives.

7. Laissez-faire Leadership:

The term "laissez-faire" is French and translates to "let them do" or "leave it alone." Leaders provide minimal guidance to their team members. They allow them a high degree of autonomy in decision-making and task completion. Subordinates are allowed to work free. It implies letting individuals or groups operate without much interference. The effectiveness of laissez-faire leadership depends on the context, the nature of the work, and the characteristics of the team. It is often more suitable for experienced and self-motivated teams where individuals have a high level of expertise and a strong sense of responsibility.

8. Transformational Leadership:

It is a leadership style that focuses on inspiring and motivating followers to achieve their full potential and exceed their own expectations. It is all about initiating change in organizations, groups, oneself and others. Transformational leaders motivate others to do more than they originally intended. They set more challenging expectations to achieve higher performance. Eg. Gandhi, APJ, Aravind Kejriwal, Vikram Sarafay

This style has been associated with numerous positive outcomes, including increased employee satisfaction, higher levels of commitment, greater innovation, and improved organizational performance. It is particularly

effective in dynamic and challenging environments where adaptability and creativity are essential.

9. Transactional Leadership:

Leadership is involved in an exchange process. It is based on a system of rewards and punishments to motivate and manage followers. Followers get immediate, tangible rewards for carrying out the leader's orders. Being clear, focusing on expectations, and giving feedback are leadership skills. He maintains the status quo. Transactional leadership is often effective in stable and predictable environments where tasks are routine and well-defined. It may be less effective in situations that require innovation, creativity, or a high degree of employee engagement.

10. Coaching Leadership:

Coaching leadership involves teaching and supervising followers. A coaching leader is highly operational in setting performance that require improvement. He helps to improve their skills. They motivates, inspires and encourages followers.

11. Charismatic Leadership:

Charismatic leader exhibits his revolutionary power. They are driven by their convictions and commitments. Charisma does not mean pure behavioural change. It actually involves a transformation of followers' values and beliefs. Eg. Gandhi, APJ Abdul Kalam

12. Visionary Leadership:

Leaders who can transform their visions into realities. Most successful leaders have the aspects of vision in them.

12. Situational Leadership:

Situational leadership theory is developed by Paul Hersey and Ken Blanchard. This leadership model suggests that effective leaders adjust their leadership style based on the maturity of their followers in a specific task (development level). This model identifies four development levels and matches them with corresponding leadership styles:

D1 - Low Competence, High Commitment (Enthusiastic Beginner): Individuals at this level have low competence in the task at hand but are highly committed and enthusiastic.

Leadership Style: is more directive. Provide clear instructions, guidance, and close supervision.

D2 - Some Competence, Low Commitment (Disillusioned Learner): Individuals have gained some competence but may be experiencing a decrease in commitment/confidence.

Leadership Style: Coaching style is preferred with support and encouragement.

D3 - Moderate to High Competence, Variable Commitment (Capable but Cautious Performer): Individuals have developed moderate to high competence, but commitment may vary depending on the task or situation.

Leadership Style: The leader adopts a supportive style, facilitating continued growth with encouragement and recognition.

D4 - High Competence, High Commitment (Self-Reliant Achiever): Individuals at this level have high competence and are fully committed.

Leadership Style: More delegative approach, allowing a high degree of autonomy and responsibility.

THEORIES OF LEADERSHIP STYLES

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

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

The Great Man theory assumes that the traits of leadership are intrinsic. This means that great leaders are born, they are not made.

II. Trait Theory (1930's - 1940's)

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

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

They focuses on the behaviours of the leaders. Leaders are made, not born. As per this theories leaders are of two category: Those concerned with tasks and those concerned with people.

The Managerial Grid Model, Theory of X and theory of Y, 3D model, Licker's 4 system of Management, Social Learning Approach

IV. Contingency/Situational Theories (1960's)

The theory propose that there is no single way of leading. Every leadership style should be based on certain situations. A leadership style that is effective in some situations may not be successful in others. This explains how some 'Midas touch' leaders, make very unsuccessful decisions. The assumption is that the leader's ability to lead is dependent upon various situational factors; eg. leader's preferred style, his capabilities, behaviours of followers etc.

Fiedler's contingency theory, Hersey-Blanchard Situational Leadership Theory, Path-goal theory, Leader participation model, 3D model

V. Transactional (Exchange) Theories (1970s)

The theory is based on the transactions made between the leader and the followers. The theory values a positive and mutually beneficial relationship. It states that humans in general seeks to maximize pleasure and to minimize pain.

VI. Transformational Leadership Theories (1970s)

This leadership approach causes changes in individuals and social systems. It creates valuable and positive change in the followers. They are able to create a solid relationship. The leaders transform their followers through their inspirational nature and charismatic personalities. Rules and regulations are flexible, guided by group norms.

Transformational Leadership Theories include Charismatic Leadership theory, Burns Transformational Leadership Theory, and Bass Transformational Leadership Theory.

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

1. McGregor's Theory X and Theory Y

This theory is explained in the book (1960s) "The Human Side of Enterprise". They refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

Theory X

It is a centralised style of management. Theory X is based on pessimistic assumptions of the average worker. Theory X style managers believe that their employees are less intelligent, lazier, or work solely for money. This attitude of managers creates 'command-and-control environment' in the organization. Authority is rarely delegated. They tell people what to do. They are very directive, like to be in control, and show little confidence in employees. Theory X management assumes the following:

- 1) Average person dislikes work and will avoid it if possible.
- 2) The average employee is individual-goal oriented.
- 3) Most people are not ambitious and prefer to be directed.
- 4) They have little desire for responsibility,
- 5) Most people have little aptitude for creativity in solving problems.
- 6) Motivation occurs only at the physiological and security levels of need hierarchy.
- 7) Most people are self-centered.
- 8) They must be controlled, directed, or threatened with punishment.
- 9) Most people resist change.
- 10) Most people are unintelligent.

Theory Y

It is a participative (de-centralized) style of management. It assumes that employees are happy to work, are self-motivated and creative. Theory Y recognize individual differences. They encourage workers to develop their skills. There is an opportunity to align personal goals with organizational goals. This is an optimistic approach. Theory Y management assumes the following:

- 1) Work can be as natural as play if the conditions are favorable.

- 2) People will be self-directed and creative to meet their work objectives if they are committed to them.
- 3) People will be committed to their quality and productivity objectives if rewards address higher needs.
- 4) The capacity for creativity spreads throughout organizations.
- 5) Creativity and ingenuity are common in the population.
- 6) Under these conditions, people will seek responsibility.

The theory of X and Y concludes that there may be an initial need for tighter controls, since all employees are not mature. Controls can be relaxed as the employee develops.

2. Managerial (Leadership) Grid Model by Robert Blake in 1960s.

Grid model is one of the behavioural theories of leadership. The model proposes five different leadership styles based on the 'concern for people, and concern for production.

- (a) 1,1 Impoverished (poor) Mgt
- (b) 9,1 Authority-Compliance
- (c) 5,5 Middle of the Road Management
- (d) 1,9 Country Club Management
- (e) 9,9 Team Management

(a) Impoverished or indifferent Style- 1,1

Here leaders have a low concern for both people and production. For example, a manager nearing retirement or termination may lose interest in both his staff and his product. He does the minimum amount of work required.

(b) Produce or Perish Style - 9,1

Here leaders have high concern for production and low concern for people. Authoritarian leaders show this style. Such managers may view people only as a commodity similar to the raw materials. This type of leader manages by dictating policy and demanding results. They suppress any opposition in the interest of getting the job done.

(c) **Country Club Style** - 1,9

Here leaders have high concern for people and low concern for production. Leaders may avoid conflict to maintain an easy-going work atmosphere. They tend to produce unreliable results over time. This style focus so much on their staff and fail to recognize threats to productivity. They miss opportunities to develop new business. For example, a newly promoted manager wants to remain friendly with his former peers. He resists providing corrective criticism, even when it is warranted.

(d) **Team Leader Style** - 9,9

A team leader achieves results by maintaining a balance between a concern for people and a concern for production. Leader appreciates allegiance and admiration from his staff. They recognizes that running a successful business does not depend on being liked by their employees. For eg., an experienced manager inspires commitment from her employees and promotes career development. But he doesn't ignore the need to meet aggressive deadlines in order to remain competitive.

(e) **Middle-of-the-Road Management** –
Medium Results/Medium People -5,5

A Middle-of-the-Road ("status quo") manager tries to balance results and people. But this strategy is not as effective as it may sound. Through continual compromise, he fails to inspire high performance. He fails to meet people's needs fully. His team will likely deliver only mediocre (ordinary) performance.

3. Lickert's Four System of Management

Rensis Likert in 1960s

He outlined four systems of management to describe the relationship, involvement, and roles of managers and subordinates in industrial settings. The four systems of leadership styles identified by Likert are:

System 1 - Exploitative Authoritative System: Responsibility lies in the hands of the people at the upper level of the hierarchy. The superior has no trust and confidence in subordinates. The decisions are imposed on subordinates. Motivation is based on threats.

System 2 - Benevolent Authoritative: The responsibility lies at the managerial levels but not at the lower levels of hierarchy. The leader exhibits 'master-servant relationship'. Subordinates do not feel free to discuss things with their

superior. The teamwork or communication is very little. Motivation is based on a system of rewards.

System 3 - Consultative: Responsibility is spread widely through the organizational hierarchy. The superior has substantial but not complete confidence in subordinates. Some amount of discussion about job related things takes place between the superior and subordinates. There is a fair amount of teamwork. Communication takes place vertically and horizontally. The motivation is based on rewards and involvement in the job.

System 4 - Participative: Responsibility for achieving the organizational goals is widespread throughout the organizational hierarchy. There is a high level of confidence in his subordinates. There is a high level of teamwork, communication, and participation.

IV. Contingency/Situational Theories (1960's)

1. Hersey-Blanchard Situational Leadership Theory (1970's)

Situational leadership theory is developed by Paul Hersey and Ken Blanchard. This leadership model suggests that effective leaders adjust their leadership style based on the maturity of their followers in a specific task (development level). This model identifies four development levels and matches them with corresponding leadership styles:

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Leadership Style: The leader adopts a supportive style, facilitating continued growth with encouragement and recognition.

D4 - High Competence, High Commitment (Self-Reliant Achiever): Individuals at this level have high competence and are fully committed.

Leadership Style: More delegative approach, allowing a high degree of autonomy and responsibility.

Development levels of followers

Preferred Leadership Style

D1- Low competence and High commitment.	- Selling/Coaching style of leadership
D2- Low competence and Low commitments	- Telling or directing style
D3- High competence and Low commitment	- Participating or supporting style
D4- High competence and High commitment	-Delegating and empowering style

2. Fiedler's Contingency Theory:

Fred Fielder (Mngt 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 created the least preferred co-worker (LPC) scale, to identify whether an individual's leadership style is relationship oriented or task oriented:

<u>Task Orientation</u>		<u>Relationship Orientation</u>
Uncooperative	1 2 3 4 5 6 7 8	Cooperative
Unfriendly	1 2 3 4 5 6 7 8	Friendly
Hostile	1 2 3 4 5 6 7 8	Supportive
Guarded	1 2 3 4 5 6 7 8	Open

A high LPC scale shows a relationship oriented leader and low LPC score shows task oriented leader. High LPC Leader exhibits a positive orientation towards human relations. Low LPC leader is effective, will act in a more assertive manner.

Criticism

The vagueness of the parameters in the LPC scale makes them open to interpretation and they are context-free. For example, "supportive" could mean

anything. Giving criticism can be supportive, or negative. A leader who is egotistical may not see any criticism as supportive.

3. Path-Goal Theory - Robert House

Path-goal theory centers on how leaders motivate subordinates to accomplish desired goals. The theory assumes that leaders are flexible. Leaders help the followers to remove the obstacles to performance. Leadership is not viewed as a position of power. Leader acts as a facilitator to his subordinate. This is called 'servant leadership'.

The path-goal theory, assumes that subordinates will be motivated:

- (1) if they think they are capable of performing their work,
- (2) if they believe their efforts will result in a certain outcome and
- (3) if they believe that the payoffs for their work are worthwhile.

Leadership styles

Path goal theory identifies four styles of leadership behaviour.

1. **Directive:** The leader informs her followers on what is expected of them. He tells them what to do, how to perform a task. He schedule and coordinates work.
2. **Supportive:** The leader makes work pleasant for the workers by showing concern for them and by being friendly and approachable. It is most effective in situations in which tasks and relationships are physically or psychologically challenging.
3. **Participative:** The leader believes in group decision making. He consults with his followers before making a decision on how to proceed. It is most effective when subordinates are highly trained and involved in their work.
4. **Achievement:** The leader sets challenging goals for her followers, expects them to perform at their highest level, and shows confidence in their ability. It is most effective in professional work environments.

4. Leader Participation Model (Normative decision Theory) –

Victor Vroom & Philip Yetton -1973; Arthur Jago- 1988

The model presumes that leaders face problems that need solutions. The theory explains when and how the managers should participate employees in decision

making. Leader's success depends on the choice of decision making methods. The best method/style depends on the situation:

The model presents five leadership styles- Autocratic I, Autocratic II, Consultative I, Consultative II, and Group decision.

1. **Autocratic Decision Type I** :- Here leader takes the decision alone and sells the decision to the group.
2. **Autocratic Decision Type II** :- Here leader collects information from the followers and takes the decision alone.
3. **Consultative Decision Type I** :- Here leader describes the problem to the followers individually and listens to their input. He takes the final decision by himself.
4. **Consultative Decision Type II** :- Here leader describes the problem to the followers in a meeting and listens to their input. He acts as a moderator in the meeting. He takes the final decision by himself.
5. **Group Decision** :- Here leader discusses the problem to the followers in a group meeting. Group members have the authority to define the problems. In this style, decisions are taken by group members collectively. Leader accepts the decisions of the group.

5. 3D Model of Leadership Reddin 1983

Reddin's 3D model is a combination of Blake's Grid theory and Fielder's contingency theory. The three dimensions suggested by the model are:

- (a) Task/output/goal Orientation
- (b) Relationship orientation
- (c) Effectiveness –use of right style of leadership for the right situation.

Leadership models

3D model suggests 4 basic styles of leadership which is further expanded to 8. Out of the 8 leadership styles 4 are less effective and 4 are more effective.

1. Separated – Deserter and Bureaucratic
2. Related - Missionary and Developer
3. Dedicated - Autocratic and Benevolent autocratic
4. Integrated - Compromiser and Executive

Less effective styles – Deserter, Missionary, Autocratic and compromiser

More effective styles – Bureaucratic, Developer, Benevolent autocratic and executive.

1. Separated Leadership style: They are low on both tasks and relationships.
 - a. Deserter- Less effective style. The leaders are self protective and passive in nature.
 - b. Bureaucratic- More effective style. Leader follows legalistic and procedural approach.
2. Related Leadership style: They are high on relationships and low on tasks.
 - a. Missionary- Less effective style. High importance to employees personal needs and concerns.
 - b. Developer- More effective style. Subordinates are allowed to participate in decision making.
3. Dedicated Leadership style: They are High on tasks but low on relationships.
 - a. Autocratic- - Less effective style. High concern for output and low concern for people.
 - b. Benevolent autocratic- - More effective style. Uses positive motivation. Insists discipline without hurting others.
4. Integrated Leadership styles: They are high on both tasks and relationships.
 - a. Compromiser- Less effective style. Faces difficulties to integrate task and relations.
 - b. Executive – More effective style. Integrates tasks and relations.

The 1-D Theories suggest one particular style is better than another;

The 2-D Theories suggest that a variety of styles may be appropriate;

The 3-D Theory shows how and when each style is effective."

Type	Task/out put	Relationship	Effectiveness
Separated -Deserter	Low	Low	Low
-Bureaucratic	Low	Low	High
Related – Missionary	Low	High	Low

- Developer	Low	High	High
Dedicated- Autocratic	High	Low	Low
-Benevolent autocratic	High	Low	High
Integrated-Compromiser	High	High	Low
-Executive	High	High	High

6. Social Learning Approach

Albert Bandura 1960

Bandura's Social Learning Theory views that people learn from one another, via observation, imitation, and modelling. The theory is a bridge between behaviorist and cognitive learning theories because it encompasses attention, memory, and motivation. Theory explains how people learn new behaviours, values, and attitudes. An individual's knowledge acquisition can be directly related to observing others within the context of social interactions, experiences, and outside media influences. For example, a teenager might learn slang (terminology) by observing peers.

Principles

1. People can learn from observing the behaviour of others.
2. Learning may or may not result in behavioural change.
3. Cognition plays a crucial role in learning.
4. Awareness and expectations of future gains/losses affects the behaviour of leaders.

Pros

1. Easily handles inconsistencies in behavior
2. Optimistic, in a good way
3. Accurate picture explaining how behaviour is learned
4. Offers a way to integrate social and cognitive theories
5. Allows and accounts for cognitive processes
6. Explains a large number of behaviours
7. Accurate and easy to understand

Cons

1. Too heavy of an emphasis on what happens instead of what the observer does with what happens.
2. Does not take into account physical and mental changes.
3. Doesn't explain all behaviour.
4. Doesn't explain behavioural differences.
5. Doesn't take in account that what one person views as punishment, another person may view as a reward.

V. Transactional (Exchange) Theories (1970s)

1. Leader Member Exchange Theory: LMET or LMX

by Dansereau, Graen, & Haga, 1975

This is a relationship-based approach to leadership. The LMX theory focuses on the 2 way (dyadic) relationship between leaders and individual followers. The relationship between the superior and the group is challenged in this theory. Leader-member exchange may promote positive employment experiences and augment organizational effectiveness.

In group and out group

The basic idea behind the leader-member exchange (LMX) theory is that leaders form two groups, an in-group and an out-group, of followers. In-group members are given greater responsibilities, more rewards, and more attention. The leader allows these members some latitude in their roles. They work within the leader's inner circle of communication. In contrast, out-group members are outside the leader's inner circle, receive less attention and fewer rewards, and are managed by formal rules and policies.

Building High-Quality Leader-Member Exchange Relationships

- Stage 1. (Role Taking) Meet separately with your employees in the initial stage. Evaluate each others motives, attitudes, abilities, and potentials.
- Stage 2. Work toward refining the original exchange relationship and developing mutual trust, loyalty, and respect for promising “in-group” members.
- Stage 3. (Role Making) Some of these relationships will advance to a third (mature) stage. Here exchange based on self-interest is transformed into mutual commitment to the vision, mission, and objectives of the work unit.
- Stage 4. Reward these second and third stage “in-group members” with greater status, influence, and benefits. Remain responsive to their needs.
- Stage 5. Follow up with day-to-day observations and discussions. Work toward increasing the number of in-group members.

VI. Transformational Leadership Theories (1970s)

1. Charismatic Leadership Theory

Max Weber 1910

Here the authority derives from the charisma of the leader. Max Weber published his theory in his essay “The three types of legitimate rule”. Accordingly there are three type of authority: traditional, charismatic, and legal-rational authority.

Traditional authority is legitimated by the sanctity of tradition. The authority is passed on through heredity. It does not change overtime, does not facilitate social change, tends to be irrational and inconsistent, and continues the status quo.

Eg. feudalism or patrimonialism

Charismatic authority is found in a leader whose mission and vision inspire others. It is based upon the perceived extraordinary characteristics of an individual. He may be seen as the head of a new social movement, and one instilled with divine or supernatural powers, such as a religious prophet. Eg. Mahatma Gandhi, Martin Luther King, Nelson Mandela, APJ Abdul Kalam.

Legal-rational authority is empowered by a formalistic belief in the content of the law (legal) or natural law (rationality). Obedience is not given to a specific individual leader - whether traditional or charismatic - but a set of uniform principles. Weber thought the best example of legal-rational authority was a bureaucracy (political or economic). This form of authority is frequently found in the modern state, city governments, private and public corporations, and various voluntary associations.

Features of Charismatic Leaders

1. High level of self confidence
2. Use of personnel charm.
3. Hero image among followers.
4. Exhibits personal trust and charisma.
5. Followers promote higher levels of authority.
6. Role models in the organisation.

Pros of a Charismatic Leadership Style

1. It maintains employee support.
2. It provides a good leadership example for employees.
3. It fosters a fun and improved work environment.
4. It offers growth opportunities.
5. It can lead to higher production.

Cons of a Charismatic Leadership Style

1. It risks lack of clarity.
2. It would heavily rely on the leader.
3. It can result to lack of successors and visionaries.
4. It can bring about a negative perception on the leader.

2. Mc Grigors Transformational Leadership Theory

Mc Grigor Burns 1978

Accordingly there are two types of leadership – Transactional leadership and transformational leadership.

1. Transactional Leadership: Leader focus on the relationship between the leader and the follower.
2. Transformational leadership: This leadership approach causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders.

According to Burns, transformational leadership can be seen when "leaders and followers make each other advance to a higher level of morality and motivation." Through the strength of their vision and personality, transformational leaders are able to inspire followers to change expectations, perceptions, and motivations to work towards common goals.

Assumptions

- a) People will follow a person who inspires them.
- b) Person with vision and passion can achieve great things.
- c) Injecting enthusiasm and energy will ease the task get done.

Pro's

- 1) Burns theory appeals to the "high road" in developing social values and individual purpose.
- 2) Emphasizes the task and organizational integrity
- 3) Emphasizes cooperation, ethics, higher human values and community.
- 4) Emphasis to Long-range goals.
- 5) It is more successful in achieving goals.
- 6) They are adaptive and can be tailored.
- 7) There is greater stability of a leader's position.
- 8) It brings harmony to a quarrelsome situation.
- 9) It works more in educated population.

Con's

- 1) Motivation does not assure a successful completion of that task.
- 2) Over-enthusiasm for the leader may cloud the group's judgment.
- 3) There can be over-dependence upon the leader.

- 4) Some individuals may work better as individuals as opposed to collaborating in a team environment.
- 5) It is difficult to assess whether there is cooperation or mere compliance.
- 6) People may want simply to "go along to get along".
- 7) There is the danger of the presence of personality cults.

3. Bass Transformational Leadership Theory

Bernard M. Bass 1985

Bass theory assumes that a leader can make a positive difference in a person's life. He formulated The "Multifactor Leadership Questionnaire" (MLQ) for his analysis. Bass saw four aspects of transformational leadership:

1. Individual consideration: There is an emphasis on what a group member needs. The leader acts as a role model, mentor, facilitator, or teacher to bring a follower into the group and be motivated to do tasks.
2. Intellectual stimulation: is provided by a leader in terms of challenge to the prevailing order, task, and individual. He seeks ideas from the group and encourages them to contribute. The leader often becomes a teacher.
3. Inspiration: by a leader means giving meaning to the followers of a task. This usually involves providing a vision or goal. The group is given a reason or purpose to do a task.
4. Idealized: influenced refers to the leader becoming a full-fledged role model, acting out and displaying ideal traits of honesty, trust, enthusiasm, pride, and so forth.

ⁱ 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.

ⁱⁱ www.simplypsychology.org/

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

Chapter 4

Organisational Change

Abstract

Organizational growth is a quantitative process characterized by an increase in roles and connections within a multigent organization, as outlined by Larry E. Greiner in his five phases of growth: creativity, direction, delegation, coordination, and collaboration, each marked by specific crises and management challenges. Organizational Development (OD) is a systematic approach aimed at improving organizational effectiveness and facilitating successful change, emphasizing total system change, employee participation, and the resolution of problems through various intervention techniques like survey feedback, sensitivity training, and job enrichment. The process of OD involves problem identification, diagnosis, strategic planning, intervention, and evaluation to achieve a more effective state, acknowledging the uniqueness of each organization's culture and the necessity for tailored approaches.

Organizational change (OC) is a comprehensive approach to altering the entire work environment, necessitating adjustments in employee behavior, influenced by various external and internal pressures, such as crises, new technologies, and changes in management. Change management focuses on facilitating the transition of individuals and teams towards a desired future state, employing structured steps to ensure employees understand and accept changes. Types of organizational change include evolutionary and revolutionary changes, as well as shifts in mission, structure, culture, and technology. Greiner's model outlines six stages of organizational growth, emphasizing the crises that arise at each stage. Stress is a common emotional and physical response to demands, categorized into acute and chronic types, with various stressors stemming from individual, group, organizational, and external factors. The consequences of stress can manifest physically, emotionally, and cognitively. Effective stress management strategies involve individual coping techniques, action-oriented approaches, organizational initiatives, and counseling, all aimed at fostering employee well-being and productivity while addressing the challenges of stress in the workplace.

Organizational Growth.

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

Five stages of organisational growth

Larry E. Greiner (1998).

In his article entitled “Evolution and Revolution as Organizations Grow”, published in ‘Harvard Business Review’ Greiner outlined five phases of growth. In short there are five phases in organizational growth – creativity, direction, delegation, coordination and collaboration followed by a particular crisis and management problems.

Greiner’s Model of organizational growth is based on certain assumptions about the organization:

- a) Organisations are rigid, bureaucratic, control-centric, and centralized entities.
- b) Organisations fail to see that the future success of an organisation lie within their own organization.
- 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 organisation becoming frozen in its present stage of evolution (failure to evolve) regardless of market opportunities.

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

1. Growth Phase 1: Direction - Crisis of Leadership

Informal communication starts to fail

Business now too big for leader to get involved in everything

2. Growth Phase 2: Delegation - Crisis of Autonomy

Business now has functional management

But founder / leader still struggling to let go

3. Growth Phase 3: Coordination - Crisis of Control

More formal management structures in place

But new layers of hierarchy needed to keep control

4. Growth Phase 4: Collaboration - Crisis of Red Tape

A dangerous growth in organisational bureaucracy

Slowing decision-making & missing external changes

5. Growth Phase 5: Alliances - Crisis of Growth

Growth slowing as business runs out of ideas

Alliances are sought (including new business owners)

Key Message from Greiner's Growth Model is Growth is hard

Organisational Development

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

Concept of OD

Organization development (OD) is the study of successful organizational change and performance. Kurt Lewin (1898–1947) is widely recognized as the founding father of the concept of OD. OD is concerned about how organizations and people function and how to get them function better.

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: Focus of OD is a total system change to make the organization to function better.
- 3) Action Orientated – 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 system, intergroup conflicts, etc.

- 6) Collaborative Approach: It involves the employee's participation in change planning.
- 7) Humanistic orientation: It emphasis on increased use of human potential.
- 8) Change in individual: It acknowledges that individuals must change for the organizational change.
- 9) Problem solving: OD is designed to solve problems, and conflicts, and to meet challenges.
- 10) Assumptions on organizational culture: OD assumes that the culture of every organization 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 emphasis on improving and enhancing performance.
- 13) Systems Approach: It emphasis on relationships among elements of the system.

Procès of OD

- 1) Problem identification
- 2) Problem Diagnosis
- 3) Strategy Planning –for change
- 4) Intervene in the system
- 5) Evaluate the result

OD Intervention

OD intervention is a deliberate attempt to change the organization to a more effective state. Every action that influences an organization's improvement program can be said to be an intervention. Thus OD Intervention is a set of sequenced, planned actions or events intended to help an organization to increase its effectiveness. They are called techniques of OD intervention. For eg. Coaching, Conflict Management Counseling, 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 organization's improvement program can be said to be an

intervention. Organizations use these interventions depending upon the need or requirement. The most important interventions are:

1. **Survey feedback:** Information on Attitudes of employees about wage level, and structure, hours of work, working conditions and relations are collected and the results are supplied to the 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 is designed to improve the ability of the employees to work together as teams.
3. **Process Consultation:** The process consultant coaches and counsels individuals & groups in molding their behavior.
4. **The Managerial grid:** The managerial grid model (1964) is a style leadership model developed by Robert and Jane. This model identified five different leadership styles based on the concern for people and the concern for production.- impoverished, country club, task mngt, and team mngt
5. **Coaching:** Coaching is a form of development in which a person called 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 called a coach.
6. **Performance appraisal:** A performance appraisal (PA) is a method by which the job performance of an employee is documented and evaluated. The objective is to understand the abilities of a person 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 organization sets the goals or formulates the plans for profitability.
9. **Leadership development:** Selected employees are provided with leadership training by experts.
10. **Mentoring:** A mentor is a guide who can help the mentee to find the right direction to develop solutions to career issues.
11. **Management by Objectives:**
12. **Job enrichment:** It is a management concept that involves redesigning jobs so that they are more challenging to the employee and have less repetitive work. In order to motivate workers, 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 organization 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 organization. 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 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 organizational culture, and a willingness to involve employees in the improvement process.

Change means:

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

Organisational Change

OC is an integrated approach to change the entire organization. Any alteration in the total work environment calls for change in the individual behavior of the employees. Organizational Change can be Structural, Technological, Change of People, etc.

Change management

It is an approach to transition of:

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

Need/Forces for Change

A. External Pressures:

1. Crisis
2. New Technology
3. Market Situation
4. Social Changes
5. Political Changes

B. Internal Pressures:

1. Change in top mgt
2. Performance gaps
3. New opportunities
4. Mergers & Acquisitions
5. For the sake of change
6. It sounds good
7. Declining markets

Organizational Change – Types

1. Evolutionary Change

- Gradual change
- Slow and irreversible

2. Revolutionary Change

- Radical Transformation
- Fast and reversible

Other types of Organisational Change

1. Mission and Strategy
2. Organizational Structure
3. Human Resources
4. Culture
5. Knowledge Base

6. Policies and Legal Agreements
7. Technology
8. Customer Relations
9. Marketing Strategies
10. Integration

Greiner's 5 stages of Organisational Growth

Larry E. Greiner developed this model in 1972. He proposed 5 stages. In 1998, he added one more stage. Now 6 stages of organizational growth. The stages are:

1. Growth through **Creativity**
2. Growth through **Direction**
3. Growth through **Delegation**
4. Growth through **Coordination and Monitoring**
5. Growth through **Collaboration**
6. Growth through **Extra-Organizational Solutions**

Phase 1: Creativity Stage

Focus – Production and marketing with informal communication

Crisis: As organization grow

Crisis of Management, Communication, etc. Manager fails to get involved in all activities.

Phase 2: Direction Stage

Change: Structural changes in the organization.

Eg. Introduction of functional Departments and Introduction of Hierarchy

Crisis: Lower level managers restricted by centralized hierarchy. Crisis for autonomy.

Phase 3: Delegation Stage

Change: More amount of delegation that leads to autonomous departments.

Crisis: Leads to narrow minded managers. They acts without coordination with other departments.

Phase 4: Coordination Stage

Change:

More formal management structures. Leads to new layers of hierarchy to keep control

Crisis:

A dangerous growth in organisational bureaucracy. Slowing decision-making & missing external changes

Phase 5: Collaboration Stage

Change:

This phase emphasizes strong interpersonal collaboration as an attempt to overcome the red-tape crisis. Social control and self-discipline replace formal control in phase 4. The focus is on solving problems quickly through team action.

Crisis:

Crisis will center on the psychological saturation of employees who grow emotionally and physically exhausted from the intensity of teamwork and the heavy pressure for innovative solutions.

Phase 6: Extra-Organizational Solutions

Change:

Growth may continue through mergers, outsourcing, networks, and other solutions involving external companies.

Crisis:

Greiner is not certain what will be the next crisis

STRESS

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

It happens when one is not being able to cope with specific demands. Stress “is as an emotional tension or mental strain.”

Stressors are the factors leading to stress among individual.

STRESS – Types

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

1. 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

2. 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

3. Cognitive Symptoms

Constant worrying, Racing thoughts, Forgetfulness and disorganization, Inability to focus, Poor judgment Being pessimistic - seeing only the negative side

Stress Management

SM is a set of techniques and programs intended to minimize the effects of stress. SM techniques help to deal more effectively with stress in lives. 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, meditation, etc.

Communication, Encourage employees, set 'to do list'

Hard work, Play well/Exercise, Building social support

Pre occupied with yourself, Healthy life style

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 organizational culture, Job enrichment, Organizational role clarity

Career planning, Stress control workshops

4. Counselling

Counseling 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.

Steps in managing stress

1. Understand your stress
2. Identify sources
3. Recognize stress signals
4. Recognize stress strategies

5. Implement healthy stress management strategies
6. Make self-care priority
7. Ask for support

Stress Management in Organisations

Stress management in organizations is crucial for maintaining employee well-being, productivity, and overall organizational success. Regular assessments and feedback mechanisms can help organizations refine their stress management initiatives.

Techniques for Stress Management in Organisations

1. Employee Assistance Programs (EAPs):

Offering confidential counseling 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 organizational 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 acknowledgment.

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 organization.
10. **Mindfulness and Relaxation Techniques:**
Introducing mindfulness programs, meditation sessions, or yoga classes
11. **Health and Wellness Programs:**
Offering wellness initiatives -fitness programs, nutrition counseling, 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.

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Module 5

Organisational Culture and Conflict

Abstract

Organizational culture (OC) represents the collective beliefs, values, traditions, and behaviors that shape a unique environment within an organization, 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 organizational 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-organizational, and can be categorized into functional (positive) and dysfunctional (negative) types. Recognizing the dynamics of personal, interpersonal, intragroup, intergroup, and organizational conflicts is essential for effective resolution, particularly given the significant role emotions play in shaping perceptions and interactions. 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 steps, including problem identification, objective specification, alternative development, analysis, selection, implementation, and results verification. Decision-making can occur under certainty or uncertainty, necessitating risk analysis and the use of tools like brainstorming, SWOT analysis, and decision trees. Effective strategies for conflict resolution during decision-making emphasize consensual decision-making, prioritizing organizational interests, and soliciting input to foster a collaborative environment.

Culture

Culture is a set of particular ideas, beliefs, traditions, thoughts, and behaviors adopted by a community in a specific region.

These shared values that create an impact on a group of people. It create a unique environment called the organization. In short every culture is:

1. a Pattern of Learned Behavior
2. the Products of Behavior
3. includes attitudes, values and knowledge

Organisational Culture

Organizational culture is the personality of the organization. It is a collection of values, expectations, and practices that guide the actions of all team members in an organisation. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.

It is the collection of traits that make the company what it is. OC consists of shared beliefs and values established by leaders. They are then communicated and reinforced through various methods. They ultimately shapes employee perceptions, behaviors and understanding. The components of OC includes:

- 1.Shared things (eg. Dress codes or the way people dresses.)
- 2.Shared Saying (eg. Lets go to work, Let it go as it is, Let us change for better, Lets show no work)
- 3.Shared actions (eg. Service oriented approach, lets please the boss)
- 4.Shared feelings (eg. Hardwork is rewarded/not rewarded here)

Determinants of organizational culture

When an employee joins with an organizations, they come into contact with: dress norms, stories people tell about what goes on, the organization's formal rules and procedures, its formal codes of behavior, rituals, tasks, pay systems, jargon, and jokes only understood by insiders and so on. Members of organizations make judgments on the value their organization places on these characteristics. People then adjust their behavior to match this perceived set of values.

Both internal and external factors influences the culture of an organization.

Internal Factors

- a) Founder's values and beliefs
- b) Policies
- c) Wages
- d) Benefits, Incentives
- e) Career advancement policies
- f) Management Style
- g) Treatment of Staff
- h) Leadership
- i) Workload

External Factors

- a) Environmental conditions
- b) Industry standards
- c) Economic conditions
- d) Political conditions
- e) Legal consequences
- f) Technology

Characteristics of organizational culture

1. Innovation (Risk Orientation).

If the company culture provides high value on innovation, it will encourage their employees to take risks in the performance of their jobs. Otherwise, their employees will do their jobs in the same way that they have been trained.

2. Attention to Detail (Precision Orientation).

Organizational culture dictates the degree of expected accuracy of the work of employees. A culture that places a high value on attention expects its employees to perform their work with accuracy.

3. Emphasis on Outcome (Achievement Orientation).

Some companies that focus on results, but not on how the results are achieved. Eg. A company that instructs for aggressive sale.

4. Emphasis on People (Fairness Orientation).

Companies that place a high value on its employees, treat the employees with respect and dignity. In this culture, a great deal of importance is given on how their decisions will affect the people in their organizations.

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).

Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.

7. Stability (Rule Orientation).

Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.

Conflicts:

Generally, conflict in organizations is inevitable. Intergroup relations between two or more groups are often necessary to complete the works of a business. Many times, groups inter-relate to accomplish the organization's goals. These inter-relations may cause conflicts.

Team conflict can be caused by: jealousy, reasoned debate, objective disagreement, or creativity. Workplace conflicts can be caused and worsened by poor hiring practices, scarcity of resources, ambiguity of tasks, differing interests or values, etc.

Conflict refers to some form of friction, disagreement, or discord arising within a group. It happens when the beliefs or actions of one or more members of the group are either resisted by or unacceptable to one or more members of another group. The term 'conflict' is used to describe:

- a) Antecedent conditions (scarcity of resources, policy difference),
- b) Affective states of individuals (stress, tension, hostility, anxiety, etc.),
- c) Cognitive states of individuals (perception and awareness of the conflict situation), and
- d) Conflict behavior (passive resistance to overt aggression)

Conflict exists everywhere. In a world where population is skyrocketing and opinion is vast, there is no way to avoid conflict in your life. So what do we do?

We learn to resolve conflict. The only way to resolve conflict is to recognize conflict by understanding the stages of conflict.

Conflict Process (Stages in organisational conflict)

There are five stages of conflict. They can be resolved by learning how to solve the issue. A conflict relationship between two or more individuals in an organization can be analysed as a conflict episode. Each episode leaves an aftermath that affects the course of succeeding episodes. There stages of conflict episode are:

(i) **Latent conflict (role/conditions conflict/ potential opposition):** Participants not yet aware of conflict. People may be in conflict without being aware that they are in conflict. Latent conflict exists whenever individuals, groups, organizations, or nations have differences that bother one or the other. However, those differences are not great enough to act to alter the situation. Differential power, resources, differing interests, or values all have the potential to spark conflict if a triggering event occurs.

Eg. A server at a restaurant may have inputted an order incorrectly and the food being made for a table is the wrong food. The manager and table do not know this yet and conflict has not arisen yet.

(ii) **Perceived conflict (cognition):** Participants aware a conflict exists. The people involved in a conflict become fully aware that there is a conflict. In the above eg. the table has now been made aware and complained to management. Management will now go over to speak with the employee about it.

(iii) **Felt (affect) conflict:** Stress and anxiety are felt by one or more of the participants due to the conflict. The manager does not enjoy causing conflict and the employee does not enjoy being under scrutiny. Here decisions are to taken to act in a certain way.

(iv) **Manifest (behavior) conflict:** Under this stage, the conflict is open can be observed. The Manifest Stage can take a number of shapes including: e-mails, phone calls, phone messages, face-to-face meetings, or any situation in which the conflict could be observed. When the manager pulls the employee aside to speak with him, others perceive the conflict and now it is visible.

(v) **Conflict aftermath (conditions) Behavior:** This is the outcome of conflict, resolution or dissolution. Here the conflict is visible through yelling, fighting, crying, or smiling, etc. It takes place when there is some outcome of the conflict, such as a resolution to, or dissolution of, the problem. It happens when the manager corrects the mistake with the customer and takes appropriate steps to ensure correctness in correcting order.

Levels of Conflict

The five levels of conflict are:

1. intrapersonal (within an individual),
2. interpersonal (between individuals),
3. intragroup (within a group),
4. intergroup (between groups), and
5. intra-organizational (within organizations).

Types of conflict:

- 1) **Functional (Positive) conflict** is a conflict or tension within a group that leads to positive results. It is healthy, constructive disagreement between groups or individuals. This supports the goals of a group and also improves its performance.
- 2) **Dysfunctional conflict** is unhealthy disagreement that occurs between groups or individuals. This conflict obstructs the achievement of the goals of a group. Dysfunction means abnormality or injury in the operation of a specified bodily organ or system.
- 3) **Personal (Intrapersonal) conflict** is an ethical decision that has to be made. Intrapersonal conflict occurs within an individual. For eg., a person has to decide whether to report a wallet found with `2000/- inside or to keep it for himself. This experience takes place in the person's mind. Hence, it is a type of conflict that is psychological. It involves the individual's thoughts, values, principles and emotions.
- 4) **Inter personal Conflict:** It refers to a conflict between two individuals. This occurs typically due to how people are different from one another. Coming up with adjustments is necessary for managing this type of conflict. However, when interpersonal conflict gets too destructive, calling in a mediator would help to resolve it.
- 5) **Intragroup conflict:** It is a conflict that arises between members of the same group. It arises from interpersonal disagreements. Eg. team members have different personalities which may lead to tension.
- 6) **Intergroup conflict:** This conflict occurs between members of two or more groups. It may take place when a misunderstanding arises among different teams within an organization. For eg. the sales department of an organization can come in conflict with the customer support department. This is due to the

varied sets of goals and interests of these different groups. In addition, competition also contributes for intergroup conflicts.

- 7) **Inter-organizational conflict:** Conflict also occurs between organizations which are dependent. Eg. conflict between buyer and supplier organizations about quantity, quality and delivery times and other policy issues. Such conflict could also be between unions and organizations employing their members, between government's regulatory agencies and the organizations that are affected by them.
- 8) **Relationship conflict** is a conflict resulting from either personality clashes or negative emotional interactions between two or more people. Eg: You keep a very tidy workspace and your cube mate is always messy. This irritates you and causes tension and conflict.
- 9) **Task conflict** occurs when two parties are unable to move forward on a task due to differing needs, behaviors or attitudes. It can be conflict over organizational policies and procedures, distribution of resources, or the method or means of completing a task.
- 10) **Goal Conflict:** A goal is a desired result or possible outcome that a person or a system plans and commits to achieve. Goals drive our behavior. Sometimes goals are in conflict. For example, a student might want to study for an upcoming exam, but might also want to go out with friends to have a good time. When it is not possible to do both, the goals are in conflict.
- 11) **Role Conflict:** An individual plays a number of roles in social and organizational situation. Every individual in the organization is expected to behave in a particular manner while performing a specific role. When the expected role is different or opposite from the behavior anticipated by the individual in that role; conflict arises. For example, a Manager will suffer role conflict if forced to action against an employee who is his close friend.
- 12) **Economic conflict:** This is brought about by a limited amount of resources. The groups or individuals involved then comes into conflict to attain the most of these resources, thus bringing forth hostile behaviors among those involved.
- 13) **Socio-cultural Conflict:** different social groups have different cultural beliefs and ideas which conflict, and this conflict sometimes leads to crime.
- 14) **Generational Conflict:** Generational gap is a difference of opinions between one generation and another regarding beliefs, politics, or values. In today's usage, "generation gap" often refers to a perceived gap between younger people and their parents or grandparents. It arises whenever the interests or ideals of one generation collide openly with those of another.

- 15) **Organizational (workplace) conflict:** Workplace conflict includes any type of conflict which takes place within a workplace or among workers and/or managers. It is a broad concept that includes several types of conflict that are normally treated separately. It includes personal conflicts, inter personal conflict, inter group conflict, intra group conflict, role conflict, goal conflict, task conflict, relationship conflict, bureaucratic conflict, system conflict, conflict over business ideas, decisions or actions; personality clashes at work; Conflict with boss; workplace violence; criminal acts in the workplace etc.

Conflict among the subunits

There can be three types of conflict among the subunits of formal organizations are identified:

- 16) **Bargaining conflict:** Conflict among the parties to an interest-group relationship. Eg. Demands by different departments during budget allocation.
- 17) **Bureaucratic conflict:** Conflict between the parties to a superior-subordinate relationship. Eg. Chief Secretary and DGP; Governor and CM
- 18) **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) feels toward the other group (out-group). Depending on the perceived degree of warmth and competence, there are four basic emotions:

- (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.
- (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.
- (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 thought to be completely deserving of its accomplishments.

Conflict Resolution Strategies

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 other individuals, groups, or within our own selves. Being in conflict can be a real pain in the neck. 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.

When a dispute arises, often the best course of action is to resolve the disagreement. Conflict resolution is to find a peaceful solution to a disagreement. There are many alternatives for conflict resolution. Deciding the type of dispute mechanism depends on a variety of factors including the nature of the dispute, the relationship between the two partners, the sensitivity of the issues involved, and the likely outcome and cost of litigation.

Possible Outcomes of Conflict Resolution

1) Win-Lose Situation:

A "Win" results when the outcome of a negotiation is better than expected. A "loss" results when the outcome is worse than expected. 'Win-Lose' is the classic situations where only one side perceives that the outcome as positive. Thus, win-lose outcomes are less likely to be accepted voluntarily. Here the strength and power of one person wins the conflict. It has its place, but it will create a loser. If that loser has no outlet for expressing their concerns, then it will lead to bad feeling. 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. Lose-lose situation arises when all parties feels the outcome as worse. It results in, 'I'm not OK, you're not OK' feeling. For eg. Nuclear war can be treated as mutually assured destruction- lose-lose. It never happened was because both sides knew it would be a lose-lose situation.

3) Mid-Point Situation:

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 win/lose and lose-lose situation.

4) Win-Win situation:

A "Win" results when the outcome of a negotiation is better than expected. Win-win outcomes occur when each side of a dispute feels they have won. 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:**

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

The **Thomas-Kilmann** Conflict Mode Instrument is used globally in conflict handling. It specifies five strategies used to address 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 dealt through a passive attitude. Individuals end up with ignoring the problem. The manager thinks that the conflict will resolve itself. The other people may think that you are neglecting the problem. One should confront the problem before it gets worse.
2. **Accommodating:** Accommodation involves dealing with an element of self-sacrifice. Individuals may set aside their concerns to maintain peace in the situation. It demands high degree of co-operation, and sacrifice. It may be an immediate solution to the issue. But it also a false manner of dealing with the problem. It is generally done when it is necessary to keep relationship with the other party.
3. **Competing:** This is the “win-lose” approach. Here one party act in a very assertive way to achieve his goals, without seeking to cooperate with the other party. Successful resolution is created, without compromising their satisfactions. Communication is an important part of this strategy.
4. **Collaboration:** This can be effective for complex scenarios where a novel solution is required. It requires a high-degree of trust. In this style, the aggressive individual aims to instill pressure on the other parties to achieve a goal. For eg. A parent/teacher correcting his son/student for change in character. It may be inappropriate where the aggressor becomes too unreasonable.
5. **Compromising:** Compromising is when both parties give up something to come to resolution. This is the “lose-lose” scenario where neither party really achieves what they want. It comes up with a resolution that would be acceptable to both the parties involved. Thus, one party is willing to sacrifice

their own sets of goals, if others will also 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 putting stress on agreeable points and avoiding the conflicting points. On the surface, harmony is maintained. But underneath, there is still conflict. It can work where preserving a relationship is more important than dealing with 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 to put an end to their conflict. Mediator has no independent authority to impose a settlement.
8. **Counseling:** It is a psychological mechanism to reduce intra personal conflict. Intra personal conflicts of individuals may lead to inter personal conflicts in the organization. When personal conflict leads to frustration and loss of efficiency, counseling may prove to be a helpful antidote. But only a few organizations can afford the luxury of having professional counselors 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 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 a properly managed conflicts can deepen relationships and strengthen the community.
10. **Arbitration:** The arbitrator is a neutral third party. Both parties argue their side of the dispute in arbitration. The arbitrator then renders a final binding decision (award) as to the solution to the dispute. It is a legal way to resolve disputes outside the courts. Eg. Banking Ombudsman,
11. **Litigation (Law suit):** 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, International Chamber of Commerce (ICC), International Center for Settlement of Investment Disputes (ICSID), United Nations Commission on International Trade Law (UNCITRAL), etc are common places and rules to deal with inter organizational conflicts.

Basic rules of dispute-resolution

- 1) Play fair. Apply the golden rules and principles of equality, justice and honesty.
- 2) Listen attentively and proactively. Try to understand each other's assumptions, ideas and intentions.
- 3) Respect each other. Don't insult, don't lie and don't play the "blaming" game.
- 4) Find the common ground. Focus on sameness and common interests.
- 5) Be clear about the objective. Be willing to consider other alternatives to find a win-win solution.
- 6) Focus on facts. Separate facts from fiction and emotion. Agree on the basic set of realities that are directly relevant to the dispute.
- 7) Use reason. Simply do what is reasonable according to most rational, objective observers.
- 8) Resist the temptation to use force. When there is a power differential, the stronger one may want to settle the difference through force or threats of force. Be careful about achieving an unjust victory.
- 9) Accept and tolerate differences. It is alright for a person to have deep convictions about his or her own beliefs and values.
- 10) Learn to co-exist. When there are clashing differences, then agree to (a) go separate ways and (b) live apart in peace.
- 11) Forgive each other. Both parties have to let go of past grievances and forgive each other in order to repair relationships.
- 12) Be prepared to compromise. There has to be some give and take for both parties. It is possible for a person to compromise without sacrificing his or her principles.

Managerial Actions/ Structures to Minimize Conflicts

- 1) Clarify the organizational mission & objectives to all.
- 2) Regularly review job descriptions. Get your employee's input to 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 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 status of current products or services.
- 9) Consider an anonymous suggestion box in which employees can provide suggestions. This can be powerful means to collect honest feedback, especially in very conflicted workplaces.

Decision Theory

A decision needs a responsible decision maker. This decision maker chooses from a number of alternatives. The objective of the decision-maker is to choose the best alternative.

Decision theory represents a generalized approach to decision making. It enables the decision maker to analyze a set of complex situations with many alternatives and many different possible consequences. Solution to any decision problem consists of these steps:

1. Identify the problem.
2. Specify objectives and the decision criteria for choosing a solution.
3. Develop alternatives.
4. Analyze and compare alternatives.
5. Select the best alternative.
6. Implement the chosen alternative.
7. Verify that 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, either no estimates of the probabilities are available. The decision maker lacks confidence in the alternatives and probabilities of outcome. Decision making under uncertainty expresses degree of decision maker's optimism. Uncertainty brings risk to the situation.

Decision making under **uncertainty** is characterized by the following aspects:

1. Lack of perfect information

2. Potential outcomes or their probability of occurrence are unknown
3. Unpredictable environment.
4. Unavailability or not aware of alternatives.
5. No reliability of the available information.
6. Existence of risk.

In such circumstances, the manager should make assumptions about the situations. Decision depends on the personal judgment and experience of the Manager. **Risk preference** refers to the attitude people hold towards risks. It is a key factor in decision-making behavior. Some people are risk-takers and some are risk-averse. Generally top management are risk takers and they tend to take more risky choices.

Risk analysis:

The dictionary meaning of Risk is “a situation involving exposure to danger.” The concept of choice is involved.

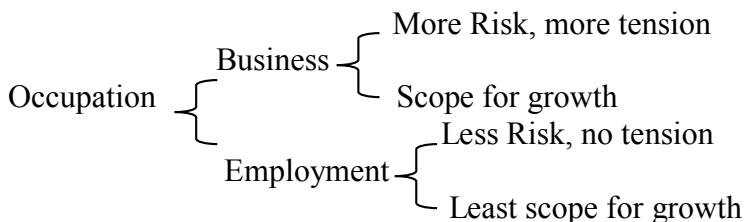
It refers that an action can result in a losing situation. It is the probability that actual results will differ from expected results. Risk is made up of two parts: the probability of something going wrong, and the negative consequences if it does.

Risk Analysis is a process to identify and manage potential problems. It includes:

- a) Identification of the existing and possible threats.
- b) Estimating the possibility of realizing these threats.
- c) Estimating the possible impact of realization of threat.
- d) Accepting, sharing, managing and controlling risk.

Brainstorming, Root cause analysis, SWOT analysis, checklist analysis, decision tree, etc. are common tools for risk analysis.

Decision Tree: It is a graphical representation of alternative actions and their possible outcomes. It helps to weigh possible actions based on their costs, probabilities, and benefits.



Decision Making and Conflict

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 have to take into account the conflicting needs of the individuals who are affected by the decisions. Conflict resolution is a part of the decision making process. How well the conflicts are resolved depends on the skill and leadership traits of the decision maker. The given below are some strategies:

- a. Consensual decision making: In the real world organizations, each group has its own agendas. Hence some amount of consultation and some amount of overriding the individual agendas are required.
- b. Keep the interests of the organization: This is needed to prevent individuals and groups hijacking the decision making process with their agendas.
- c. Elicit information from the individuals: This helps to provide balance and grievance redress to the affected parties.

References

<https://www.iedunote.com/organizational-culture>