



# RNS INSTITUTE OF TECHNOLOGY

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## DEPARTMENT OF MANAGEMENT STUDIES AND RESEARCH CENTRE

**Course: Management and  
Organization Behaviour**

**(24MBA11)**

## I SEMESTER

	<b>MANAGEMENT AND ORGANIZATIONAL BEHAVIOUR</b>			
	<b>Course Code</b>	<b>24MBA11</b>	<b>CIE Marks</b>	<b>50</b>
	<b>Teaching Hours/Week (L:T:P)</b>	<b>4:0:0</b>	<b>SEE Marks</b>	<b>50</b>
	<b>Credits</b>	<b>04</b>	<b>Exam Hours</b>	<b>03</b>
<b>COURSE OBJECTIVES</b>				
<ol style="list-style-type: none"> <li><i>To understand and analyze Management and Organizational Behaviour theories and models.</i></li> <li><i>To classify and differentiate between the best methods to solve the problems.</i></li> <li><i>To compare the appropriate framework for solving the problems at the workplace.</i></li> <li><i>To apply Management and OB concepts to real-world business scenarios.</i></li> </ol>				
<b>Module 1 - Introduction to Management</b>				<b>10 Hours</b>
<b>Introduction:</b> Meaning, Nature, Objectives, Importance, Functions of Management, Difference between Administration and Management, Levels of Management, Types of Managers, Managerial Skills, Evolution of Management Thought, Recent Trends in Management.				
<b>Module 2 – Functions of Management</b>				<b>10 Hours</b>
<b>Planning</b> - Definition, Features, Nature, Importance, Types, Steps in Planning, Planning Tools and Techniques. <b>Organizing</b> - Definitions, Importance, Principles, Types of Organisation Structures, Span of Control, Centralization and Decentralization of Authority. <b>Leadership</b> – Meaning, Leadership Styles, Behavioural Approach, Contingency Approach, Transactional v/s Transformational Leadership. <b>Controlling</b> - Definitions, Need of Controlling, Characteristics of Control, Steps in the Controlling Process, Types of Control, Control Techniques.				
<b>Module 3 – Organisational Behaviour</b>				<b>10 Hours</b>
<b>Organisational Behaviour:</b> Introduction, Definitions, Nature, Goals, Importance, Approaches to Organisational Behavior, Models. <b>Attitude</b> - Meaning, Definition, Types, Components, Attitudes and Behaviour, <b>Perception</b> - Perception, Perceptual Process, Factors Influencing Perception, <b>Personality</b> - Definitions, Factors Influencing Personality, Big Five Personality Traits, Myers–Briggs Type Indicator (MBTI), <b>Motivation</b> - Definitions, Process of Motivation (Cycle of Motivation), Nature, Importance, Types, Theories.				
<b>Module 4 – Managing Human at Work</b>				<b>10 Hours</b>
<b>Group Dynamics</b> - Meaning of Group, Group Characteristics, Classification of Groups, Models of Group Development, Meaning of Group Dynamics, Group Behaviour, Impact of Group on Individual's Behaviour, Impact of External Factors on Group Behaviour. <b>Teamwork</b> - Nature of Teams, Team Characteristics, Teams Versus Groups, Teamwork, Processes of Teamwork, Types of Teams, Reasons for Team Failure, Creating Effective Teams.				
<b>Module 5 – Organizational Power, Politics &amp; Culture</b>				<b>10 Hours</b>
<b>Power and Politics</b> - Nature of Power and Politics, Sources of Power for Individuals, Managing Organisational Politics. <b>Culture</b> - Definitions of Organisational Culture, Strong v/s Weak Culture, Characteristics, Types, Levels, Dimensions, Creating Organisational Culture, Changing Organisational Culture.				

### COURSE OUTCOMES

At the end of the course the student will be able to:

CO1	Understand the conceptual knowledge of Management, various functions of Management
CO2	Summarise managerial and behaviour knowledge in real world situations.
CO3	Apply organisational behaviour concepts to analyse individual behaviour, attitude, perception, personality and motivation.
CO4	Examine strategies of managing human at work place.
CO5	Assess dynamics of Organizational Power, Politics, Culture and managing stress.

### PRACTICAL COMPONENTS

1	Visit an organization, speak with the manager or HR representative, and take note of the roles that are performed each day.
2	Organize a formal function within the department and make an effort to comprehend the diverse roles that students play within the context of the team and organizational environment.
3	Develop few questions, interact with people in the organisation and try observing personality and reaction.
4	Meet any Leader / HoD / Dean and observe the Management of various departments and record the changes in administrative pattern.

### SELF STUDY

1. Concept of leadership styles.
2. Learning and Types of Learning.

### MOOCS

1. <https://www.mygreatlearning.com/academy/learn-for-free/courses/organizational-behaviour>
2. <https://alison.com/course/organizational-behavior-and-management>
3. <https://www.udemy.com/course/management-and-organizational-behavior/>
4. [https://onlinecourses.nptel.ac.in/noc22\\_mg78/preview](https://onlinecourses.nptel.ac.in/noc22_mg78/preview)

### SEMESTER END EXAMS (SEE) QUESTION PAPER PATTERN

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks.
- Each full question will have 3 sub questions drawn from different Modules.
- Appropriate weightage to be given in setting question paper based on the number of hours allotted for each Module.
- The students will have to answer five full questions; selecting four full questions from question number one to seven and question number eight is compulsory.
- 100 percent theory in the SEE.

### CONTINUOUS INTERNAL EVALUATION (CIE)

There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE.

**CIE Marks shall be based on:**

- a) Tests (for 25 Marks) based on average of all the three CIE and
- b) Assignments, Presentations, Quiz, Simulation, Experimentation, Mini Project, Oral Examination, Field Work, MOOC's and Class Participation etc., (for 25 Marks) conducted in the respective course. Course instructors are given autonomy in choosing a few of the above based on the subject relevance and should maintain necessary supporting documents for same.

### RECOMMENDED BOOKS

SL. No.	Title of the Book	Name of the Authors	Publisher Name	Edition and Year
1	Essentials of Management	Harold Koontz, Heinz Weihrich, Mark V Cannice	McGraw Hill	11e 2021
2	Principles of Management	Tony morden	Innovative business Textbooks	2021
3	Organizational Behaviour	Stephen P Robbins, Timothy A Judge, Neharika Vohra	Pearson	18e 2022

### REFERENCE BOOKS

SL. No.	Title of the Book	Name of the Authors	Publisher Name	Edition and Year
1	Principles of Management essentials you wanted to know	Vibrant; Daum	Callie Publishers	2020
2	Principles & Practice of Management	L M Prasad	Sultan Chand & Sons	10e 2020
3	Organizational Behavior	Stephen P. Robbins	Pearson	18e 2022

## MODULE – 1

### MANAGEMENT

#### **DEFINITIONS/MEANING:**

**Management** is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

**Management** is the process of decision making and control over the actions of human beings for the purpose of attaining predetermined goals.

**Management** is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives.

**Management** is the art of getting things done through and with people in formally organised groups. It is the art of creating an environment in which people can perform as individuals and yet cooperate towards the attainment of group goals.

Organization is systematic arrangement of ppl brought together to accomplish some specific purpose.

It is an entity that has a distinct purpose, has ppl/members & has a systematic structure.

It consist of operatives & mangers(top level, middle & lower level) through whom the goals of the organization are accomplished. To get these goals achieved effectively & efficiently you need to have a very good management in place.

The field of management has a undergone revolutionary change from the period of F.W. Taylor “ The Father of Scientific Management” to the present days of Peter F Drucker – “ The Father of Modern Management.

F.W. Taylor- “ Management is the art of knowing what you want to do & then seeing that it is done in the best & cheapest way”.

Koontz- “Management is the art of getting things done through & with ppl in formally organized groups”.

Peter F Drucker- “Management makes work productive & the worker achieving. Managers must work effectively with their sub-ordinate to achieve maximum performance.

Henry Fayol- “Management is to forecast & plan, to organize, to command, to coordinate & to control.

It is defined as the art of getting things done through ppl both efficiently & effectively.

Efficiency – ability to do things in the right way.

Effectiveness – ability to do right things

## Nature of Management

1. **It is to manage organizations:** Management ensures smooth and coordinated functioning of the enterprise and as a tool for the upliftment as well as betterment of the society.
2. **It creates surplus-profits:** Management needs to apply both the creative, intuitive aspects of art and the analytical, systematic aspects of science to effectively allocate resources, increase productivity, and ultimately generate a surplus.
3. **It is a social process:** Since human factor is most important among the other factors, therefore management is concerned with developing relationship among people. It is the duty of management to make interaction between people - productive and useful for obtaining organizational goals.
4. **It is group activity:** Management is commonly defined as activity done by people to maintain and manage the business environment and structure. It cannot be done by a single person, as it involves huge and wide variety of process. Hence Management is called a group activity.
5. **It is required at all levels:** This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Manager needs to reconcile the difference in approach, timing, efforts, and interest. At the same time it should enable all its members to grow and develop.
6. **It is art & science:** It is considered a science because it has an organized body of knowledge containing certain universal truths. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides knowledge & art deals with the application of knowledge and skills.
7. **It is profession:** Management consists of well-defined and a systematic body of Knowledge similar to other professions. This knowledge can be acquired by practice and the principle and concepts can be applied in business situations.
8. It is a organized activity: Management is a process of organized activities. Without organized activities, groups of people cannot be involved in the performance of work.
9. It is Intangible: Management is intangible as it cannot be seen or touched. One can feel its presence through orderliness, enthusiastic employees and efficient work. We can feel the result of mismanagement more clearly and early as compared to management.
10. It is result and goal oriented: It focuses on outcome rather than process used to produce a product or deliver a service
11. It is universal in character: Management is needed in all types and sizes of organizations, at all organizational levels and in all organizational work areas, and in all organizations, no matter where they are located. This is known as the universality of management.
12. It is a dynamic function: Management is a dynamic process because it keeps on changing with the changes that takes place in environment. It is continuous process because it is the act of coordinating the efforts of people to accomplish desired goals and objectives using available resources efficiently and effectively.
13. It is Multidisciplinary: Management is multidisciplinary because it includes knowledge/information from various disciplines- economics, statistics, maths, psychology, sociology, ecology, operations research, history, etc.



## OBJECTIVES OF MANAGEMENT:

The main objectives of management are:

- 1. Getting Maximum Results with Minimum Efforts** - The main objective of management is to secure maximum outputs with minimum efforts & resources. Management is basically concerned with thinking & utilizing human, material & financial resources in such a manner that would result in best combination. This combination results in reduction of various costs.
- 2. Increasing the Efficiency of factors of Production** - Through proper utilization of various factors of production, their efficiency can be increased to a great extent which can be obtained by reducing spoilage, wastages and breakage of all kinds, this in turn leads to saving of time, effort and money which is essential for the growth & prosperity of the enterprise.
- 3. Maximum Prosperity for Employer & Employees** - Management ensures smooth and coordinated functioning of the enterprise. This in turn helps in providing maximum benefits to the employee in the shape of good working condition, suitable wage system, incentive plans on the one hand and higher profits to the employer on the other hand.
- 4. Human betterment & Social Justice** - Management serves as a tool for the upliftment as well as betterment of the society. Through increased productivity & employment, management ensures better standards of living for the society. It provides justice through its uniform policies.

## Importance of Management:

- Guides organization towards goal accomplishment
- Making things happen
- Meeting the competition
- Optimum use of resources
- Organizing the people, resource, process
- Leading, directing, motivating or influencing the people within the organization
- Sound Industrial relation

## Functions of Management:

- **Planning:** *Planning is a process of making decisions about future*

Planning is the process of setting goals, and charting the best way of action for achieving the goals. This function also includes, considering the various steps to be taken to encourage the necessary levels of change and innovation. Planning is the management function that involves:

- Setting goals
- Formulating vision, missions
- Making plans

- Charting the best way of action
- Adopt changes
- **Organizing:** It is concerned with bringing together, arranging and developing productive relationship of organizations resource (people, materials, technology, finance) in order to achieve organizational objectives.
  - Developing the organization structure.
  - Organizing is the process of allocating and arranging work, authority and resources, to the members of the organization so that they can successfully execute the plans.
- **Staffing:** It is the process of filling the positions in the organization and keeping them filled. Staffing is the process of recruiting and selecting the right person for the right job at the right time in the right place. Staffing is a activity where people are recruited, selected, trained, developed, motivated and compensated for managing various positions.
- **Leading:** It is the management function that involves influencing others to engage in the work behaviours necessary to reach organizational goals. It includes communicating with others, providing direction and motivating people. Leading involves directing, influencing and motivating employees to perform essential tasks. This function involves display of leadership qualities, different leadership styles, different influencing powers, with excellent abilities of communication and motivation.
- **Co-ordinating:** The process of ensuring that persons who perform interdependent activities work together in a way that contributes to the achievement of overall objectives/goals of an organization.
- **Controlling:** It is the Management function aimed at regulating organizational activities so that actual performance meets the expected objectives and standards of company. It helps in keeping the organizational activities on the right path and aligned with plans and goals. Controlling is the process of devising various checks to ensure that planned performance is actually achieved.

## **DIFFERENCE BETWEEN ADMINISTRATION AND MANAGEMENT:**

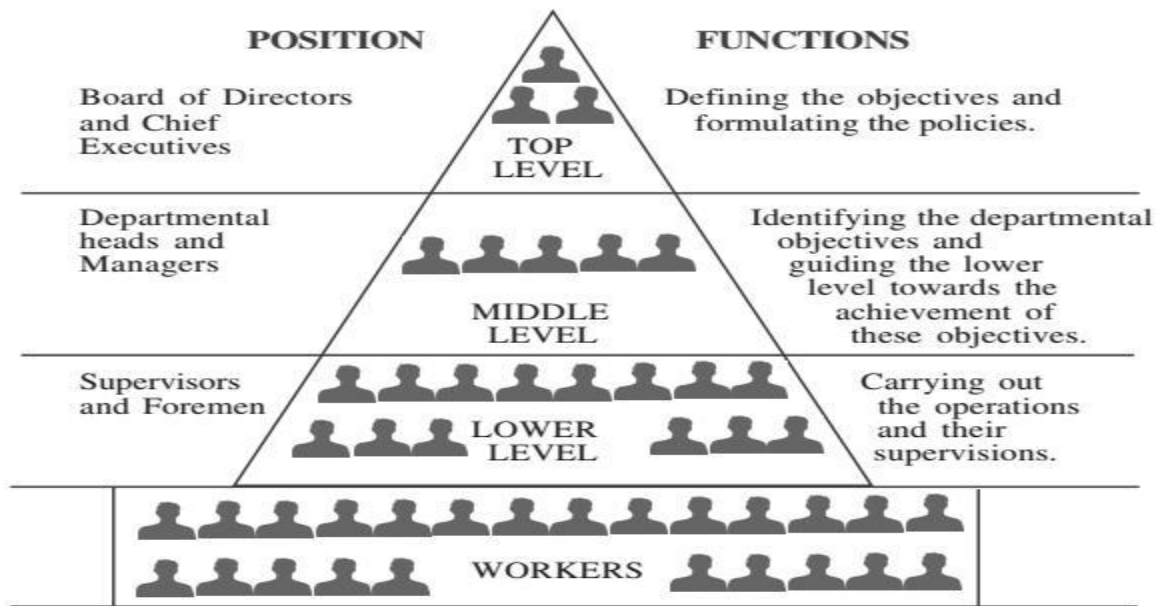
According to Theo Haimann, “Administration means overall determination of policies, setting of major objectives, the identification of general purposes and laying down of broad programmes and projects”. It refers to the activities of higher level. It lays down basic principles of the enterprise. According to Newman, “Administration means guidance, leadership & control of the efforts of the groups towards some common goals”.

Whereas, management involves conceiving, initiating and bringing together the various elements; coordinating, actuating, integrating the diverse organizational components while sustaining the viability of the organization towards some pre-determined goals. In other words, it is an art of getting things done through & with the people in formally organized groups.



<b>BASIS FOR COMPARISON</b>	<b>MANAGEMENT</b>	<b>ADMINISTRATION</b>
Meaning	An organized way of managing people and things of a business organization is called the Management.	The process of administering an organization by a group of people is known as the Administration.
Authority	Middle and Lower Level	Top level
Role	Executive	Decisive
Concerned with	Policy Implementation	Policy Formulation
Area of operation	It works under administration.	It has full control over the activities of the organization.
Applicable to	Profit making organizations, i.e. business organizations.	Government offices, military, clubs, business enterprises, hospitals, religious and educational organizations.
Decides	Who will do the work? And How will it be done?	What should be done? And When is should be done?
Work	Putting plans and policies into actions.	Formulation of plans, framing policies and setting objectives
Focus on	Managing work	Making best possible allocation of limited resources.
Key person	Manager	Administrator
Represents	Employees, who work for remuneration	Owners, who get a return on the capital invested by them.
Function	Executive and Governing	Legislative and Determinative

## LEVELS OF MANAGEMENT



### Levels of Management

The term “Levels of Management” refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories:

1. Top level / Administrative level
2. Middle level / Executory
3. Junior level / Supervisory / Operative / First-line Managers

Managers at all these levels perform different functions. The role of managers at all the three levels is discussed below:

### **1. Top Level of Management**

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows -

- a. Top management lays down the objectives and broad policies of the enterprise.
- b. It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
- c. It prepares strategic plans & policies for the enterprise.
- d. It appoints the executive for middle level i.e. departmental managers.
- e. It controls & coordinates the activities of all the departments.
- f. It is also responsible for maintaining a contact with the outside world.
- g. It provides guidance and direction.
- h. The top management is also responsible towards the shareholders for the performance of the enterprise.

### **2. Middle Level of Management**

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as -

- a. They execute the plans of the organization in accordance with the policies and directives of the top management.
- b. They make plans for the sub-units of the organization.
- c. They participate in employment & training of lower level management.
- d. They interpret and explain policies from top level management to lower level.
- e. They are responsible for coordinating the activities within the division or department.
- f. It also sends important reports and other important data to top level management.
- g. They evaluate performance of junior managers.
- h. They are also responsible for inspiring lower level managers towards better performance.

### 3. Junior Level of Management:

Junior level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to R.C. Davis, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management. Their activities include -

- a. Assigning of jobs and tasks to various workers.
- b. They guide and instruct workers for day to day activities.
- c. They are responsible for the quality as well as quantity of production.
- d. They are also entrusted with the responsibility of maintaining good relation in the organization.
- e. They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
- f. They help to solve the grievances of the workers.
- g. They supervise & guide the sub-ordinates.
- h. They are responsible for providing training to the workers.
- i. They arrange necessary materials, machines, tools etc for getting the things done.
- j. They prepare periodical reports about the performance of the workers.
- k. They ensure discipline in the enterprise.
- l. They motivate workers.
- m. They are the image builders of the enterprise because they are in direct contact with the workers.



## MIDDLE LEVEL MANAGERS

*Responsible for...*

**Implements the plans and policies of the top managers**

**Coordinating and linking groups,  
departments, and divisions**

**Monitoring and managing the performance  
of subunits and managers who report to them**

**Implementing the changes or strategies  
generated by top managers**

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## FIRST LINE MANAGERS

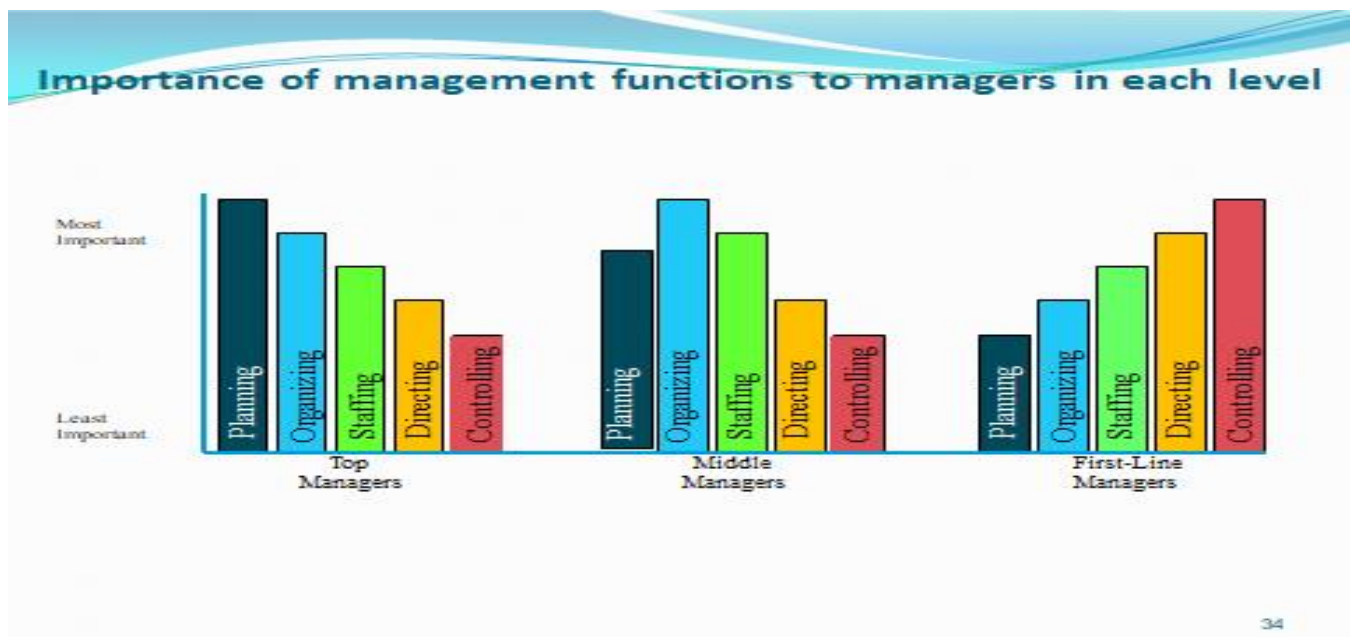
*Responsible for...*

**Managing day-to - day working of the organization**

**Managing the performance of  
entry-level employees**

**Teaching entry-level employees  
how to do their jobs**

**Making schedules and operating plans based on  
middle management's intermediate-range plans**



## TYPES/KINDS OF MANAGERS

Managers operate in a broad spectrum of roles including leading, decision making, and information sharing. Managers can be primarily classified into:-

### Top-Level Managers

- Top-level managers (or top managers) are the “bosses” of the organization.
- They have titles such as chief executive officer (CEO), chief operations officer (COO), chief marketing officer (CMO), chief technology officer (CTO), and chief financial officer (CFO). A new executive position known as the chief compliance officer (CCO) is showing up on many organizational charts in response to the demands of the government to comply with complex rules and regulations.
- Depending on the size and type of organization, executive vice presidents and division heads would also be part of the top management team. The relative importance of these positions varies according to the type of organization they head.
- For example, in a pharmaceutical firm, the CCO may report directly to the CEO or to the board of directors.
- Top managers are ultimately responsible for the long-term success of the organization. They set long-term goals and define strategies to achieve them.
- They pay careful attention to the external environment of the organization: the economy, proposals for laws that would affect profits, stakeholder demands, and consumer and public relations. They will make the decisions that affect the whole company such as financial investments, mergers and acquisitions, partnerships and strategic alliances, and changes to the brand or product line of the organization.

### Middle Managers

- Middle managers have titles like department head, director, and chief supervisor.
- They are links between the top managers and the first-line managers and have one or two levels below them.



- Middle managers receive broad strategic plans from top managers and turn them into operational blueprints with specific objectives and programs for first-line managers.
- They also encourage, support, and foster talented employees within the organization.
- An important function of middle managers is providing leadership, both in implementing top manager directives and in enabling first-line managers to support teams and effectively report both positive performances and obstacles to meeting objectives.

#### **Functional managers:**

- A functional manager oversees a particular functional area of an organization, such as a department or team. They're responsible for managing, owning and providing the resources for projects. However, their involvement with projects varies based on the company's organizational structure. Functional managers balance planning and direction to ensure team members have the resources they need and are able to complete their tasks on time. Example: HR manager, Marketing manager, financial manager, production manager, etc)

#### **First-Line Managers**

- First-line managers are the entry level of management, the individuals “on the line” and in the closest contact with the workers.
- They are directly responsible for making sure that organizational objectives and plans are implemented effectively.
- They may be called assistant managers, shift managers, foremen, section chiefs, or office managers.
- First-line managers are focused almost exclusively on the internal issues of the organization and are the first to see problems with the operation of the business, such as untrained labor, poor quality materials, machinery breakdowns, or new procedures that slow down production. It is essential that they communicate regularly with middle management.

#### **Team Leaders**

- A team leader is a special kind of manager who may be appointed to manage a particular task or activity.
- The team leader reports to a first-line or middle manager.
- Responsibilities of the team leader include developing timelines, making specific work assignments, providing needed training to team members, communicating clear instructions, and generally ensuring that the team is operating at peak efficiency.
- Once the task is complete, the team leader position may be eliminated and a new team may be formed to complete a different task.

### **MANAGERIAL ROLES**

Managerial Roles can be defined as the organized sets of behaviors identified with the position. These roles were developed by Henry Mintzberg in the late 1960s after a careful study of executives at work. All these roles in one form or another, deal with people and their interpersonal relationships.

These ten managerial roles are divided into three categories. The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct result of interpersonal roles and these two categories lead to the third category of decisional roles.

Role is defined as the pattern of behavior, which is defined for different positions. It depends on the formal authority.

Managerial role is a set of behavior, rights & obligations conceptualized in a social situation or expected behavior that is with a particular position or a status.

## **1. INTERPERSONAL ROLES**

Managers spend a considerable amount of time in interacting with other people both within their own organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and community leaders. All these interactions require an understanding of interpersonal relations. Studies show that interacting with people takes up nearly 80 per cent of a manager's time. These interactions involve the following three major interpersonal roles:

**a. Figurehead:** Managers act as symbolic figureheads performing social or legal obligations. These duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a subordinate's wedding or speaking at functions in schools and churches. All these/ primarily, are duties of a ceremonial nature but are important for the smooth functioning of the organization

**b. Leader:** The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since he is responsible for the activities of his subordinates, he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary leader so that his subordinates follow his directions and guidelines with respect and dedication.

**c. Liaison:** In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules, regulations and laws. In this role, the managers build up their own external information system.

## **2. INFORMATIONAL ROLES**

By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In this capacity of information processing, a manager executes the following three roles:

**a. Monitor:** The managers are constantly monitoring and scanning their environment, both internal and external, collecting and studying information regarding their organization and the outside environment affecting their organization. This can be done by reading reports and periodicals, by asking their liaison contacts and through gossip, hearsay and speculation.

**b. Disseminator of Information:** The managers must transmit their information regarding changes in policies or other matters to their subordinates, their peers and to other members of the organization. This can be done through memorandums, phone calls, individual meetings and group meetings.

**c. Spokesperson:** A manager has to be a spokesman for his unit and he represents his unit in either sending relevant information to people outside his unit or making some demands on behalf of his unit. This may be in the form of the president of the company making a speech to a lobby on behalf of an organizational cause or an engineer suggesting a product modification to a supplier.

### 3. DECISIONAL ROLES

On the basis of the environmental information received, a manager must make decisions and solve organizational problems. In that respect, a manager plays four important roles.

**a. Entrepreneur:** As entrepreneurs, managers are continuously involved in improving their units and facing the dynamic technological challenges. They are constantly on the lookout for new ideas for product improvement or products addition. They initiate feasibility studies, arrange for capital for new products if necessary, and ask for suggestions from the employees for ways to improve the organization. This can be achieved through suggestion boxes, holding strategy meetings with project managers and R & D personnel.

**b. Conflict Handler:** The managers are constantly involved as arbitrators in solving differences among the subordinates or the employee's conflicts with the central management. These conflicts may arise due to demands for higher pay or other benefits or these conflicts may involve outside forces such as vendors increasing their prices, a major customer going bankrupt or unwanted visits by governmental inspectors. Managers must anticipate such problems and take preventive action if possible or take corrective action once the problems have arisen. These problems may also involve labor disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts.

**c. Resource Allocator:** The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programs and make budgetary allocations to the different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises.

**d. Negotiator:** The managers represent their units or organizations in negotiating deals and agreements within and outside of the organization. They negotiate contracts with the unions. Sale managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors.

All these ten roles are important in a manager's job and are interrelated even though some roles may be more influential than others, depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while the production managers may give more importance to decisional roles.

## **HISTORY OF MANAGEMENT / EVOLUTION OF MANAGEMENT THOUGHT:**

Management is studied in business academics since earlier times and it is considered as an integral part to understand business operations. People have been changing and redesigning organizations for centuries. Though the 20th century is noticeable in history as an 'Era of scientific management', still it does not indicate that management tactics were not used in yester years. Many studies indicated that Management theory evolved with "scientific" and "bureaucratic" management that used measurement, procedures and routines as the basis for operations. Firms developed hierarchies to apply standardized rules to the place of work and penalized labour for violating rules. With the "human relations" movement, companies emphasized individual workers. Modern management theories, including system theory, contingency theory and chaos theory, focus on the whole organization, with employees as a key part of the system.

The evolution of management can be categorized in to different parts:

- Pre-Scientific Management Era (before 1880),
- Classical management Era (1880-1930),
- Neo-classical Management Era (1930-1950),
- Modern Management era (1950 Onwards)

Classical Management includes Scientific Management School, Administration Management School, and Bureaucracy Management. Neo- classical Management includes Human relation school and Behavioural Management School. Modern Management includes Social system school, Decision theory school, Quantitative Management School, System Management School, and Contingency Management School.

### **Early Management Thought:**

The period of 1700 to 1800 emphasizes the industrial revolution and the factory system highlights the industrial revolution and the importance of direction as a managerial purpose. Thus, the development of management theory can be recognized as the way people have struggled with relationships at particular times in olden periods. Many economic theorists during this period described the notion of management.

Adam Smith and James Watt have been recognized as two theorists who launched the world toward industrialization. Adam Smith brought about the revolution in financial thought and James Watt's steam engine provided cheaper power that revolutionized English commerce and industry. Both provided the base for modern concepts of business management theory and practice. Adam Smith explicated the concept of division of labour and Jacques Turgot described the importance of direction and control. Smith stated that market and competition

should be the controllers of economic activity and that tax policies were destructive. The specialization of labour was the basis of Smith's market system. According to Smith, division of labour provided managers with the maximum opportunity for improved output.

In the period of 1771–1858, Robert Owens studied for concern for the workers. He was repulsed by the working conditions and poor treatment of the workers in the factories across Scotland. Owen became a reformer. He reduced the use of child labour and used ethical influence rather than physical punishment in his factories. He reproached his fellow factory owners for treating their equipment better than they treated their workers.

In quantitative approach of early management thought, Charles Babbage (1792–1871) is recognized as the supporter of operations research and management science. Babbage's scientific innovations are mechanical calculator, a versatile computer, and a punch-card machine. His projects never became a commercial reality. However, Babbage is considered the creator of the concepts behind the present-day computer. The most popular book of Babbage, *On the Economy of Machinery and Manufacturers*, described the tools and machinery used in English factories. It discussed the economic principles of manufacturing, and analysed the operations and the skills used and suggested improved practices. Babbage considered in the benefits of division of labour and was a supporter of profit sharing. He developed a method of observing manufacturing that is the same approach utilized today by operations analysts and consultants analysing manufacturing operations. Other theorists who contributed in quantitative approach of early management thought were Robert Owen, Andrew Ure and Charles Dupin, Henry Robinson Towne.

Another theorist Baptiste, explained the significance of planning. But management is appeared as a different discipline in the second half of 19th century with the beginning of Joint Stock Company. This type of enterprises separated management of business from their ownership and gave emphasis to labour incompetence and improper systems of wage payments. To resolve such problem, people began to identify management as a separate field of study. During 20th century, Management has become more scientific discipline with standard principles and practices.

## **APPROACHES TO MANAGEMENT / CONTRIBUTION BY DIFFERENT THEORISTS**

### **The Classical Approach**

The classical approach is the earliest thought of management. The classical approach was associated with the ways to manage work and organizations more efficiently. The

classical approach are categorized into three groups namely, scientific management, administrative management, and bureaucratic management.

### **I. Scientific Management**

Scientific management which is also referred to Taylorism or the Taylor system is a theory of management that evaluates and synthesizes workflows, with the aim of improving labour productivity. In other words, conventional rules of thumb are substituted by accurate procedures developed after careful study of an individual at work.

## **Taylor's Scientific Management**

Frederick Taylor is known as the father of Scientific Management and he published *Principals of Scientific Management* in which he proposed work methods designed to boost worker productivity. Taylor asserted that to succeed in these principles, it is necessary to transform completely the part of management and labour. His philosophy was based on some basic principles.

***The first principle is separation of planning and doing.*** In the pre-Taylor era, an employee himself used to choose or plan how he had to do his work and what machines and equipment would be necessary to perform the work. But Taylor divided the two functions of planning and doing, he stressed that planning should be delegated to specialists.

***Second principle of Taylor's management approach is functional foremanship.*** Taylor launched functional foremanship for administration and direction. Under eight-boss-scheme of functional foremanship, four persons like route clerk, instruction card clerk, time and cost clerk and disciplinarian are associated with planning function, and the remaining four speed boss, inspector, maintenance foreman, and gang boss are concerned with operating function.

***Third principle is elements of scientific management.*** The main constituents of scientific management are work study involving work important and work measurement using method and time study, standardization of tools and equipment for workmen and improving working conditions, scientific Selection, placement and training of workers by a centralized personal department.

***Fourth principle is bilateral mental revolution.*** Scientific management involves a complete mental change of employees towards their work, toward their fellow-men and toward their employers. Mental revolution is also necessary on the part of management's side, the foreman, the superintendent, the owners and board of directions.

***Fifth principle is financial incentives.*** In order to encourage workers to give better performance, Taylor introduced differential piece-rate system. According to Taylor, the wage should be based on individual performance and on the position which a worker occupies.

***Economy is other principle of management devised by Taylor.*** According to him, maximum output is achieved through division of labour and specialization. Scientific Management concentrates on technical aspects as well as on profit and economy. For this purpose, techniques of cost estimates and control should be adopted. Taylor concluded that science, not rule of thumb, Harmony, not discord, Cooperation and not individualism, Maximum output, in place of restricted output.

## **II. Administrative Management**

Administrative Management emphasizes the manager and the functions of management. The main objective of Administrative management is to describe the management process and philosophy of management. In contradiction of scientific management, which deals mainly with jobs and work at individual level of scrutiny, administrative management gives a more universal theory of management.

### **Henry Fayol's Administrative Management (1841–1925)**

Henri Fayol is known as the father of modern Management. He was popular industrialist and victorious manager. Fayol considered that good management practice falls into certain



patterns that can be recognized and analysed. Fayol provided a broad analytical framework of the process of management. He used the word Administration for Management.

Foyal categorized activities of business enterprise into six groups such as Technical, Financial, Accounting, Security, and Administrative or Managerial. He stressed constantly that these managerial functions are the same at every level of an organization and is common to all firms. He wrote General and Industrial Management.

His five function of managers were plan, organize, command, co-ordinate, and control. In the year 1916 Fayol wrote a book entitled "Industrial and General Administration". In this book, he gave the 14 Principles of Management.

1. **Division of work:** This is the principle of specialization which is detailed by economists as an important to efficiency in the utilization of labour. Fayol goes beyond shop labour to apply the principle to all kinds of work, managerial as well as technical.
2. **Authority And Responsibility:** In this principle, Fayol discovers authority and responsibility to be linked with the letter, the consequence of the former and arising from the latter.
3. **Discipline:** This discipline denotes "respect for agreements which are directed at achieving obedience, application, energy and the outward marks of respect". Fayol declares that discipline requires good superiors at all levels, clear and fair agreement, and judicious application of penalties.
4. **Unity Of Command:** This is the principle that an employee should receive orders from one superior only.
5. **Unity Of Direction:** Fayol asserted that unity of direction is the principle that each group of activities having the same objective must have one head and one plan. As distinguished from the principle of unity of command, Fayol observes unity of direction as related to the functioning of personnel.
6. **Subordination Of Individual Interest To General Interest:** In any group the interest of the group should supersede that of the individual. When these are found to differ, it is the function of management to reconcile them.
7. **Remuneration Of Personnel:** Fayol recognizes that salary and methods of payment should be fair and give the utmost satisfaction to worker and boss.
8. **Centralization:** Fayol principle of centralization refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances will determine the degree of centralization that will give the best overall yield.
9. **Scalar Chair:** Fayol believe of the scalar chair as a line of authority, a 'Chain of Superiors' from the highest to the lowest ranks and held that, while it is an error of subordinate to depart 'needlessly' from lines of authority, the chain should be short-circuited when scrupulous following of it would be detrimental.
10. **Order:** Breaking this principle into 'Material order' and 'Social Order', Fayol thinks of it as the simple edge of "a place for everything (everyone), and everything (everyone) in its (his) place". This is basically a principle of organization in the arrangement of things and persons.
11. **Equity:** Fayol perceives this principle as one of eliciting loyalty and devotion from personnel by a combination of kindness and justice in managers dealing with subordinates.

12. **Stability Of Tenure Of Personnel:** Finding that such instability is both the cause and effect of bad management, Fayol indicated the dangers and costs of unnecessary turnover.
13. **Initiative:** Initiative is envisaged as the thinking out and execution of a plan. Since it is one of the "Keenest satisfactions for an intelligent man to experience", Fayol exhorts managers to "Sacrifice Personal Vanity" in order to permit subordinates to exercise it.
14. **Esprit De Corps:** This is the principle that 'union is strength' an extension of the principle of unity of command. Fayol here emphasizes the need for teamwork and the importance of communication in obtaining it.

### **III. Bureaucratic Management**

Bureaucratic management denotes to the perfect type of organization. Principal of Bureaucracy include clearly defined and specialized functions, use of legal authority, hierarchical form, written rules and procedures, technically trained bureaucrats, appointment to positions based on technical expertise, promotions based on competence and clearly defined career paths.

#### **Max Weber:**

Max Weber (1864-1920) devised a theory of bureaucratic management that emphasized the need for a firmly defined hierarchy governed by clearly defined regulations and lines of authority.

He considered the perfect organization to be a bureaucracy whose activities and objectives were reasonably thought out and whose divisions of labour were clearly defined. Weber also believed that technical capability should be emphasized and that performance evaluations should be made completely on the basis of merit. Presently, it is considered that bureaucracies are huge, impersonal organizations that put impersonal competence ahead of human needs.

Like the scientific management theorists, Weber sought to advance the performance of socially important organizations by making their operations predictable and productive. Although we now value innovation and flexibility as much as efficiency and predictability, Weber's model of bureaucratic management evidently advanced the development of vast corporations such as Ford. Bureaucracy was a particular pattern of relationships for which Weber saw great promise.

Although bureaucracy has been successful for many companies, in the competitive global market of the 1990s organizations such as General Electric and Xerox have adopted bureaucracy, throwing away the organization chart and replacing it with ever-changing constellations of teams, projects, and alliances with the goal of unleashing employee creativeness.

#### **Chester I. Barnard:**

Chester Barnard (1886-1961) also devised components to classical theory such as Follett that would be further developed in later schools. Barnard, who became president of New Jersey Bell in 1927, used his work experience and his wide reading in sociology and philosophy to devise theories about organizations.

Barnard stated that people join in formal organizations to accomplish such goals that cannot be fulfilled by working alone. But as they follow the organization's goals, they must also gratify their individual needs. Barnard came to conclusion that an enterprise can operate efficiently and survive only when the organization's goals are kept in balance with the aims and needs of the individuals working for it.

Barnard denotes a principle by which people can work in stable and mutually constructive relationships over time. Barnard believed that individual and organizations purposes must be in balance if managers understood an employee's zone of indifference that is, what the employee would do without questioning the manager's authority. Apparently, the more activities that fell within an employee's zone of indifference the smoother and more cooperative an organization would be.

Barnard also believed that managers had a duty to inspire a sense of moral purpose in their employees. To do this, they would have to learn to think beyond their narrow self-interest and make an ethical promise to society. Although Barnard emphasized the work of administrative managers, he also focused substantial attention on the role of the individual employee as the basic strategic factor in organization.

### **Behavioural Approach (Neo-Classical Theory)**

#### **The Human Relations Movement**

The Human relations movement emerged in part because managers found that Taylor's scientific management and Fayol's administrative management did not quite achieve complete production efficiency and work place harmony.

Managers still faced difficulties because employees did not always follow predicted or rational patterns of behaviour.

The real inspiration for the movement, however, came from the Hawthorne experiments which were done by Prof. Elton Mayo and his colleagues at the Western Electric Company's plant in Cicero, Illinois from 1927 to 1932.

Hawthorne studies consist of the following experiments.

**i. Illumination experiment:** The main purpose of conducting this experiment was to assess the effect of illumination on the output of the employees. It revealed that productivity cannot be raised only by improving physic working conditions but philosophy of HR was needed to provide better treatment to them to raise output.

**ii. Relay assembly test room experiment:** This study was conducted with a purpose to remove anomalies of previous experiment and confirm tentative conclusion drawn from it. In this experiment some new variables were introduced such as friendly and informal supervision, shorter working hours and days, interaction among members of the group study, improved working conditions and more wages etc. These experiments finally summed up that physical environment may or may not increase productivity rather more important than these conditions are attitude of mgt, morale of the employees and other socio-psychological factors like importance, involvement and informal relations etc.

**iii. Mass interviewing programme:** The programme was aimed to find out the attitude of employees towards their job, working conditions and supervision styles. By interviewing

thousands of workers, it was further confirmed that informal relationship, social and psychological needs and the attitude of employee have definite influence on their working behaviour.

**iv. Bank wiring observation room experiment:** It was conducted to investigate social pattern of behaviour of group of 14 workers and their supervision. The study confirmed that there existed informal group norms which regulated and affected their behaviour. This study further proved the importance of small informal social groups like cliques in organisations.

### **The Modern Management Approach**

The modern approach to management represents the latest development in the field of management that took place after 1950.

**The modern approach has three streams, namely:**

- (i) System approach
- (ii) Contingency approach
- (iii) Operation research approach.

#### **(i) System Approach**

A system is a set of interacting subsystems (i.e., components) that constitute a united whole. Organization is composed of elements that are dependent on one another. These elements (or components) are viewed as subsystems of a larger system. These subsystems interact with each other by getting influenced and influencing others.

Every business organization is a system of its environment. Again, the main parts of the 'management system' are organizational inputs, organizational transformation process, and organizational outputs. The cycle of inputs, transformation, and outputs is continuous. It is an open system that interacts with its environment. It is subject to changes from within and outside to meet the needs of an organization.

A whole system cannot be understood without the knowledge of the subsystems (or parts) that make up the whole. It is also essential to know the relations among different subsystems of the organization. The study in any area is based on the assumption that it is a part of the larger whole system.

For instance, the 'solar system' is a complete system of which 'earth' is a subsystem. Again, 'earth' is a whole system of which our country 'India' is a part. Again, 'India' is a complete system of which a particular State 'West Bengal' is a part and so on. Likewise, in every 'business organization' there are many subsystems known as 'departments'. These departments are separate but interdependent on others. Major contributors in this field are L. V Bertalanffy, C. I. Bernard, H. A. Simon, R. A. Johnson, F. E. Kast, K. Boulding, and others.

#### **(ii) Contingency (or Situational) Approach**

Management techniques that are effective in one situation may not be effective in another situation. In other words, effective management principles and practices vary with the situation in which the organization operates. It is a systematic attempt to determine package of management techniques, approaches, and practices that are appropriate in a specific situation.

Manager should have flexibility and freedom for devising a course of actions that are effective and efficient for a particular situation. It may also be considered as common sense approach. The key to a manager's success lies in his ability to perceive and analyse every situation and to apply management principles accordingly.

The application of this approach requires the managers to have thorough knowledge of the situation in terms of situational variables and external factors. It places more emphasis on appropriateness of management tools and techniques for a specific situation.

This approach is pragmatic in nature and encourages multivariable analysis. Managers must do what the situation demands.

In other words, managers' actions must be contingent upon the organizational situation or environment. There is no ready-made solution to the problems of every situation. Managers should apply correct principles and/or techniques depend on the prevailing situation. Main contributors of this approach are J. Woodward, H. M. Carlisle, Lorsch, and Lawrence.

### **(iii) Operation Research (or Quantitative) Approach**

This approach is also known as 'Management Science Approach'. It is based on the approach of scientific management. It offers a systematic and scientific analysis and solution to the problems faced by managers. It aims at achieving a high degree of precision, perfection, and objectivity in solving a managerial problem. It uses mathematical and statistical tools for solving complex problems.

This approach uses quantitative tools of decision-making known as 'operation research'. Linear programming, game theory, queuing theory, simulation, etc., are often used for making rational decisions. It uses computer aided technology for handling problems on production, finance, storage, transportation, etc.

#### **The approach to solve, complex problems using management science consists of the following stages:**

- i. Formulating the problem and dividing the same into small simple components;
- ii. Gathering required information on each component;
- iii. Constructing a mathematical model to represent the system under study;
- iv. Finding the solution to the problem at hand;
- v. Establishing controls over the solution;
- vi. Putting the solution to work implementation.

Major contributors in this field are H. Simon, C. Barnard, K. Arrow, Newmann, Leontieff, and others. This approach believes that the management's main job is decision-making and organization is a decision-making unit. Organizational efficiency depends on the quality of managerial decisions. Management science techniques increase the effectiveness of managers' rational decision-making.

### **RECENT TRENDS IN MANAGEMENT:**

Recent trends in management refer to the latest managerial practices that managers use to effectively manage their employees. As the market situation evolves, the managerial trends

also evolve and change. These changes are subject to the market conditions of that time period. The most popular recent trends in management are Total Quality Management, Risk Management, Crisis Management etc. Let's understand in detail the following topics:

### **Total Quality Management**

All business management principles unanimously agree on the importance of quality. One can measure the success of an organization from the quality of its goods and services. Due to the importance of this factor, total quality management has gained vast prominence over the years. Managers strive to maintain the highest quality standards to meet their market competition.

Quality is one of the most important factors determining the success of a business. Customers always consider the quality of a business's goods and services while purchasing them. In fact, in some cases, quality gets prominence over price as well.

Good quality of products always gives every organization a strong edge over its competitors. It also rewards the business with customer patronage, word of mouth and goodwill. It is because of these benefits that total quality management has become so important.

With the emergence of newer ways of doing business, the importance of quality management has only increased. Its principles have seen tremendous change over time under modern service-oriented economies.

Previously, only business entities took quality management seriously. These days, however, even governments and NGOs focus on quality management. This shows that apart from consumers, even common citizens can be the focus of quality management.

Another thing one needs to understand is that quality management does not relate to just production-related functions. Other managerial activities like planning, organizing, controlling, etc. also require quality standards.

### **Risk Management**

Risk management basically means the identification and mitigation of losses. It is a systematic process by which an organization identifies, analyzes, prepares and reduces losses.

Apart from that, it also focuses on helping a business find profitable opportunities. Every business organization faces an unavoidable influence from its external and internal environments.

Management of risks reduces the chances of such factors affecting an organization negatively. Managers can either avoid or reduce risk or even transfer it to another entity.

Management of risks has, these days, become an inherent part of decision making and planning. Employees at all levels, from top management to lower levels, have to deal with risks. This, in turn, implies that risks can affect all aspects of an organization's management. Hence, knowledge of risk management is crucial for every organization.

### **Crisis Management**

A crisis is basically any mishap, tragedy or ill event that carries negative effects. It causes



damage to an organization, its members, its business or customers. It can even affect an organization's reputation and legal or financial position.

As the expression suggests, crisis management is simply the act of handling a crisis effectively. It refers to the response of an organization to an incident that can affect it negatively.

A business can anticipate crisis situations that may strike it but it can never completely prevent them. It is practically impossible to prohibit tragedies from occurring. Each kind of tragedy carries unique effects.

Not all crisis situations have common features. Hence, managers have to understand each possible crisis and deal with it differently.

### **Resistance to Change**

One of the most important tasks of managers is to facilitate changes smoothly. Change is always inevitable but so is resistance to change. It is basic human nature of people to try and keep their methods and customs constant. This is where change management comes into play. An organization always must strive to adapt to change if it wants to be successful.

Change is basically a variation in pre-existing methods, customs, and conventions. Since all organizations function in dynamic environments, they constantly have to change themselves to succeed. Change management contains several strategies that help in facilitating the smooth adoption of such changes.

One of the most important facets of change management is resistance to change. It is simply human nature to counteract any changes and maintain the status quo. But

since change is inevitable, instead of resisting changes the organization must try to implement them with minimum hassle.

Resistance to change may be either overt or implicit. For example, employees may react to a change in policies with outright rejection and protests.

They may even refrain from showing disapproval expressly, but they may do so implicitly by not accepting changes. Managers must understand these problems and help the employees adopt these changes smoothly.

### **Change through Management Hierarchy**

It is usually the top level of a management hierarchy that makes the most important changes in any organization. The lower level only implements these changes. Such a hierarchy often misses out small and minute details of planning. Managers must, hence, understand how to plan for changes under such conditions.

The term management hierarchy basically refers to a structure of superior and subordinate rankings. Almost every small and large organization follows this structure. Under this hierarchy, members of an organization follow a fixed chain of command.

In a management hierarchy, it is always the top-level executives who decide all important matters.

For example, in a company, this would include the board of directors. Thus, they are the ones who take all the major decisions. In the next level, managers and executives simply implement plans that the top level makes. They take only small and simple decisions in order to enforce those plans.

In other words, they do not really play a big role in enforcing changes. Under such structures, it is common for finer details of changes to get left out.

For example, let's say a company's board decides to revamp its business by adopting the latest technology available. The board will inform the management of this decision and leave its implementation to them.

In such cases, the management will have to consider finer details that the board is likely to leave out. This includes details like the purchase of new machinery, termination of certain employees, training of workers, etc.

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## **MODULE -2**

### **PLANNING**

#### **DEFINITION**

Planning is fundamentally a mental predisposition to do things in an orderly way, to think before and to act in the light of the fact rather than of guesses -L.F.Urwick.

Planning is deciding in advance what to do, how to do it, where to do it and who is to do it. Planning bridges the gap from where we want to go. It makes it possible for things to occur which would not otherwise happen -Koontz and O'Donnell.

Planning as a process involves thinking before doing. Planning is determination of courses of action to achieve desired goals.

#### **NATURE OF PLANNING**

- Planning is goal oriented.
- Planning is a primary function .
- Planning is all pervasive.
- Planning is a mental exercise.
- Planning involves choice.
- Planning is forward looking.
- Planning is flexible.
- Planning is an integrated process.
- Planning is directed towards efficiency
- Planning is a continuous & never-ending process

#### **IMPORTANCE OF PLANNING**

Plans are very useful for an organization and perform a number of functions for it. Plans help in meeting environmental uncertainties. A manager always operates in an environment, which is uncertain, and he is expected to meet this environment in the best possible manner. Plans prepare against any such uncertainties based on prediction for future and plans can be as good as the predictions. If your forecast goes wrong the plans too may go haywire.

For example, if a company is planning to purchase cars for office and forecast is that government is supposed to increase taxes on cars in the coming budget and the company decides to purchase cars in the month of February itself. Their plan seems good if prices of cars increase but if opposite happens then their plans hardly carry any value. So, plans can be as good as the forecasts on which plans are based. To meet such situation alternate plans can be kept ready to meet alternated situations.

**1.Plans help in better utilization of resources:** The resources with a firm are limited and can be spent on a number of purposes. Plans ensure that best outputs are attained with the given input by putting the resources at the proper place. Without

proper plans resources may be diverted in the non-priority areas. For example, a firm *can use its money either to train its existing manpower or to recruit new people. In the absence of planning decision will be arbitrary and can lead to using money in the area with low returns*

**2.Planning provides focus to firm's activities:** A firm may have a large number of options to exercise. Plans decide the priority so that right work is performed at right *time. For example, If a firm decides to use its internal production capacities to meet its requirements as well as to outsource the same supplies, only plans give proper direction for when to outsource and when not.*

**3.Planning helps in coordination and control of activities:**A properly framed plan takes care to integrate different functions of an organization so that benefits of unified actions can be reaped.Besides plans act as standards against which performance is

measured to provide feedback and control.For example,a firm may decide that all its *decisions and activities will be customer oriented.If there is any difference among various departments of company to launch new products then this yardstick of customer orientation can be used to sort differences and to arrive at a decision that gets the cooperation of everybody in the organization.*

**4.Planning reduces risks and oversight:** Planning minimizes possibilities of risk and uncontrollable uncertainties for the future.It involves foreseeing all possible risks and uncertainties a business can experience thus reducing the costs of damage to life (or

health)and property.For example,risks like fire in a factory,or accidents at work place *or burglary can be foreseen and avoided by planning and undertaking safety and precautionary measures.*

**5.Planning makes controlling easier:** Planning does not only mean thinking about the future but also acting upon it.This implies that to attain a desired future, planning also suggests effective ways or a controlled design for attaining them.These

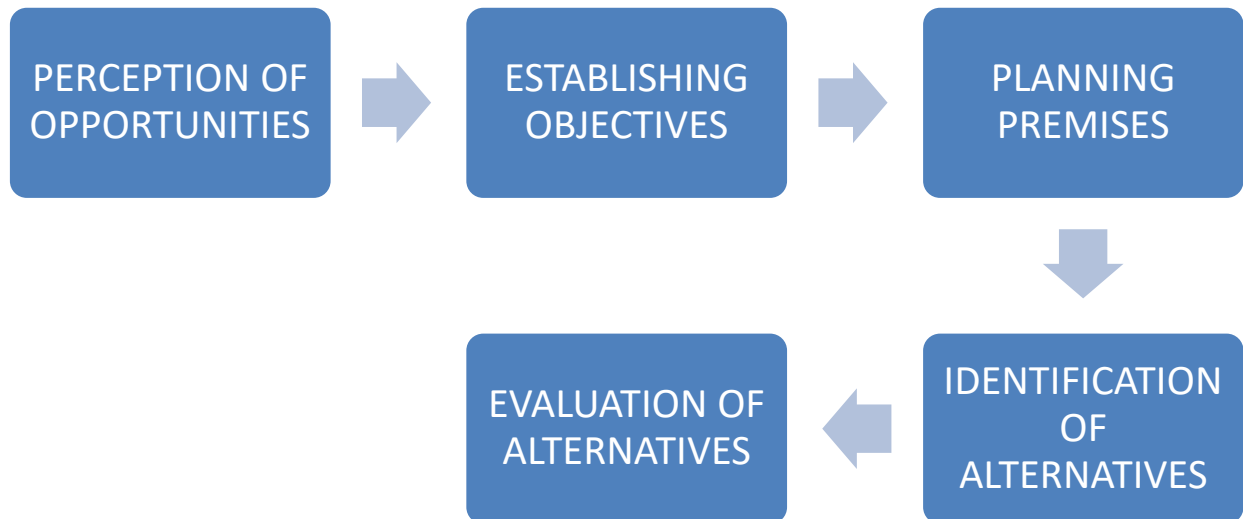
effective ways for planning can be determined by forecasting.For example,*car manufacturers control the production of passenger vehicles(cars for consumers) depending upon the calendar dates offestivals and accordingly control the purchasing costs of auto-components and raw materials,human resources,etc.,by planning ahead.Demand for cars is mostly believed to rise during the festival seasons (especially with the onset ofDiwali in India).*

**6.Planning enables creativity and innovation:**Planning enables identifying the best alternatives out of many options and encourages businesses to put efforts into

discovering new ideas that support their goals and objectives.For example,when *Cavincare Company (based in South India)wished to introduce shampoos in rural markets in south and where bottled shampoo were perceived to be bulky and expensive, Cavincare introduced their shampoos in sachets worth 50 paise that were easier to carry and used by many members in a household.*

## STEPS IN PLANNING

The sequences of various steps in planning are in such a way that they lead to the translation of an idea into action by reaching to the state of establishing of sequences of activities. Each stage contributes to plan formulation in the following ways:





## **STEPS IN PLANNING:**

### **Step 1: Perception of Opportunities**

Perception of opportunities is not strictly a part of the planning process. But this awareness of opportunities in the external environment as well as within the organisation is the real starting point for planning. It is important to take a preliminary look at possible future opportunities and see them clearly and completely. All managers should know where they stand in the light of their strengths and weaknesses, understand the problems they wish to solve and know what they gain. Setting objectives depends on the awareness. Planning requires realistic diagnosis of the opportunity situation.

### **Step 2: Establishing Objectives**

This is the second step in the planning process. The major organisational and unit objectives are set in this stage. This is to be done for the long term as well as for the short range. Objectives specify the expected results and indicate the end points of what is to be done, where the primary emphasis is to be placed and what is to be accomplished by the various types of plans.

Organisational objectives give direction to the major plans, which by reflecting these objectives define the objective of every major department. Major objectives, in turn, control the objectives of subordinate departments and so on down the line. In other words, objectives form a hierarchy. The objectives of lesser departments will be more accurate if subdivision managers understand the overall enterprise objectives and the derivative goals. Managers should also have the opportunity to contribute their ideal to setting their own goals and those of the organisation.

### **Step 3:Planning Premises**

After determination of organisational objectives,the next step is establishing planning premises that is the conditions under which planning activities will be undertaken. Planning premises are planning assumptions the expected environmental and internal conditions.

Thus,planning premises are external and internal.External premises include total factors in task environment like political,social,technological,competitors,plans and actions,government policies.Internal factors include organization's policies,resources of various types,and the ability of the organisation to withstand the environmental pressure.The plans are formulated in the light of both external and internal factors.

The nature of planning premises differs at different levels of planning.At the top level, it is mostly externally focused.As one moves down the organisational hierarchy the composition of planning premises changes from external to internal.The major plans both old and new will materially affect the future against which the managers at lower units must plan.

### **Step 4:Identification of Alternatives**

The fourth step in planning is to identify the alternatives.Variou alternatives can be identified based on the organisational objectives and planning premises.The concept of various alternatives suggests that a particular objective can be achieved through various actions.

For example,if an organisation has set its objectives to grow further,it can be achieved in several ways like expanding in the same Field of business or product line diversifying in other areas,joining hands with other organisations,or taking over another organisation and so on.Within each category,there may be several alternatives.

The most common problem is not finding alternatives but reducing the number of alternatives so that the most promising may be analysed.Even with mathematical techniques and the computer,there is a limit to the number of alternatives that can be thoroughly examined.The planner must usually make a preliminary examination to discover the most fruitful possibilities.

### **Step 5:Evaluation of Alternatives**

The various alternative course of action should be analysed in the light of premises and goals. There are various techniques available to evaluate alternatives. The evaluation is to be done in the light of various factors. Example, cash inflow and outflow, risks, limited resources, expected pay back etc., the alternatives should give us the best chance of meeting our goals at the lowest cost and highest profit.

#### **Step 6: Choice of Alternative Plans**

This is the real point of decision-making. An analysis and evaluation of alternative courses will disclose that two or more alternatives are advisable and beneficial. The fit one is selected.

#### **Step 7: Formulation of Supporting Plan**

After formulating the basic plan, various plans are derived so as to support the main plan. In an organisation there can be various derivative plans like planning for buying equipment, buying raw materials, recruiting and training personnel, developing new product etc. These derivative plans are formulated out of the basic or main plan and almost invariably required to support the basic plan.

#### **Step 8: Establishing Sequence of Activities**

After formulating basic and derivative plans, the sequence of activities is determined so those plans are put into action. After decisions are made and plans are set, budgets for various periods and divisions can be prepared to give plans more concrete meaning for implementation.

The overall budgets of an enterprise represent the sum total of income and expenses, with resultant profit or surplus, and budgets of major balance sheet items such as cash and capital expenditures. Each department or program of a business or other enterprise can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budget.

## BENEFITS OF PLANNING

Some of the benefits include the following:

- **Planning provides a guide for action:** Plans can direct everyone's actions toward desired outcomes. When actions are coordinated and focused on specific outcomes, they are much more effective.

· **Planning improves resource utilization:** Resources are always scarce in organizations, and managers need to make sure the resources they have are used effectively. Planning helps managers determine where resources are most needed so they can be allocated where they will provide the most benefit.

· **Plans provide motivation and commitment:** People are not motivated when they do not have clear goals and do not know what is expected of them. Planning reduces uncertainty and indicates what everyone is expected to accomplish. People are more likely to work toward a goal they know and understand.

**Plans set performance standards:** Planning defines desired outcomes as well

as mileposts to define progress. These provide a standard for assessing when things are progressing and when they need correction.

- **Planning allows flexibility:** Through the goal-setting process, managers identify key resources in the organization as well as critical factors outside the organization that need to be monitored. When changes occur, managers are more likely to detect them and know how to deploy resources to respond.

## TYPES OF PLANNING

The process of planning may be classified into different categories on the following basis:

### (i) Nature of Planning

**a. Formal Planning:** Planning is formal when it is reduced to writing. When the numbers of actions are large it is good to have a formal plan since it will help adequate control.

The term formal means official and recognised. Any planning can be done officially to be followed or implemented. Formal planning aims to determine the objectives of planning. It is the action that determines in advance what should be done.

**b. Informal Planning:** An informal plan is one, which is not in writing, but it is conceived in the mind of the manager. Informal planning will be effective when the number of actions is less and actions have to be taken in short period.

### (ii) Duration of Planning

**a. Short Term Planning;** Short term planning is the planning which covers less than two years. It must be formulated in a manner consistent with long-term plans. It is considered as tactical planning.

Short-term plans are concerned with immediate future; it takes into account the available resources only and is concerned with the current operations of the business. These may include plans concerning inventory planning and control, employee training, work methods etc.

**b. Long Term Planning;** Long-term planning usually covers a period of more than five years, mostly between five and fifteen years. It deals with broader technological and competitive aspects of the organisation as well as allocation of resources over a relatively long time period. Long-term planning is considered as strategic planning.

Short-term planning covers the period of one year while long term planning covers 5-15 years. In between there may be medium-term plans. Usually, medium term plans are focusing on between two and five years. These may include plan for purchase of materials, production, labour, overhead expenses and so on.

### (iii) Levels of Management

**a.Strategic Planning:** The strategic planning is the process of determining overall objectives of the organisation and the policies and strategies adopted to achieve those objectives. It is conducted by the top management, which include chief executive officer, president, vice-presidents, General Manager etc. It is a long range planning and may cover a time period of up to 10 years.

It basically deals with the total assessment of the organisation's capabilities, its strengths and its weaknesses and an objective evaluation of the dynamic environment. The planning also determines the direction the company will be taking in achieving these goals,

**b.Intermediate Planning:** Intermediate planning cover time frames of about 6 months to 2 years and is contemplated by middle management, which includes functional managers, department heads and product line managers. They also have the task of polishing the top management strategic plans.

The middle management will have a critical look at the resources available and they will determine the most effective and efficient mix of human, financial and material factors. They refine the broad strategic plans into more workable and realistic plans.

**c.Operational Planning:** Operational planning deals with only current activities. It keeps the business running. These plans are the responsibility of the lower management and are conducted by unit supervisors, foremen etc. These are short-range plans covering a time span from one week to one year.

These are more specific and they determine how a specific job is to be completed in the best possible way. Most operational plans are divided into functional areas such as production, finance, marketing, personnel etc.

Thus even though planning at all levels is important, since all levels are integrated into one, the strategic planning requires closer observation since it establishes the direction of the organisation.

### (iv) Use

**a.Standing Plan:** Standing plan is one, which is designed to be used over and over again. Objectives, policies, procedures, methods, rules and strategies are included in standing plans. Its nature is mechanical. It helps executives to reduce their workload.

Standing plan is also called routine plan. Standing or routine plan is generally long range.

**b.Single Use Plan:** Single use plan is one, which sets a course of action for a particular set of circumstances and is used up once the particular goal is achieved. They may include programme, budgets, projects and schedules. It is also called specific planning. Single use plan is short range.

## (v)Based on What the Plans Seek to Achieve

**a.Objectives:** The first step in planning is setting objectives.Objectives,therefore, can be said to be the desired future position that the management would like to reach. Objectives are very basic to the organisation and they are defined as ends which the management seeks to achieve by its operations.Therefore,an objective simply stated is what you would like to achieve,i.e.,the end result of activities.

For example,an organisation may have an objective of increasing sales by 10%or earning a reasonable rate of return on investment,earn a 20%profit from business.

They represent the end point of planning.All other managerial activities are also directed towards achieving these objectives.They are usually set by top management of the organisation and focus on broad,general issues.They define the future state of affairs which the organisation strives to realize.They serve as a guide for overall business planning.Different departments or units in the organisation may have their own objectives.

Objectives need to be expressed in specific terms i.e.,they should be measurable in quantitative terms,in the form of a written statement of desired results to be achieved within a given time period.

**b.Strategy:** A strategy provides the broad contours of an organisation's business.It will also refer to future decisions defining the organisations direction and scope in the long run.Thus,we can say a strategy is a comprehensive plan for accomplishing an organisation's objectives.

This comprehensive plan will include three dimensions,(i)determining long term objectives,(i)adopting a particular course of action,and(i)allocating resources necessary to achieve the objective.

Whenever a strategy is formulated,the business environment needs to be taken into consideration.The changes in the economic,political,social,legal and technological environment will affect an organisation's strategy.Strategies usually take the course of forming the organisation's identity in the business environment.

Major strategic decisions will include decisions like whether the organisation will continue to be in the same line of business,or combine new lines of activity with the existing business or seek to acquire a dominant position in the same market.For example,a company's marketing strategy has to address certain questions i.e.,who are the customers?What is the demand for the product?Which channel of distribution to use?What is the pricing policy?and How do we advertise the product. These and many more issues need to be resolved while formulating a marketing strategy for any organisation.

**c.Policy:** Policies are general statements that guide thinking or channelise energies towards a particular direction.Policies provide a basis for interpreting strategy which is usually stated in general terms.They are guides to managerial action and decisions in the implementation of strategy.For example,the company may have a recruitment policy,pricing policy within which objectives are set and decisions are made.If there is an established policy,it becomes easier to resolve problems or issues.As such,a policy is the general response to a particular problem or situation.



There are policies for all levels and departments in the organisation ranging from major company policies to minor policies. For example, the decisions taken under a Purchase Policy would be in the nature of manufacturing or buying decisions.

Should a company make or buy its requirements of packages, transport services, printing of stationery, water and power supply and other items? How should vendors be selected for procuring supplies? How many suppliers should a company make purchases from? What is the criterion for choosing suppliers? All these queries would be addressed by the Purchase Policy.

**d.Procedure:** Procedures are routine steps on how to carry out activities. They detail the exact manner in which any work is to be performed. They are specified in a chronological order. For example, there may be a procedure for requisitioning supplies before production.

Procedures are specified steps to be followed in particular circumstances. They are generally meant for insiders to follow. The sequences of steps or actions to be taken are generally to enforce a policy and to attain pre-determined objectives. Policies and procedures are interlinked with each other. Procedures are steps to be carried out within a broad policy framework.

**e.Method:** Methods provide the prescribed ways or manner in which a task has to be performed considering the objective. It deals with a task comprising one step of a procedure and specifies how this step is to be performed. The method may vary from task to task. Selection of proper method saves time, money and effort and increases efficiency.

For imparting training to employees at various levels from top management to supervisory, different methods can be adopted. For example for higher level management orientation programmes, lectures and seminars can be organised whereas at the supervisory level, on the job training methods and work oriented methods are appropriate.

**f.Rule:** Rules are specific statements that inform what is to be done. They do not allow for any flexibility or discretion. It reflects a managerial decision that a certain action must or must not be taken. They are usually the simplest type of plans because there is no compromise or change unless a policy decision is taken.

**g.Programme:** Programmes are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. Programmes will include the entire gamut of activities as well as the organisation's policy and how it will contribute to the overall business plan. The minutest details are worked out i.e., procedures, rules, budgets, within the broad policy framework.

**h.Budget:** A budget is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures. For example, a sales budget may forecast the sales of different products in each area for a particular month.

A budget may also be prepared to show the number of workers required in the factory at peak production times. Since budget represents all items in numbers, it becomes easier to compare actual figures with expected figures and take corrective action subsequently.

Thus, a budget is also a control device from which deviations can be taken care of. But making a budget involves forecasting, therefore, it clearly comes under planning. It is a fundamental planning instrument in many organisations.

## PLANNING TOOLS AND TECHNIQUES

A number of tools and techniques exist to help managers in planning and decision-making process. Some of these techniques include: Tree Diagrams; Matrix Diagrams; Arrow Diagrams (or CPM); Pest Analysis; and Competitor Analysis.

### Tree Diagrams

- Tree Diagrams are also called: systematic diagram, tree analysis, analytical tree, hierarchy diagram.
- The tree diagram starts with one item that branches into two or more, each of which branch into two or more, and so on.

It looks like a tree, with trunk and multiple branches. It is used to break down broad categories into finer and finer levels of detail.

- Developing the tree diagram helps you move your thinking step by step from generalities to specifics.

When to Use a Tree Diagram:

- When an issue is known or being addressed in broad generalities and you must move to specific details, such as when developing logical steps to achieve an objective.
- When developing actions to carry out a solution or other plan.
- When analyzing processes in detail.
- When probing for the root cause of a problem.
- When evaluating implementation issues for several potential solutions.
- After an affinity diagram or relations diagram has uncovered key issues. · As a communication tool, to explain details to others.

### Matrix Diagrams

- Matrix Diagram is also called: matrix, matrix chart.
- The matrix diagram shows the relationship between two, three or four groups of information.
- It also can give information about the relationship, such as its strength, the roles played by various individuals or measurements.

Six differently shaped matrices are possible: L, T, Y, X, C and roof-shaped, depending on how many groups must be compared.

### Arrow (CPM) Diagrams

- It is also called: activity network diagram, network diagram, activity chart, node diagram, CPM (critical path method) chart or PERT (program evaluation and review technique) chart.
- The arrow diagram shows the required order of tasks in a project or process, the best schedule for the entire project, and potential scheduling and resource problems and their solutions.
- The arrow diagram lets you calculate the “critical path” of the project. This is the flow of critical steps where delays will affect the timing of the entire project and where addition of resources can speed up the project.

When to Use an Arrow Diagram;

- a. When scheduling and monitoring tasks within a complex project or process with interrelated tasks and resources.
- b. When you know the steps of the project or process, their sequence and how long each step takes, and.
- c. When project schedule is critical, with serious consequences for completing the project late or significant advantage to completing the project early.

### PEST Analysis

- Another planning tool utilized by managers is PEST Analysis. PEST analysis stands for "Political, Economic, Social, and Technological analysis" and describes a framework of macro environmental factors used in the environmental scanning component of strategic management.
- It is a part of the external analysis when conducting a strategic analysis or doing market research, and gives an overview of the different macro environmental factors that the company has to take into consideration.
- It is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations.

### Competitor Analysis

- Some businesses think it is best to get on with their own plans and ignore the competition. Others become obsessed with tracking the actions of competitors (often using underhand or illegal methods). Many businesses are happy simply to track the competition, copying their moves and reacting to changes. Thus,  
Competitor analysis is an important part of the strategic planning process
- Competitor analysis has several important roles in strategic planning:
- To help management understand their competitive advantages/disadvantages relative to competitors
- To generate understanding of competitors' past, present (and most importantly)

future strategies

- To provide an informed basis to develop strategies to achieve competitive advantage in the future.
- To help forecast the returns that may be made from future investments(e.g. how will competitors respond to a new product or pricing strategy?)

## ORGANISING

### **DEFINITIONS**

Organisation is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives.-Louis Allen.

Organisation is the process so combining the work which individuals or groups have to perform with the facilities necessary for its execution, that the duties so performed provide the best channels for the efficient, systematic, positive and coordinated application of the available effort.-Oliver Sheldon.

Organising is the process of bringing together physical, financial & human resources and developing productive relationship amongst them for achievement of organizational goals. It involves establishing an intentional structure of roles for people to fill in an organization.

## **IMPORTANCE OF ORGANISATION**

### **1.Facilitates Administration:**

Sound organisation helps in the performance of management functions like planning, staffing, directing and controlling. Inadequate organisation may result in duplication of work and efforts and some of the important operations may be left out. Sound organisation facilitates the performance of various managerial functions by division of labour, consistent delegation or job definition and clarity of authority and responsibility relationship.

### **2.Promoters Growth and Diversification;**

Sound organisation designed on scientific principles can create conditions conducive to planned expansion and diversification of the activities of the enterprise. It can help in keeping the various activities under control and increase the capacity of the enterprise to undertake more activities.

### **3.Co-Ordination:**

Organisation is an important means of bringing co-ordination among the various departments of the enterprise. It creates clear-cut relationship between the departments and helps in laying down balanced emphasis on various activities. It also provides for the channels of communication for the coordination of the activities of different departments.

### **4.Optimum Use of Technological Innovations:**

A sound organisational structure is flexible to give adequate scope for the improvement in technology. It facilitates introducing changes in the enterprise by modifying the authority and responsibility relationship in the wake of new developments.

### **5.Optimum Use of Human Resources:**

Sound organisation matches the jobs with the individuals and vice-versa. It ensures that every individual is placed on the job for which he is best suited. This helps in the better use of individuals working in the enterprise.

### **6.Stimulates Creative Thinking:**

An organisational structure based on clear-cut demarcation of authority, higher range of responsibility, discretionary freedom granted to personnel, incentives offered for specialised work, etc. will certainly foster the spirit of constructive and creative thinking. Such an atmosphere will give an opportunity for the staff to display their hidden creative talents which, in turn, will lift the enterprise to achieve higher goals of business.

## **7.Training and Development:**

An effective organisation facilitates delegation of authority which is an important device for training and developing the personnel. Delegation of authority is also an important means of directing the subordinates. It prepares them to take more responsibilities whenever need arises.

## **PRINCIPLES OF ORGANISATION**

Some of the Principles of Organization are:

- 1.Unity of Objectives.
- 2.Division of Work and Specialization.
- 3.Delegation of Authority.
- 4.Coordination
- 5.Unity of Command.
- 6.Flexibility
- 7.Simplicity
- 8.Span of Control.
- 9.Authority and Responsibility.

### **Principles #1.Unity of Objectives:**

Objectives of the enterprise influence the organization structure and hence the objectives of the enterprise should first be decided clearly and firmly. In addition, there should be unity among the objectives decided. This gives clear direction to the whole organization and it will be geared for the achievement of such objectives. The organization acts as a tool for achieving the objectives.

### **Principles #2.Division of Work and Specialization:**

Division of work leads to specialization. Every department of an organization should be given specialized functions. This will raise the overall efficiency and quality of work of an organization

### **Principles #3.Delegation of Authority:**

There should be proper delegation of authority in every organization, particularly in large organizations. The basic idea behind delegation is to see that decision-making power is placed at a proper place. Delegation should go to the lower levels of management. Everyone should be given authority, which is adequate to accomplish the task assigned to him. Delegation is useful for getting the things done through

others.

A successful manager normally does not perform the jobs by himself. He delegates the authority and responsibility to his subordinates. He also motivates his subordinates

and sees that they take initiative, work efficiently and contribute for achieving organizational objectives.

#### **Principles #4.Coordination:**

Organization involves division of work and departmentation. This naturally suggests the need of proper coordination among the departments and efforts of people working in an organization. Due to coordination one clear-cut direction is given to people/departments, and efforts will not be wasted.

#### **Principles #5.Unity of Command:**

Unity of command principle suggests that each subordinate should have only one superior whose command he has to obey. Dual subordination is undesirable as it leads to confusion, disorder, uneasiness and indiscipline. An employee should not have more than one boss to whom he has to report and also function as per his orders and instructions. Reporting to more than one boss leads to confusion.

#### **Principles #6.Flexibility:**

According to the principle of flexibility, the organization structure should be flexible and not rigid. Such structure is adaptable to changing situations and permits expansion or replacement without any serious dislocation and disruption. There should be an in-built arrangement to facilitate growth and expansion of an enterprise.

#### **Principles #7.Simplicity:**

The organization structure should be simple for clear understanding of employees. The structure should be easy to manage. Internal communication will be easy due to simplicity of organization. The organization structure should be simple as far as possible. The levels of management should also be limited.

#### **Principles #8.Span of Control:**

The span of control, as far as possible, should be small and fair. This means a manager should not be asked to keep supervision on large number of subordinates. The span of control should be narrow and manageable. It should be properly balanced.

#### **Principles #9.Authority and Responsibility:**

Authority acts as a powerful tool by which a manager can achieve a desired objective. Authority of every manager should be clearly defined. Moreover, it should be adequate to discharge the responsibilities assigned. The superior should be held responsible for the acts of his subordinates. He cannot run away from the responsibility simply by delegating authority to his subordinates.



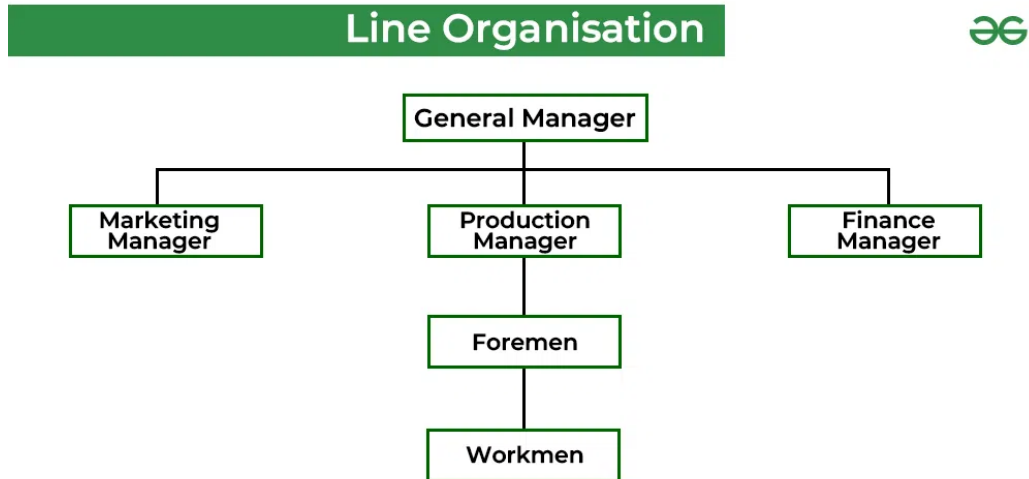
## TYPES OF ORGANISATION STRUCTURES

There are several types of formal organisation based on their structure, which are discussed as follows:

1. Line Organisation
2. Line and Staff Organisation
3. Functional Organisation
4. Project Organisation
5. Matrix Organisation

### 1. LINE ORGANISATION

- Line organisation is the simplest organisation structure and it also happens to be the oldest organisation structure. It is also known as Scalar or military or departmental type of organisation.
- In this type of organisational structure, the authority is well defined and it flows vertically from the top to the hierarchy level to the managerial level and subordinates at the bottom and continues further to the workers till the end.
- There is a clear division of accountability, authority and responsibility in the line organisation structure.



### Advantages of Line organisation

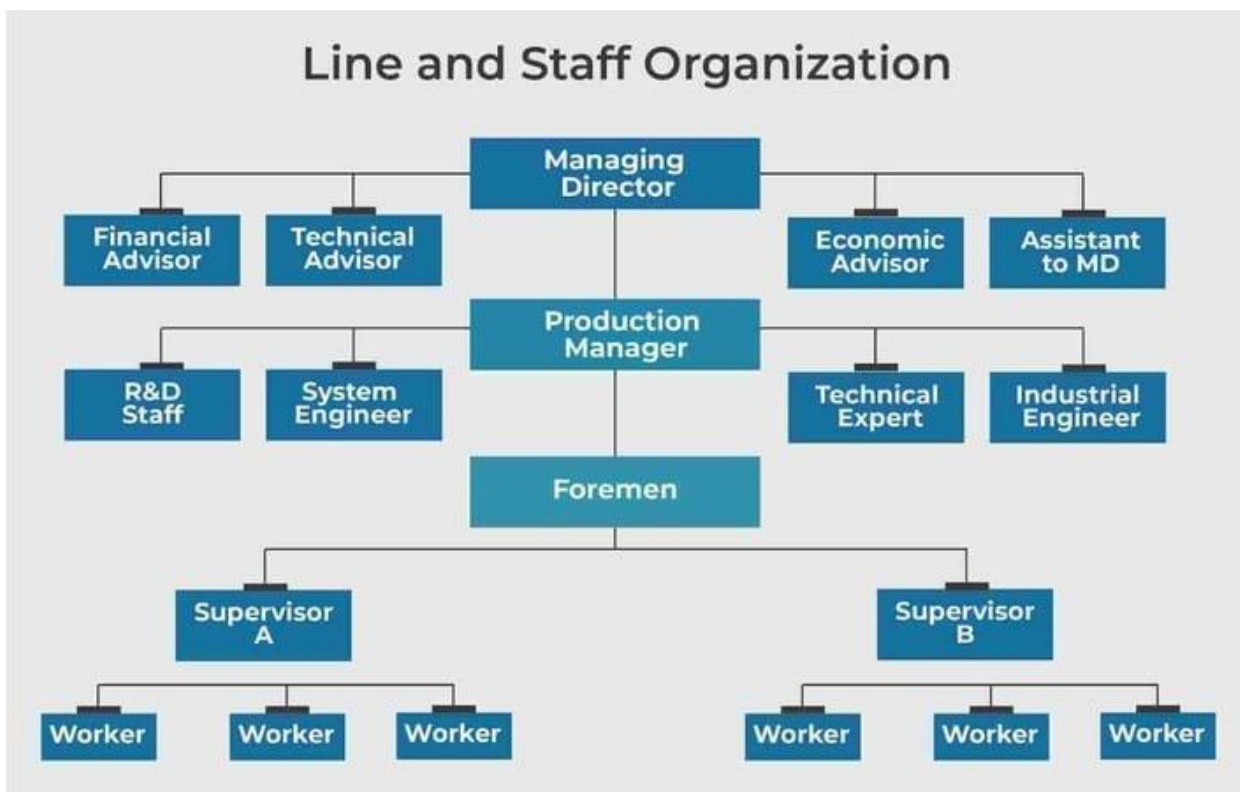
- a.Simple structure and easy to run
- b.Instructions and hierarchy clearly defined
- c.Rapid decision making
- d.Responsibility fixed at each level of the organisation.

### Disadvantages of Line organisation:

- a.It is rigid in nature
- b.It has a tendency to become dictatorial.
- c.Each department will be busy with their work instead of focusing on the overall development of the organisation.

## 2.LINE AND STAFF ORGANISATION

- Line and staff organisation is an improved version of the line organisation.In line and staff organisation,the functional specialists are added in line.The staff is for assisting the line members in achieving the target effectively.



### Advantages of Line and Staff organisation

- a. Easy decision making as work is divided.
- b. Greater coordination between line and staff workers.
- c. Provides workers the opportunity for growth.

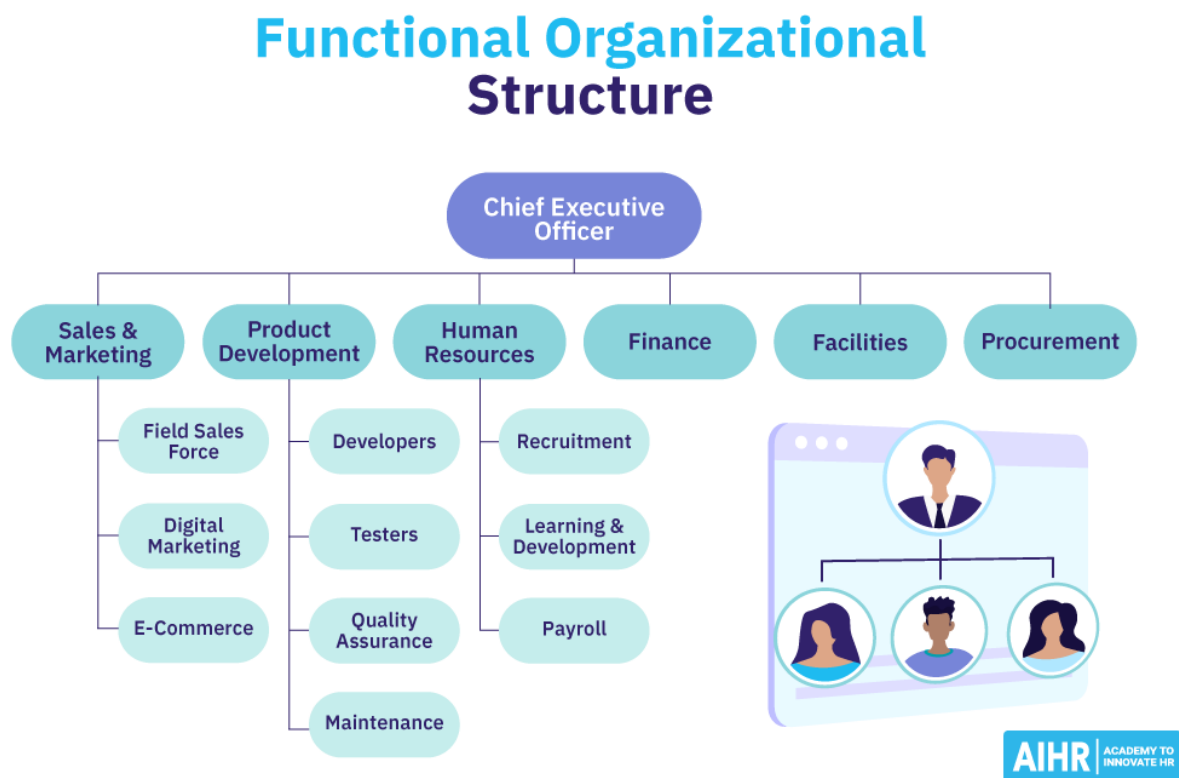
### Disadvantages of Line and Staff Organisation

- a. Conflict may arise between line and staff members due to the improper distribution of authority.
- b. Staff members provide suggestions to the line members and decision is taken by line members; it makes the staff members feel ignored.

### 3. FUNCTIONAL ORGANISATION

Functional organisation structure is the type of organisation where the task of managing and directing the employees is arranged as per the function they specialise.

In a functional organisation, there are three types of members, line members, staff members and functional members.



**Fig: Functional Organisational Structure**

### **Advantages of Functional organisation**

- a. Manager has to perform a limited number of tasks which improves the accuracy of the work.
- b. Improvement in product quality due to involvement of specialists.

### **Disadvantages of Functional organisation**

- a. It is difficult to achieve coordination among workers as there is no one to manage them directly.
- b. Conflicts may arise due to the members having equal positions.

## **4.PROJECT ORGANISATION**

- A project organisation is a temporary form of organisation structure that is formed to manage projects for a specific period of time.
- This form of organisation has specialists from different departments who are brought together for developing a new product.

### **Advantages of Project Organisation**

- a. The presence of many specialists from different departments increases the coordination among the members.
- b. Each individual has a different set of responsibilities which improves control of the process

### **Disadvantages of Project Organization**

- a. There can be a delay in completion of the project.
- b. Project managers may find it difficult to judge the performance of different specialists

# Projectized Organization Structure



## 5.MATRIX ORGANISATION

Matrix organisation is the latest form of organisation that is a combination of Functional and project organization.

In such organisations there are two lines of authority, the functional part of the organisation and project management part of the organisation and they have vertical and horizontal flow of authority, respectively.

### Advantages of Matrix Organisation

- Since the matrix organisation is a combination of functional and project management teams, there is an improved coordination between the vertical and horizontal functions.
- Employees are motivated as everyone will be working towards one project.

### Disadvantages of Matrix Organisation

- Due to the presence of vertical and horizontal communication, there will be increased cost and paperwork.
- Having multiple supervisors for the workers leads to confusion and difficulty in control.



Span of control (or span of management) is the number of subordinates who report directly to a manager or leader. The more employees assigned to a manager, the wider their span of control.

### **Centralization and Decentralization of Authority:**

Centralization and Decentralization are two modes of working in any organization. In centralization, there is a hierarchy of formal authority for making all the important decision for the organization. And in decentralization decision making is left for the lower level of organization.

## **LEADING**

### **MEANING**

Leading consists of motivating employees and influencing their behavior to achieve organizational objectives. Leading focuses on managing people, such as individual employees, teams and groups rather than tasks.

They act as agents who influence the behaviour of employees to achieve the organisational goals and also ensure that organizational plans and policies satisfy the interests of the workforce. Managers, thus, direct employees' behaviour towards organisational and individual/group goals.

## DEFINITIONS

Leadership is "the process of influencing and supporting others to work enthusiastically *towards achieving objectives.*" *Bernard Keys and Thomas*

Leadership is "the ability to secure desirable actions from a group of followers *voluntarily without the use of coercion.*"—*Alford and Beattay*

## NATURE

Following are the nature of leadership:

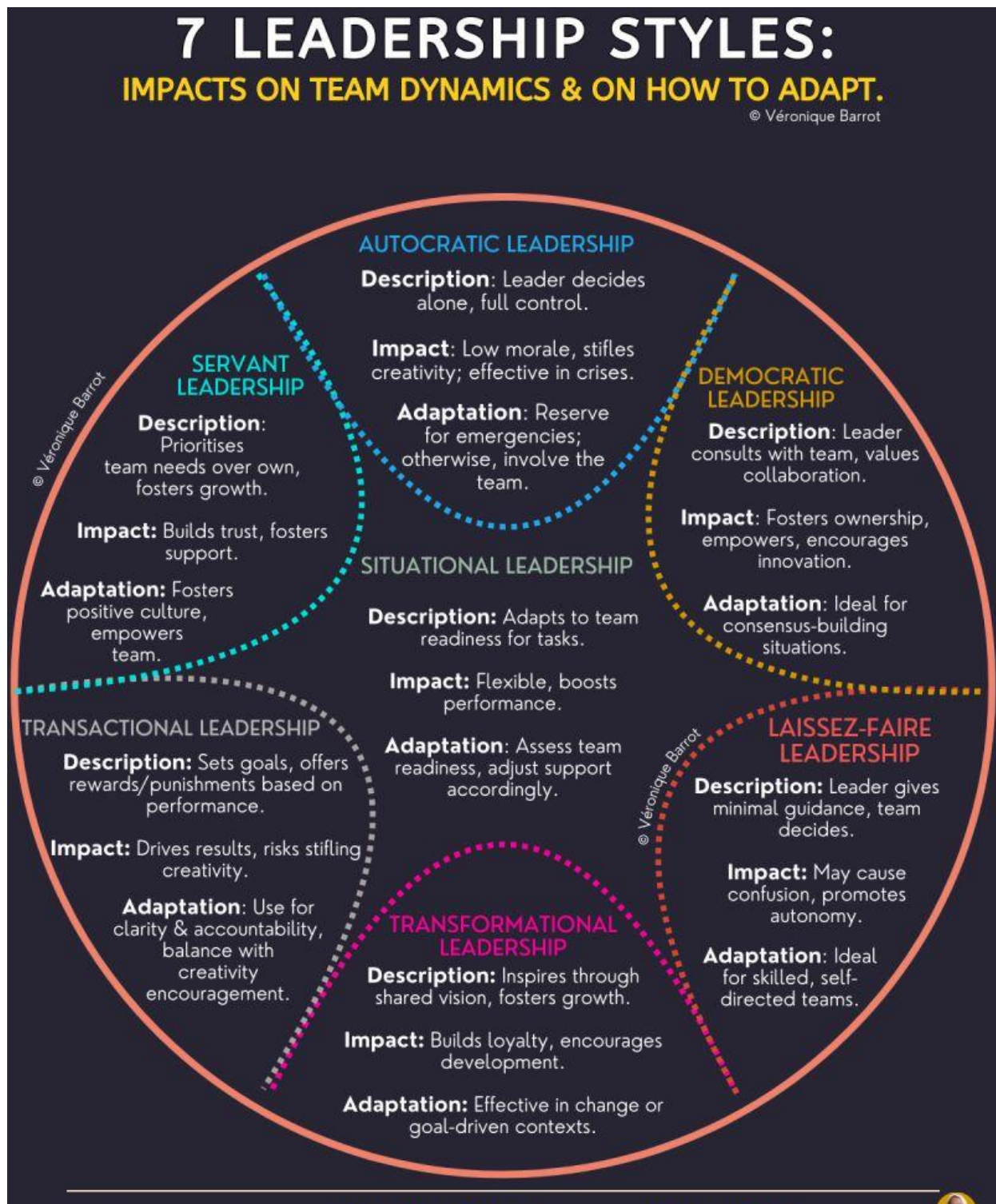
- Leadership derives from the power and is similar to, yet distinct from, management. In fact, "leadership" and "management" are different. There can be leaders of completely unorganized groups, but there can be managers only of organized groups. Thus, it can be said that a manager is necessarily a leader but a leader may not be a manager.
- Leadership is essential for managing. The ability to lead effectively is one of the keys to being an effective manager because she/he has to combine resources and lead a group to achieve objectives.
- Leadership and motivation are closely interconnected. By understanding motivation, one can appreciate better what people want and why they act as they do. A leader can encourage or dampen workers' motivation by creating a favorable or unfavorable working environment in the organization.

The essence of leadership is followership. In other words, it is the willingness of people to follow a person that makes that person a leader. Moreover, people tend to follow those whom they see as providing a means of achieving their desires, needs and wants.

- Leadership involves an unequal distribution of power between leaders and group members. Group members are not powerless; they can shape group activities in some ways. Still, the leader will usually have more power than the group members,
- Leaders can influence the followers' behavior in some ways. Leaders can influence workers either to do ill or well for the company. The leader must be able to empower and motivate the followers to the cause.
- The leader must co-exist with the subordinates or followers and must have a clear idea about their demands and ambitions. This creates loyalty and trust in subordinates for their leader.
- Leadership is to be concerned about values. Followers learn ethics and values from their leaders. Leaders are the real teachers of ethics, and they can reinforce ideas. Leaders need to make positive statements of ethics if they are not hypocritical.
- Leading is a very demanding job both physically and psychologically. The leader must have the strength, power, and ability to meet the bodily requirements; zeal, energy, and patience to meet the mental requirements for leading.



## Leadership Styles:



## THEORIES OF LEADERSHIP

In influencing the people in the organization towards the goals of the organization, there have been various approaches adopted by different set of leaders, as one model may not be suitable for different organizations with different set of objectives. Some of the theories of leadership are:

- Trait Theory/Great-Man Theory of Leadership
- Behavioural Theories
- Contingency/Situational Theories,
- Transactional Theory of Leadership
- Transformational Theory of Leadership

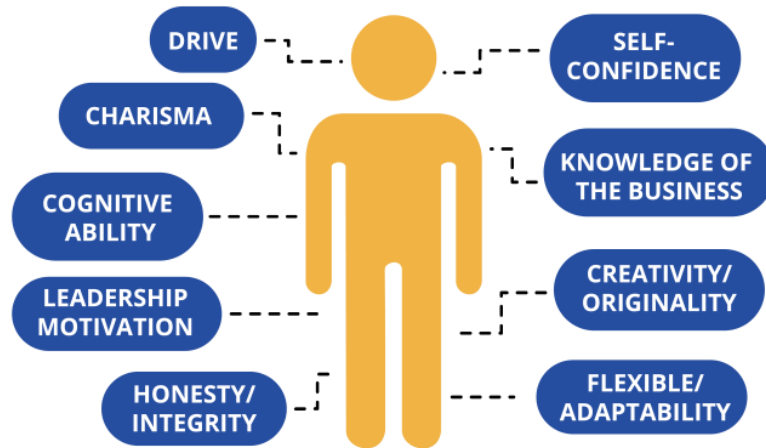
### TRAIT THEORY OF LEADERSHIP

Trait theory states that leaders are endowed with superior, unique, or inherent qualities, or naturally occurring tendencies, differentiating them from followers. Trait approach theories study any exceptional or distinct qualities differentiating the leader from the followers, with the implication that it should be possible to identify a leader based on those traits.

Leaders like Mahatma Gandhi, Indira Gandhi, Margaret Thatcher, Nelson Mandela, Narayana Murthy of Infosys, Apple's Co-founder Steve Jobs etc. have been identified, based on the traits that they displayed. For instance, when Margaret Thatcher was the prime minister of the Great Britain, she was regularly described as a confident, iron-willed, determined and decisive leader. Thus, the trait theories of leadership consider personal qualities and characteristics that differentiate leaders from non-leaders.

In the beginning, the assumption behind trait theory was that 'leaders are born and not made'. This concept was popularly known as the 'Great Man Theory' of leadership. The great man theory was originally proposed by Thomas Carlyle in 1949 and the assumption behind this theory is that 'great leaders will arise, when there is great need'. The theory also assumes that a leader cannot be a normal person and they are different from the average person in terms of personality traits such as intelligence, perseverance and ambition.

# CORE TRAITS OF A LEADER



## BEHAVIOURAL THEORIES

This theoretical approach focuses on the leader's observable behaviors that influence followers to commit their actions to meet the specified task requirement of the leader. The theory stipulates the leader's behavior is the cue that evokes the followers' actions to accomplish a task or behave in a certain manner.

While the assumption behind traits theory is that "leaders are born, rather than made", behavioural theories assume that specific behavioural patterns of leaders can be acquired through learning and experience. While the trait theory concentrates on "what the leaders are", the behavioural theories concentrate on "what the leaders do". In this section, four different behavioural patterns of leadership have been dealt with, which are as follows:

### 1. Ohio State Studies

One of the foremost studies that emanated on behavioural theories was the study made by Ohio State University in 1945 by E.A. Fleishman, E.F. Harris and H.E. Burt. The study narrowed the leadership behaviours into two categories, viz. initiating structure and consideration, under which the various leadership behaviours were clubbed.

- i. **Initiating Structure:** Initiating structure refers to the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behaviour that attempts to organize work, work relationships, and goals. A leader with initiating structure is generally task oriented, with focus on performance of employees and meeting of deadlines.

ii. **Consideration:** As per “consideration” category, a leader pays more attention to

the employee of the organization rather than the task and shows concern for the well-being, comfort and satisfaction of employees. That is, a leader focuses on the relationships that are characterised by mutual trust, respect for employees' ideas, and regard for their feelings.

## 2. University of Michigan Studies

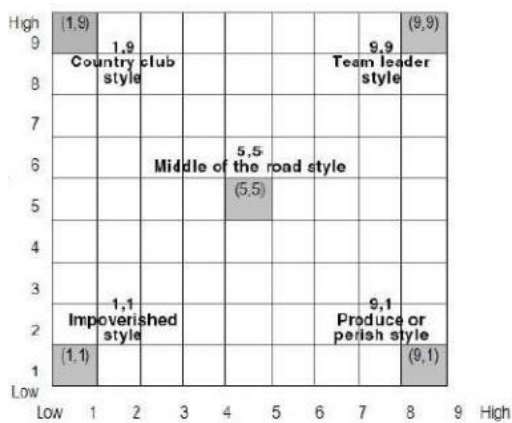
Similar to the Ohio State University studies, research on leadership studies was also carried out by the University of Michigan's Research centres, in 1946 by Rensis Likert and his associates. The study made an analysis of the relationship between leadership behaviours and organizational performances. Michigan Studies also identified a two-factor component, viz. “employee-oriented leader” and “production-oriented leader”.

- i. **Employee-Oriented Leader:** The concern of the employee-oriented leaders were more on the interpersonal relations with the employees and such leaders paid more attention on the needs of the employees and accepted the individual differences among members.
- ii. **Production-Oriented Leader:** The production oriented leaders paid attention to the technical aspects of the job or the tasks assigned to the employees, rather than on employees. Such leaders gave least importance to the group members, and regarded the employees as only a means to achieve the ends, that is, the goals of an organization.

It can be found that the two-factor conceptualization of the Ohio study is similar to the two-way dimension of the Michigan studies. While the employee-oriented leadership can be compared with the “consideration” component of Ohio studies, production-oriented leadership can be compared with “initiating structure”. While the Ohio studies considered both its components to be important for effective leadership, the Michigan studies gave supremacy to the component of “employee-orientation” over “production-orientation”.

## 3. The Managerial Grid

Like the Ohio State studies and Michigan studies, the Managerial Grid theory of leadership was also based on the styles of “concern for people” and “concern for production”. The Managerial Grid theory of leadership was proposed by Robert Blake and Jane Mouton in 1964. This theory which is depicted in a graphical form is also known as the “Leadership Grid Theory”. The grid is a nine-by-nine matrix which outlines 81 different styles of leadership. The grid has 9 possible positions along each axis creating 81 different positions in which the leader's style may fall.



## Leader's Trait

In order to assess the attitudes of the leader, Fiedler developed the **Least Preferred Co-Worker' (LPC)** scale in which the leaders are asked about the person with whom they least like to work. The scale is a questionnaire consisting of 16 items used to reflect a leader's underlying disposition toward others.

The items in the LPC scale are pleasant /unpleasant, friendly/unfriendly, rejecting/accepting, unenthusiastic/enthusiastic, tense/relaxed, cold/warm, helpful/frustrating, cooperative/uncooperative, supportive/hostile, quarrelsome/harmonious, (efficient/inefficient, gloomy/cheerful, distant/close, boring/interesting, self-assured/hesitant, open/guarded. Each item in the scale is given a single ranking of between one and eight points, with eight points indicating the most favorable rating.

**Friendly**

**Unfriendly**

8 7 6 5 4 3 2 1

## Situational Factor

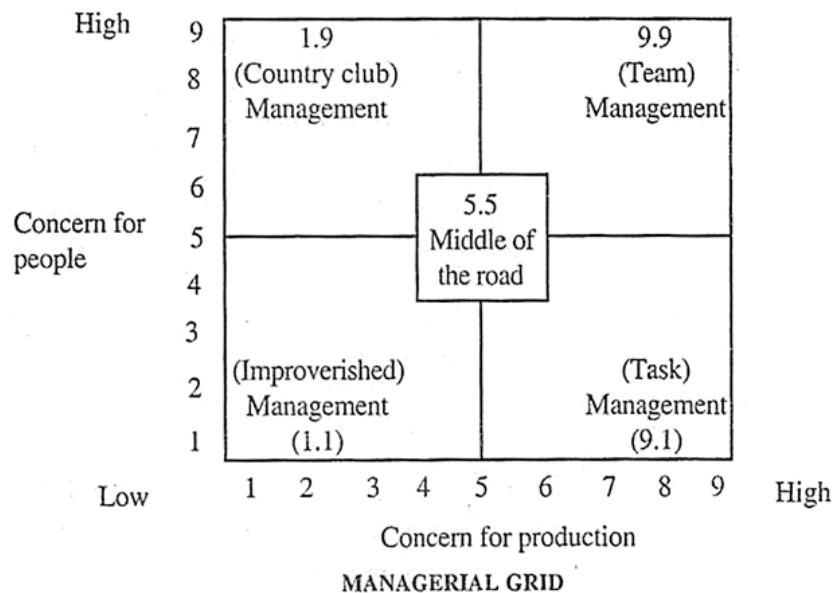
According to Fiedler, a leader's behavior is dependent upon the favorability of the leadership situation. Three factors work together to determine how favorable a situation is to a leader.

These are:

- **Leader-Member Relations** - The degree to which the leaders is trusted and liked by the group members, and the willingness of the group members to follow the leader's guidance
- **Task Structure** - The degree to which the group's task has been described as structured or unstructured, has been clearly defined and the extent to which it can be carried out by detailed instructions
- **Position Power** - The power of the leader by virtue of the organizational position and the degree to which the leader can exercise authority on group members in order to comply with and accept his direction and leadership.

With the help of these three variables, eight combinations of group-task situations were constructed by Fiedler. These combinations were used to identify the style of the leader.





\*\*Log in to <http://edu-article.blogspot.com>

**Fig:Managerial Grid**

Through the Managerial Grid, 5 kinds of Leadership Style was identified, which include the following:

- Impoverished**, in which there is low concern for people and production (1 by 1)
- Country Club**, wherein the concern for production is low, but for people is high (1 by 9)
- Task**, in which there is high concern for production and low concern for people (9 by 1)
- Middle of the Road**, where there is moderate concern for both the production and the people (5 by 5)
- Team**, wherein there is high concern for both the people and production (9 by 9).

## CONTINGENCY/SITUATIONAL THEORIES

Sometimes the success of a leader does not depend upon the qualities, traits and behaviour of a leader alone. The context in which a leader exhibits her/his skills, traits and behaviour matters, because the same style of functioning may not be suitable for different situations. Thus, the effectiveness of leadership also depends upon situations. This theory views leadership in terms of a dynamic interaction between a number of situational variables like the leader, the followers, the task situation, the environment, etc.

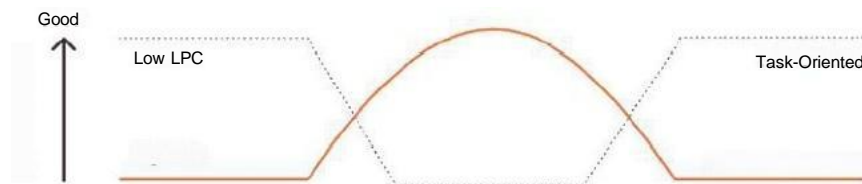
### 1.Fiedler Model

Fred Fiedler was the first person to develop a comprehensive model for the contingency theory of leadership in 1967. The basic premise behind this theory is that,

*effective performance of an organization or a group of people in an organization highly depend upon the style adopted by a leader and the degree to which a situation gives control to the leader.*

According to him, if an organization attempts to achieve group effectiveness through leadership, then there is a need to assess the leader according to an underlying trait, assess the situation faced by the leader, and construct a proper match between the two.

### Fiedler's Contingency Theory of Leadership



Situation	Favorable		Moderate				Unfavorable	
Category	1	2	3	4	5	6	7	8
Leader-Member Relations	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Poor</b>	Poor	Poor	<b>Poor</b>
Task Structure	High	High	Low	low	High	High	Low	Low
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak

**Figure: Correlation between Leader's LPC scores and Group Effectiveness**



## Leadership Effectiveness

The leader's effectiveness is determined by the interaction of the leader's style of behavior and the favorableness of the situational characteristics. The most favorable situation is when leader-member relations are good, the task is highly structured, and the leader has a strong position power.

Research on the contingency model has shown that **task-oriented leaders** are more effective in highly favorable (1,2,3) and highly unfavorable situation (7,8), whereas **relationship-oriented leaders** are more effective in situations of intermediate favorableness (4,5,6).

Fiedler also suggested that leaders may act differently in different situations. Relationship-oriented leaders generally display task-oriented behaviors under highly favorable situations and display relationship-oriented behaviors under unfavorable intermediate favorable situations.

Similarly, task-oriented leaders frequently display task-oriented in unfavorable or intermediate favorable situations but display relationship-oriented behaviors in favorable situations.

## Cognitive Resource Theory

In the early 1990s, the original model of Fiedler was reconceptualised by Fiedler and his associate Joe Garcia, as Cognitive Resource Theory. In this model, the focus has *been laid on the role of stress as a form of situational unfavourableness and how a leader's intelligence and experience influence her/his reaction to stress. The* assumption behind this theory is that stress is the enemy of rationality and a leader cannot think in a logical and analytical manner, if she/he is under high level of stress.

According to this proposition, the importance of a leader's intelligence and experience to effectiveness differs under low and high stress situations. Fiedler and Gracia state *that a leader's intellectual ability correlates positively with performance under low stress but negatively under high stress. And conversely, a leader's experience* correlates negatively with performance under low stress but positively under high stress. Thus, according to Fiedler and Gracia, the level of stress in a situation, determines whether an individual's intelligence or experience will contribute to leadership performance.

## 2. Hersey and Blanchard's Situational Theory

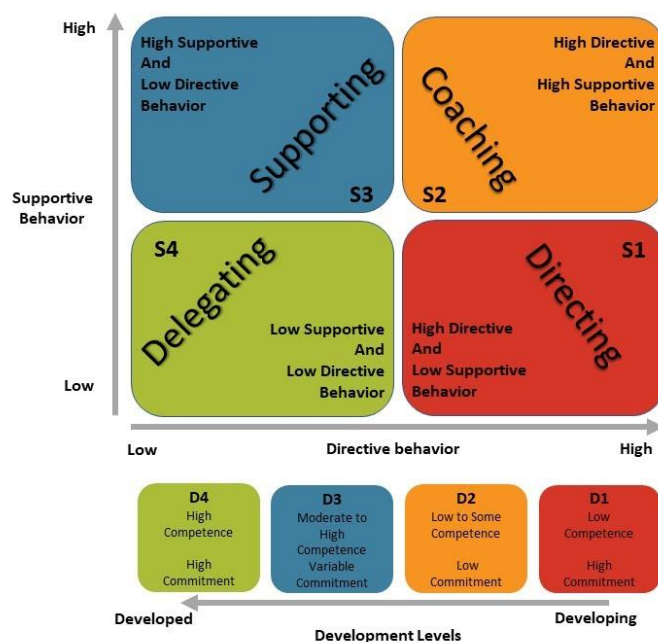
One of the path-breaking models that were developed in the leadership studies is that of the Situational Leadership Theory (SLT), that was put forward by Paul Hersey and Ken Blanchard.

The focus of this theory is laid on the followers and the readiness that followers show in accepting a leadership. The basic assumption behind this theory is that, it is the *followers who accept or reject a leader and thus, effectiveness of a leader also depends on their followers*. Thus, regardless of what a leader does, effectiveness of leadership depends upon the actions of the followers.

According to Hersey and Blanchard, readiness is the extent to which people have the ability and willingness to accomplish a specific task set by the leader. In analysing the leader-follower relationship, the Situational Leadership Theory equates the relationship with that of a parent and a child.

According to Hersey and Blanchard, there are four types of leadership behaviour that varies from highly directive to highly laissez-faire, which again depends upon the ability and willingness of followers to perform a given task.

According to SLT, if a follower is unable and unwilling to do a task, the leader needs to give clear and specific directions; if followers are unable and willing, the leader needs to display high task orientation to compensate for the followers' lack of ability and high relationship orientation to get the followers to buy into the leader's desire; if followers are able and unwilling, the leader needs to use a supportive and participative style; and if the employee is both able and willing, the leader doesn't need to do much.



## Situational Leadership

- Kenneth H. Blanchard
- Paul Hersey



[www.Flixabout.com](http://www.Flixabout.com)

## 3. Path-Goal Theory

Path-Goal Theory was developed by Martin Evans and Robert House in 1970-71. The base behind Path-Goal theory is that effective leaders clarify the path to help their followers to move forward from their current position towards achieving the work goals. In this process, the leader reduces the roadblock that occurs in the path of the followers, and makes their journey easier. Thus, the essence of path goal theory is that, it is the leader's job to provide the followers with the information, support and other resources, necessary for them to achieve their goals.

The four types of leadership behaviour, identified by Robert House are as follows:

- i. **Directive Leader:** A directive leader clarifies the followers of the role expected of them, schedules the work to be done and gives the needed direction or guidance as to how to accomplish tasks;
- ii. **Supportive Leader:** A supportive leader behaves in a friendly manner with the followers, and the main concern of the leader is placed on the needs of the followers, rather than on accomplishing the tasks;
- iii. **Participative Leader:** A participative leader involves the followers in the consultation process and also gets the suggestions or views of the followers, before making a decision;
- iv. **Achievement-Oriented Leader:** An achievement-oriented leader sets challenging goals for the followers and expects them to perform at their highest level.

#### 4. Leader-Member Exchange Theory

Informal observation of leadership behavior suggests that leader's action is not the same towards all subordinates. The importance of potential differences in this respect is brought into sharp focus by Graen's leader-member exchange model. The theory views leadership as consisting of a number of dyadic relationships linking the leader with a follower. The quality of the relationship is reflected by the degree of mutual trust, loyalty, support, respect, and obligation.

According to the theory, leaders form different kinds of relationships with various groups of subordinates. One group, referred to as the in-group, is favored by the leader. Members of in-group receive considerably more attention from the leader and have more access to the organizational resources. By contrast, other subordinates fall into the out-group. These individuals are disfavored by the leader. As such, they receive fewer valued resources from their leaders.

The people in the in-group are chosen based on the personal compatibility with the leader, competence, attitude and personality exhibited by the followers. Though the in-group is chosen by the leaders, it is the follower's characteristics that drive the leader's categorising decision.

However, dangers are inherent in being a part of the inner circle. That is, sometimes, the fortune of the inner circle tends to rise or fall along with the leader. In general, followers in the in-group status will have higher performance ratings, lower turnover intentions, greater satisfaction with their superior, and higher overall satisfaction than the out-group.

(specific,measurable,attainable,realistic,and timely)goals for their subordinates.

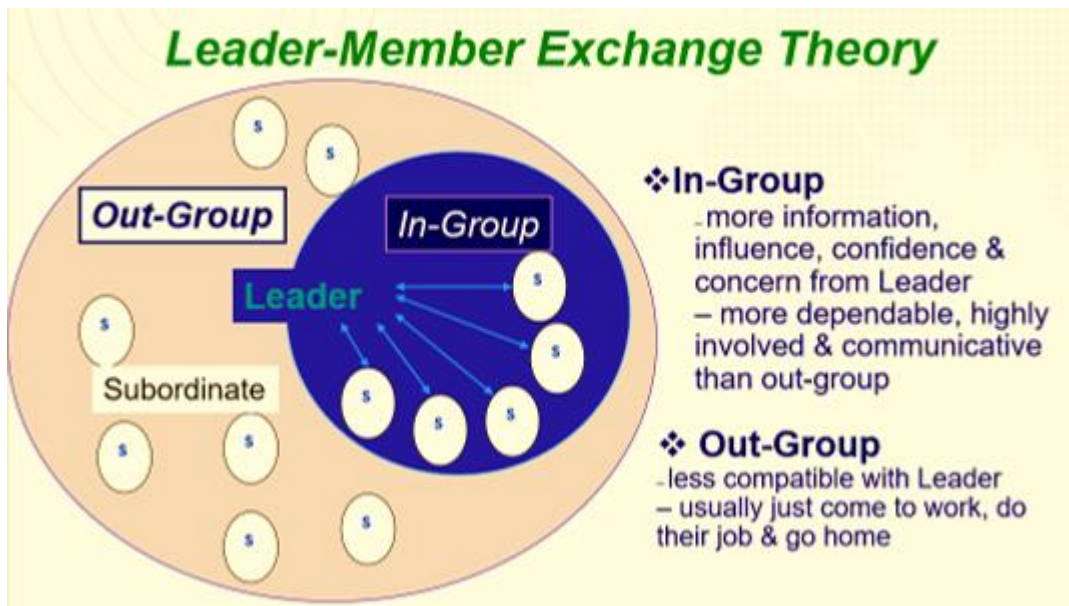
- ii. **Active Management by Exception:** Transactional leaders actively monitor the work of their subordinates,watch for deviations from rules and standards and taking corrective action to prevent mistakes.
- iii. **Passive Management by Exception:** Transactional leaders intervene only when standards are not met or when the performance is not as per the expectations.They may even use punishment as a response to unacceptable performance.
- iv. **Laissez-faire:** The leader provides an environment where the subordinates get many opportunities to make decisions.The leader himself abdicates responsibilities and avoids making decisions and therefore the group often lacks direction

## TRANSFORMATIONAL LEADERSHIP THEORY

In this form of leadership,a leader inspires her/his followers to transcend their own self-interests for the betterment of the organization,Transformational leaders pay attention to the developmental needs and concerns of the followers,and inspire followers to give a new outlook for the old problems and thus motivate the followers towards achievement of the goals of the organization,by giving them new perspective.

According to Bass and Riggio,there are four dimensions to the transformational theory of leadership,viz.Idealized Influence(I),Inspirational Motivation(IM),Intellectual Stimulation(IS)and Individualized Consideration(IC),which are as follows:

- i. **Idealized Influence(II):**In this form of leadership,the leaders act as role models for their subordinates and they exhibit high morals and ethical standards.They further provide the vision and sense of mission,instill pride amidst the followers and gains respect and trust;
- ii. **Inspirational Motivation(IM):** In this dimension of leadership,leaders inspire their subordinates in various ways and give meaning to their work and bring new challenges and enthusiasm.The leader expresses the organizational purposes in simple terms to the followers and has high expectations on the followers;
- iii. **Intellectual Stimulation (IS):** In this form,the leaders stimulate the intellectual ability of their followers.That is,through new approaches,the leaders try to stimulate the way of thinking of their subordinates and thus, raise the creativity in them and promote intelligence,rationality and problem solving skills;and
- iv. **Individualized Consideration(IC):** The leaders,under this dimension,pay more attention to the individual needs of development of the subordinates so as to achieve success



The LMX 7 scale assesses the degree to which leaders and followers have mutual respect for each other's capabilities, feel a deepening sense of mutual trust, and have a sense of strong obligation to one another. Taken together, these dimensions determine the extent to which followers will be part of the leader's in-group or out-group.

### 5. Leader-Participation Model

The Leader Participation Model was developed by Victor Vroom and Phillip Yetton in 1973 and this theory is called by different names as, Decision-Participation Model and

Normative Model. This model was called normative, as it provided a sequential set of rules that should be followed in determining the form and amount of participation in decision making, as determined by different types of situations.

According to this model, three sets of variables affect the performance of the leader in terms of his capacity as a decision maker, which include:

- (i) Quality of the decision;
- (ii) Degree of acceptance of the decision by subordinates; and
- (iii) Time required in making the decision.

Thus, based on the variables identified, Vroom and Yetton defined 5 different kinds of decision-making procedures. That is, it represents a continuum from authoritarian approaches (A1, A2), Consultative approaches (C1, C2) and a group-based approach (G2) which is as follows:

A1: Leader takes known information and then decides alone.

A2: Leader gets information from followers, and then decides alone.

C1:Leader shares problem with followers individually,listens to ideas and then decides alone.

C2:Leader shares problems with followers as a group,listens to ideas and then decides alone.

G2:Leader shares problems with followers as a group and then seeks and accepts consensus agreement.

## **TRANSACTIONAL LEADERSHIP THEORY**

The transactional style of leadership was first described by Max Weber in 1947 and then by Bernard Bass in 1981.This style is most often used by the managers.

It focuses on the basic management process of controlling,organizing,and short-term planning.The famous examples of leaders who have used transactional technique include McCarthy and de Gaulle.

*Transactional leadership involves motivating and directing followers primarily through appealing to their own self-interest.The power of transactional leaders comes from their formal authority and responsibility in the organization.The main goal of the follower is to obey the instructions of the leader.The style can also be mentioned as a 'telling style'.The leader believes in motivating through a system of rewards and punishment.*

If a subordinate does what is desired,a reward will follow,and if he does not go as per the wishes of the leader,a punishment will follow.Here,the exchange between leader and follower takes place to achieve routine performance goals.



# CONTROLLING

## DEFINITIONS

Controlling consists of verifying whether everything occurs in conformance with the plans adopted, instructions issued and principles established. Controlling ensures that there is effective and efficient utilization of organizational resources so as to achieve the planned goals. Controlling measures the deviation of actual performance from the standard performance, discovers the causes of such deviations and helps in taking corrective actions.

According to Brech, "Controlling is a systematic exercise which is called as a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs."

According to Donnell, "Just as a navigator continually takes reading to ensure whether he is relative to a planned action, so should a business manager continually take reading to assure himself that his enterprise is on right course."

Controlling has got two basic purposes

1. It facilitates co-ordination
2. It helps in planning

## NEED / IMPORTANCE OF CONTROLLING

The importance of controlling becomes clear from the following facts:

### **(1) Accomplishing Organisational Goals:**

The controlling process is implemented to take care of the plans. With the help of controlling, deviations are immediately detected and corrective action is taken. Therefore, the difference between the expected results and the actual results is reduced to the minimum. In this way, controlling is helpful in achieving the goals of the organisation.

### **(2) Judging Accuracy of Standards:**

While performing the function of controlling, a manager compares the actual work performance with the standards. He tries to find out whether the laid down standards are not more or less than the general standards. In case of need, they are redefined.

### **(3) Making Efficient Use of Resources:**

Controlling makes it possible to use human and physical resources efficiently. Under controlling, it is ensured that no employee deliberately delays his work performance. In the same way, wastage in all the physical resources is checked.



#### **(4)Improving Employee Motivation:**

Through the medium of controlling,an effort is made to motivate the employees.The implementation of controlling makes all the employees to work with complete dedication because they know that their work performance will be evaluated and if the progress report is satisfactory,they will have their identity established in the organisation.

#### **(5)Ensuring Order and Discipline:**

Controlling ensures order and discipline.With its implementation,all the undesirable activities like theft,corruption,delay in work and uncooperative attitude are checked.

#### **(6)Facilitating Coordination in Action:**

Coordination among all the departments of the organisation is necessary in order to achieve the organisational objectives successfully.All the departments of the organisation are interdependent.For example,the supply of orders by the sales department depends on the production of goods by the production department.

Through the medium of controlling an effort is made to find out whether the production is being carried out in accordance with the orders received.If not,the causes of deviation are found out and corrective action is initiated and hence, coordination between both the departments is established.

### **CHARACTERISTICS OF CONTROL:**

- Control is a continuous process.
- Control is a management process.
- Control is closely linked with planning.
- Control is a tool for achieving organizational activities.
- Control is an end-to-end process.
- Control compares actual performance with planned performance\*

### **STEPS IN THE CONTROLLING PROCESS,**

Following are the steps involved into the process of control:

#### **1.Establish the Standards:**

Within an organization's overall strategie plan,managers define goals for organizational departments in specific,precise,operational terms that include standards of performance to compare with organizational activities.However,for some of the activities the standards cannot be specific and precise.

Standards, against which actual performance will be compared, may be derived from past experience, statistical methods and benchmarking (based upon best industry practices). As far as possible, the standards are developed bilaterally rather than top management deciding unilaterally, keeping in view the organization's goals.

Standards may be tangible (clear, concrete, specific, and generally measurable) - numerical standards, monetary, physical, and time standards; and intangible (relating to human characteristics) - desirable attitudes, high morale, ethics, and cooperation.

## **2. Measure Actual Performance:**

Most organizations prepare formal reports of performance measurements both quantitative and qualitative (where quantification is not possible) that the managers review regularly. These measurements should be related to the standards set in the first step of the control process.

For example, if sales growth is a target, the organization should have a means of gathering and reporting sales data. Data can be collected through personal observation (through management by walking around the place where things are happening), statistical reports (made possible by computers), oral reporting (through conferencing, one-to-one meeting, or telephone calls), written reporting (comprehensive and concise, accounting information - normally a combination of all). To be of use, the information flow should be regular and timely.

## **3. Compare Performance with the Standards:**

This step compares actual activities to performance standards. When managers read computer reports or walk through their plants, they identify whether actual performance meets, exceeds, or falls short of standards.

Typically, performance reports simplify such comparison by placing the performance standards for the reporting period alongside the actual performance for the same period and by computing the variance—that is, the difference between each actual amount and the associated standard. The manager must know of the standard permitted variation (both positive and negative). Management by exception is most appropriate and practical to keep insignificant deviations away. Timetable for the comparison depends upon many factors including importance and complexity attached with importance and complexity.

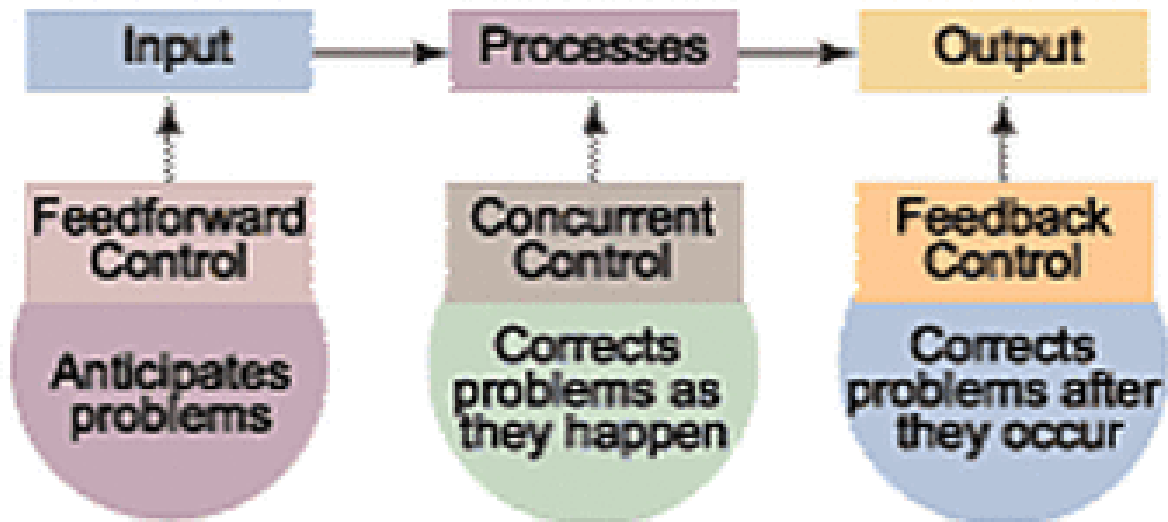
## **4. Take Corrective Action and Reinforcement of Successes:**

When performance deviates from standards, managers must determine what changes, if any, are necessary and how to apply them. In the productivity and quality-centered environment, workers and managers are often empowered to evaluate their own work. After the evaluator determines the cause or causes of deviation, he or she can take the fourth step—corrective action.

The corrective action may be to maintain status quo (reinforcing successes), correcting the deviation, or changing standards. The most effective course may be prescribed by policies or may be best left up to employees' judgment and initiative. The corrective action may be immediate or basic (modifying the standards themselves).

## TYPES OF CONTROL

The three organizational controls used in the controlling step of the management process are: Feed-Forward Controls, Concurrent Controls and Feedback Controls.



To review, controlling is the fourth step of the management process. In this step, management develops measuring tools to use to determine whether organizational goals are being met. Management also compares data to measure for results and, if needed, takes corrective action.

There are several controls a manager can use to affect change and fluctuations in the goals for the organization. Since problems can occur at any time during a process, it is important to have a few different ways to manage issues. A manager's toolbox should be equipped with three types of controls: Feed-Forward Controls, Concurrent Controls and Feedback Controls.

Controls can focus on issues before, during or after a process. The best way to understand the three different types of organizational controls is to think about the controls as before, during and after decisions made by managers.

### 1. Feed-Forward Control

Feed forward controls are future-directed—they attempt to detect and anticipate problems or deviations from the standards in advance of their occurrence (at various points throughout the processes). They are in-process controls and are much more active, aggressive in nature, allowing corrective action to be taken in advance of the problem. Feed forward controls thus anticipate problems and permit action to be taken before a problem actually arises.

Feed forward control devices are of two broad categories: **Diagnostic** and **Therapeutic**.

**i.Diagnostic controls** seek to determine what deviation is taking (or has taken) place.

*The sales manager, for instance, who receives the monthly sales figures (showing sales quota results) is virtually working with a diagnostic control device. It will no doubt*

*indicate deviations from the acceptable standard (i.e., what is wrong) but not why. Discovering the why is often the most difficult part of the process.*

**ii.Therapeutic controls** tell us both what and why, and then proceed to take corrective action. For example, engines having internal control system such as an engine speed governor and automatic transmission are designed to take necessary corrective actions when warranted by the conditions.

*An example of utilisation of such control can be found in case of a manager who conducts employee training using the coaching method. When, for instance, the trainee is performing the task, the manager observes him closely by standing on his side. The objective is to discover if any deviations from the intended processes take place.*

In case a deviation occurs, the manager observes it, diagnoses the reason for the incorrect technique, and corrects the deviation immediately (i.e., without any loss of time). Thus, the control and correction take place during the process itself, not after a few days.

## **2.Concurrent (or Prevention)Control**

Concurrent control, also called steering control because it allows people to act on a process or activity while it is proceeding, not after it is proceeding, nor after it is completed. Corrections and adjustments can be made as and when the need arises. Such controls focus on establishing conditions that will make it difficult or impossible for deviations from norms to occur.

*An example of concurrent control is the development by companies of job descriptions and job specifications. It may be recalled that job description identifies the job that has to be done, thus clarifying working relationships, responsibility areas, and authority*

*relationships. It thus assists in preventing unnecessary duplication of effort (work) and potential organisational conflict.*

In a like manner job specification identifies the abilities, training, education and characteristics needed of an employee to do the work. It is control device inasmuch as it works to prevent a person who is totally unqualified and unfit from being selected for the job, thereby saving money and time, and thus precluding potential poor performance.

### **3.Feedback Control**

Feedback control is future-oriented.It is historical in nature and is also known as post-action control.The implication is that the measured activity has already occurred,and it is impossible to go back and correct performance to bring it up to standard.Rather,corrections must occur after the act.

Such post-action controls focus on the end results of the process.The information derived is not utilised for corrective action on a project because it has already been completed.Such control provides information for a manager to examine and apply to future activities which are similar to the present one.The basic objective is to help prevent mistakes in the future.

For example,at the end of an accounting year,the manager should carefully review the analysis of the budget control report.

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behaviour

Relationship













## **MODULE-3**

### **ORGANISATIONAL BEHAVIOUR**

#### **INTRODUCTION**

The study of Organizational Behavior (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behavior relates to the expected behavior of an individual in the organization.

No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behavior of an individual. There are no absolutes in human behavior. It is the human factor that is contributory to the productivity hence the study of human behavior is important. Great importance therefore must be attached to the study. Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behavior.

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behavior that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Preemptive actions need to be taken for human behavior forecasting.

The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behavior. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity.

An appropriate organizational culture can modify individual behavior. Recent trends exist in laying greater stress on organizational development and imbibing a favorable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved. There is a need for commitment on the part of the management that should be continuous and incremental in nature.

## DEFINITIONS

**Organisational Behaviour** is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness -Stephen Robins.

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

**Organizational behavior** is directly concerned with the understanding, prediction and control of human behavior in organizations. It is an area of study that investigates the impact that individuals, groups and structure have on behavior within organizations.

**Organisational Behaviour** is directly concerned with the understanding, prediction, and control of human behaviour in organisations -Fred Luthans.

## Importance of Organizational Behavior (OB)

Organizational Behavior (OB) is the study of how individuals, groups, and structures impact behavior within an organization. By understanding and applying OB principles, businesses can enhance workplace dynamics, improve performance, and create a positive and productive work environment. Below is a detailed explanation of why OB is important in organizations:

### 1. Enhances Employee Productivity & Performance

- OB helps organizations understand what motivates employees and how to structure work environments to optimize efficiency.
- By analyzing employee behavior, managers can implement strategies such as performance-based rewards, proper task delegation, and workflow improvements.
- Employee motivation theories (e.g., Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory) help create policies that enhance productivity.

### 2. Improves Leadership & Management Skills

- Leadership styles (e.g., transformational, transactional, servant leadership) significantly impact employee morale and performance.
- OB provides insights into effective leadership practices, helping managers make better decisions, inspire teams, and manage organizational change.
- Developing emotional intelligence, decision-making skills, and adaptability through OB principles enhances managerial effectiveness.

### **3. Boosts Employee Satisfaction & Engagement**

- Satisfied employees are more productive, loyal, and committed to their work.
- OB helps organizations understand the key drivers of employee satisfaction, such as fair compensation, work-life balance, and recognition.
- Engaged employees contribute positively to workplace culture and performance, reducing turnover rates.

### **4. Facilitates Effective Communication**

- Communication is vital for coordination, problem-solving, and building strong work relationships.
- OB emphasizes the importance of open communication channels, active listening, and feedback mechanisms to enhance transparency and trust.
- Understanding non-verbal cues, cultural differences, and conflict resolution techniques improves workplace interactions.

### **5. Encourages Innovation & Adaptability**

- In a rapidly changing business environment, organizations must foster innovation and adaptability to remain competitive.
- OB promotes a culture of continuous learning, creative problem-solving, and embracing change.
- Employees are more likely to generate new ideas when they work in an environment that supports risk-taking and experimentation.

### **6. Develops a Strong Organizational Culture**

- A strong culture defines the values, norms, and behaviors that shape the work environment.
- OB helps leaders establish and maintain a culture that aligns with organizational goals, leading to a more cohesive and motivated workforce.
- Positive workplace culture attracts and retains top talent, promoting long-term success.

### **7. Enhances Teamwork & Collaboration**

- Teamwork is crucial for problem-solving, innovation, and achieving business goals.
- OB studies group dynamics, helping organizations form effective teams with diverse skills and strengths.
- Practices such as team-building exercises, cross-functional collaboration, and conflict resolution improve teamwork and cooperation.

### **8. Reduces Workplace Conflicts**

- Conflict is inevitable in any organization, but OB helps minimize and manage it effectively.
- Understanding different personality types, communication styles, and conflict resolution techniques leads to healthier workplace relationships.

- Policies promoting fairness, inclusivity, and ethical behavior reduce workplace tensions.

## 9. Supports Organizational Growth & Sustainability

- Organizations thrive when employees are engaged, processes are efficient, and leadership is strong.
- OB ensures that businesses remain adaptable, competitive, and aligned with long-term goals.
- A workforce that continuously develops skills and embraces change contributes to sustainable success.

## Nature of Organizational Behavior (OB)

Organizational Behavior (OB) is a field of study that explores how individuals, groups, and structures affect behavior within organizations. It helps organizations improve efficiency, employee satisfaction, and overall effectiveness. The nature of OB can be understood through the following key characteristics:

### 1. Three Levels of Analysis

OB studies human behavior at three levels:

- **Individual Level:** Focuses on personality, perception, motivation, and decision-making of employees.
  - **Group Level:** Examines team dynamics, leadership, communication, and conflict resolution.
  - **Organizational Level:** Looks at overall culture, structure, and policies that influence employee behavior.
- These three levels are interconnected, meaning changes in one area can impact the others.

### 2. Distinct Field of Study

- OB is a specialized area of study focused on understanding human behavior in work environments.
- It combines psychological, sociological, and management principles to improve workplace performance.
- While it overlaps with other disciplines (like HR and psychology), OB has its own theories, research methods, and applications.

### 3. Interdisciplinary in Nature

- OB draws knowledge from multiple fields, including:
  - **Psychology** (understanding individual behavior and motivation)
  - **Sociology** (group behavior and organizational culture)
  - **Anthropology** (workplace norms and traditions)
  - **Economics** (decision-making and incentives)
  - **Political Science** (power structures and organizational politics)
- This interdisciplinary approach helps in better understanding and solving workplace challenges.

### 4. Social System

- Organizations function as social systems where employees interact, collaborate, and influence each other.
- Every organization has its own norms, values, and social structures that impact employee behavior.
- The social system approach helps managers understand group dynamics and improve teamwork.

### 5. Focus on Application

- OB is not just theoretical—it emphasizes practical applications to improve business performance.
- It helps in areas like leadership development, employee motivation, workplace diversity, and change management.
- Organizations use OB principles to create better work environments, enhance productivity, and drive innovation.

### 6. Contingency Thinking

- OB does not follow a "one-size-fits-all" approach. Instead, it applies **contingency thinking**, which means the best course of action depends on the situation.
- For example, different leadership styles work in different contexts—an autocratic style might be effective in crisis situations, while a democratic style is better for fostering innovation.
- This flexibility helps organizations adapt to different challenges and environments.

### 7. Positive and Optimistic

- OB promotes a positive outlook on human behavior, emphasizing potential growth and development.
- Concepts like transformational leadership, employee engagement, and workplace well-being focus on enhancing job satisfaction and personal fulfillment.
- Positive OB practices lead to happier employees, better teamwork, and higher organizational success.

## 8. Integrative in Nature

- OB integrates knowledge from various disciplines and combines individual, group, and organizational perspectives to create a holistic understanding of workplace behavior.
- It does not focus on isolated factors but considers the bigger picture—how all elements interact within an organization.

## 9. Rational Thinking

- OB encourages decision-making based on logic, evidence, and analysis rather than emotions or assumptions.
- It helps managers and employees make informed choices by understanding behavioral patterns and organizational dynamics.
- Rational thinking leads to better conflict resolution, strategic planning, and overall efficiency.

## APPROACHES TO OB :

### 1. Human Resources Approach (Supportive Approach)

- Focuses on **employee growth, motivation, and empowerment** rather than control.
- Assumes that people want to contribute and that organizations should create opportunities for self-development.
- **Example:** Encouraging employees through training, leadership development, and career growth programs.

### 2. Contingency Approach

- Suggests that **there is no single best way** to manage an organization.
- The best approach depends on **situational factors** like organizational culture, leadership style, and work environment.
- **Example:** A startup might need a flexible, innovative structure, while a manufacturing company might require strict procedures.



### 3. Systems Approach

- Views an organization as a **complex system** with interconnected parts (employees, departments, external environment).
- Emphasizes coordination and interaction between different components for overall success.
- **Example:** A company aligning HR policies, leadership style, and employee motivation with business goals.

### 4. Scientific Management Approach

- Focuses on **efficiency, standardization, and productivity**.
- Uses scientific methods to analyze workflows and optimize performance.
- **Example:** Assembly line production in manufacturing companies like Ford.

### 5. Cognitive Approach

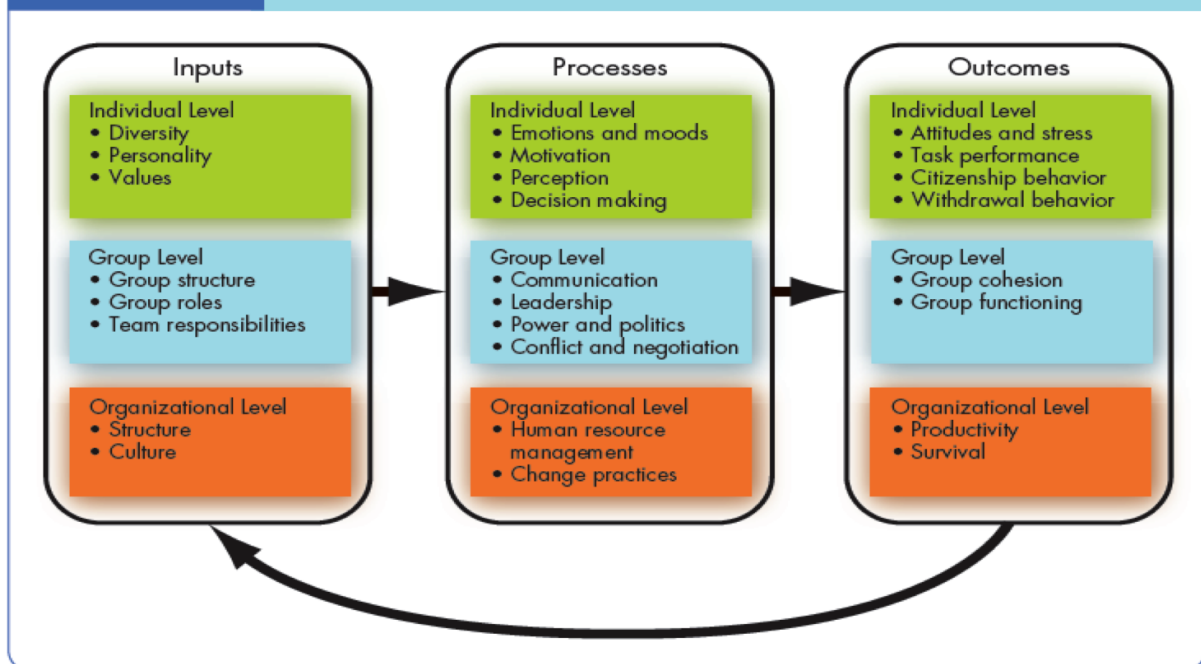
- Based on **how employees think, perceive, and make decisions**.
- Emphasizes **attitudes, beliefs, emotions, and motivation** in shaping behavior.
- **Example:** Providing incentives based on an employee's intrinsic motivations rather than just financial rewards.

### 6. Sociotechnical Approach

- Balances **technical (machines, tools) and social (people, teams) systems**.
- Aims to optimize both for better organizational performance.
- **Example:** Adapting technology while ensuring employees are trained to use it effectively.

### 7. Interdisciplinary Approach

- Integrates knowledge from various fields like **psychology, sociology, economics, and anthropology**.
- Provides a well-rounded understanding of human behavior in organizations.
- **Example:** Using psychology to improve employee engagement and sociology to understand team dynamics.

**Exhibit 1-5****A Basic OB Model****MODELS OF OB:**

Organizational Behavior (OB) models are frameworks that describe different management approaches in workplaces. These models explain how organizations structure their relationships with employees, how leadership functions, and how employees are motivated. The four primary OB models are:

- 1.The autocratic model:** It depends on **power**. This model lays a structure where the **leader** exerts a **tight control over the employees**, they are dependent on leader and obey instruction from leaders.
- 2. The custodial model:** In this model economic resources remain most important focus. **Managerial focus is laid on money**. Security need (job security and money) of the employees are taken care to have a co-operation between employers and employees
- 3.The supportive model:** This model largely dependent on leadership. The managerial approach adopted here is **the support to the employees**. A healthy supportive work environment would enable the **employees to contribute the best of their abilities**. Social need (recognition and status) is taken care under this model
- 4. The collegial model:** In this model both **managers and employees work co-operatively as team and combined effort achieve the goals**. This model is founded on the **employee-employer partnership**. Because of this employees develop self-discipline and own responsibility.

## 1. The Autocratic Model

### Key Features:

- Based on **power and authority**
- **Top-down control** where managers make all decisions
- Employees are expected to follow instructions without questioning
- Little concern for employee well-being or engagement

### Management Approach:

- Uses **strict rules, policies, and discipline**
- Employees **comply out of fear** rather than motivation
- Suitable for environments requiring **quick decisions and strict order**

### Employee Response:

- Obedience and dependency on management
- Low motivation and job satisfaction
- Minimum creativity and engagement

### Example:

- Used in **military organizations**, old-style manufacturing firms, or companies with strict hierarchies
- 

## 2. The Custodial Model

### Key Features:

- Focuses on **providing economic security and employee benefits**
- Employees are **loyal** because they feel financially secure
- Motivation comes from **company-provided benefits** rather than job satisfaction

### Management Approach:

- Employers **offer financial rewards, job security, and benefits** (e.g., healthcare, pensions)
- Creates **dependency on the organization** rather than on direct supervision
- Emphasis on **employee welfare rather than strict control**

### Employee Response:

- Employees feel **secure and satisfied but not highly motivated**
- Productivity improves, but employees may not give their best effort
- They stay with the company mainly due to benefits rather than passion for work

### Example:

- Common in **large corporations** that provide extensive perks (e.g., Google, Microsoft, or government jobs with pensions)
- 

### 3. The Supportive Model

#### Key Features:

- Based on **leadership and motivation** rather than control or financial incentives
- Managers **support employees** to help them perform at their best
- Employees feel valued and encouraged to develop their skills

#### Management Approach:

- Leadership style is **coaching-oriented and participative**
- Managers act as **mentors**, providing guidance and encouragement
- Focuses on **intrinsic motivation** (job satisfaction, achievement, personal growth)

#### Employee Response:

- Employees feel **motivated, engaged, and committed**
- Higher **job satisfaction and productivity**
- Encourages **innovation, creativity, and teamwork**

#### Example:

- Used in **modern organizations** that emphasize employee development (e.g., companies with leadership training programs like Google, Apple, or Tesla)
- 

### 4. The Collegial Model

#### Key Features:

- Based on **partnership and teamwork**
- Employees and managers **work as colleagues** rather than in a strict hierarchy
- Encourages **self-discipline, responsibility, and mutual respect**

#### Management Approach:

- Focus on **shared responsibility and collaboration**
- Managers act as **facilitators** rather than authority figures
- Employees contribute ideas, take ownership of work, and **feel a sense of belonging**

#### Employee Response:

- Employees are **self-motivated and take initiative**
- They feel like **valuable team members**, leading to high job satisfaction

- Greater creativity, problem-solving, and a strong **organizational culture**

**Example:**

- Used in **startups, tech companies, and modern knowledge-based firms** where teamwork and innovation drive success.

**ATTITUDE:**

- Attitude are **reflections about how one feels** about someone or something
- Attitude are **inner expression or feelings** based on **what you feed to your mind**
- “A learned orientation towards an object or situation, which provides a tendency to respond favorably or unfavorably to the object or situation”

Attitudes in Organizational Behavior (OB) refer to an individual's thoughts, feelings, and predispositions toward their job and organization. Attitudes influence workplace behavior, job performance, and overall organizational success. **The three main types of attitudes in OB are:**

1. **Job satisfaction** : Job satisfaction refers to how content an employee feels about their job, including their role, work environment, and relationships with colleagues and management. It is influenced by **work conditions, salary, growth opportunities, leadership style, and workplace culture.**

**Importance:**

- Higher job satisfaction leads to **better performance, lower absenteeism, and reduced turnover.**
  - Satisfied employees are more engaged, productive, and loyal to the organization.
2. **Job involvement** (one's attachment towards job):

**Definition:**

- Job involvement refers to how much an employee **identifies with, participates in, and is committed to their job.**
- It reflects an employee's dedication and willingness to go beyond basic job duties.

**Importance:**

- High job involvement leads to **increased motivation, creativity, and work efficiency**.
- Employees with high job involvement are more likely to take initiative and contribute positively to the organization.

### **3.Organizational commitment** (one's identification with his/her organization):

#### **Definition:**

- Organizational commitment refers to **an employee's emotional attachment, identification, and loyalty to their organization**.
- Committed employees **believe in organizational goals, values, and strive for its success**.

#### **Types of Organizational Commitment:**

1. **Affective Commitment (Emotional Attachment)** – Employees stay because they **love their job and organization**.
2. **Continuance Commitment (Fear of Loss)** – Employees stay because **they fear losing benefits or job security**.
3. **Normative Commitment (Sense of Obligation)** – Employees stay because they **feel a moral duty** to remain loyal.

#### **COMPONENTS OF ATTITUDE:**

- **Affective (Emotional) component:** The emotional or feeling segment of an attitude
- **Behavioral (Tendency to act )Component:** An intention to behave in ascertain way toward someone or some thing.
- **Cognitive (Informational) component:** The opinion or belief segment of an attitude.

#### **THE RELATIONSHIP BETWEEN ATTITUDES AND BEHAVIOR:**

While attitudes can influence behavior, the link is not always direct. Factors that affect this relationship include:

**Social Norms:** Workplace culture and peer influence.

**Perceived Behavioral Control:** Employees act based on their perceived ability to perform.

**Cognitive Dissonance:** When attitudes and behaviors conflict, employees may adjust one to match the other.

#### **How Organizations Shape Attitudes and Behaviors:**

- **Leadership & Management:** Effective leadership fosters positive attitudes.

- **Work Environment:** A healthy culture encourages good behavior.
- **Rewards & Recognition:** Positive reinforcement strengthens desired behaviors.
- **Training & Development:** Enhancing skills influences work attitude

## **PERCEPTION:**

L M Prasad – defines perception as

“Perception is the process of selecting, organizes and interpreting or attaching meaning to events happening in environment.”

Perception is basically the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment

### **1. Selection (Sensory Reception & Attention)**

- The first stage involves **receiving stimuli** from the environment through **sight, sound, smell, touch, and taste**.
- However, individuals **cannot process all stimuli**, so they selectively focus on **important or relevant information**.
- Factors affecting selection:
  - **External Factors** – Size, intensity, contrast, repetition (e.g., bold text catches attention).
  - **Internal Factors** – Needs, interests, past experiences (e.g., a manager focusing on productivity reports).

---

### **2. Organization (Structuring Perceived Information)**

- Once stimuli are selected, the brain **organizes information into meaningful patterns**.
- This process helps individuals **categorize** experiences and make sense of their surroundings.
- Common **organizational principles** include:
  - **Grouping** – Similar objects are perceived together.
  - **Figure-Ground Perception** – Distinguishing an object from its background (e.g., focusing on a speaker despite noise).
  - **Closure** – Filling in missing details based on prior knowledge.

---

### **3. Interpretation (Assigning Meaning to Perceived Information)**

- After organizing information, individuals **interpret** it based on their **past experiences, beliefs, and expectations**.
  - Interpretation is **subjective** and can lead to different conclusions from the same stimulus.
  - Influencing factors:
    - **Personal experiences** – People perceive things based on previous encounters.
    - **Cultural background** – Different cultures interpret gestures or expressions differently.
    - **Cognitive biases** – People may jump to conclusions based on stereotypes or emotions.
- 

#### 4. Response (Behavior & Decision-Making Based on Perception)

- The final stage leads to a **behavioral response** based on perception.
- Individuals **react** in ways that align with their interpretation of a situation.
- This influences workplace decisions, interactions, and problem-solving.

### **BARRIERS TO INDIVIDUAL PERCEPTION:**

#### 1. Physical Appearance

##### ☐ **Definition:**

- People often judge others based on their **looks, clothing, body language, or overall appearance**.
- These **visual cues** can create **biases** before actual interaction occurs.

##### ☐ **Impact in the Workplace:**

- **Attractive employees may be perceived as more competent**, even if their skills are average.
  - **Dressing professionally may create a perception of leadership qualities**, regardless of actual expertise.
  - **Unconventional appearances (e.g., tattoos, hairstyles) may lead to unfair judgments**.
- 

#### 2. Stereotyping Stimuli

##### ☐ **Definition:**

- **Stereotyping** means **assigning generalized traits** to an individual based on their membership in a group (e.g., gender, race, nationality, job role).



- People **ignore individual differences** and make assumptions based on **preconceived beliefs**.

□ **Impact in the Workplace:**

- **Hiring bias:** Assuming all young employees lack experience or all older employees resist technology.
  - **Workplace discrimination:** Assuming women are less suited for leadership roles or engineers lack creativity.
  - **Unfair evaluations:** Believing certain departments (e.g., sales teams) are always aggressive, regardless of individual behavior.
- 

### 3. First Impression

□ **Definition:**

- The **first interaction** with a person **heavily influences future perceptions**, even if later evidence contradicts it.
- People **form strong opinions within seconds**, which can be difficult to change.

□ **Impact in the Workplace:**

- **Interview bias:** A single mistake in an interview might overshadow the candidate's actual capabilities.
- **Workplace relationships:** A new employee who seems shy on the first day may be seen as unfriendly, even if they are just nervous.
- **Performance reviews:** If an employee impresses in their early days, they may be favored even if their later performance is average

### 4. Jumping to Conclusions

□ **Definition:**

- Drawing **quick conclusions without sufficient evidence** based on **partial or incomplete information**.
- Leads to **incorrect assumptions** and **poor decision-making**.

□ **Impact in the Workplace:**

- **Misunderstandings:** A manager assumes an employee is lazy because they arrive late once, without knowing they had a personal emergency.
- **Rushed decisions:** Leaders may make hiring or firing decisions without fully assessing performance.
- **Conflict escalation:** Employees may assume a colleague is being rude when they are simply having a bad day.

## 5. Halo Effect

### ☐ Definition:

- The **Halo Effect** occurs when **one positive trait** of an individual **influences overall perception**, making people overlook flaws.
- It is the opposite of the **Horns Effect**, where **one negative trait dominates judgment**.

### ☐ Impact in the Workplace:

- **Performance bias:** An employee with **strong communication skills** may be seen as more competent, even if their technical skills are weak.
- **Favoritism:** A likable employee may receive **better performance reviews** despite average work.
- **Poor hiring decisions:** A confident interviewee may be hired based on personality, even if they lack the right skills.

## 6. Projection

### ☐ Definition:

- **Projection** occurs when individuals **attribute their own thoughts, feelings, or characteristics to others**.
- People assume that others **think and act the same way they do**, leading to misunderstandings.

### ☐ Impact in the Workplace:

- **Miscommunication:** A manager assumes their employees **share their work ethic and motivation**, leading to frustration when employees act differently.
- **Unrealistic expectations:** Assuming everyone likes working late because the manager does.
- **Team conflicts:** Employees expect others to react the same way they would in a situation, leading to confusion when responses differ.

## Factors Influencing the Perceptual Process:

### External Factors (Stimulus-Related Factors)

These factors are characteristics of the object, event, or situation being perceived.

#### 1. Size

- ☐ **Larger objects or stimuli attract more attention than smaller ones.**
- ☐ The bigger the object, the more noticeable it is.

✓*Example:* A large billboard on a highway is more likely to catch attention than a small sign.

---

## 2. Time

- ☐ **The timing of a stimulus affects how it is perceived.**
- ☐ Perceptions change depending on **when** an event occurs.

✓*Example:*

- An employee receiving constructive feedback **early in their career** may see it as helpful, while the same feedback **before a promotion** may feel like criticism.
  - A message sent at **midnight** might feel urgent, whereas the same message in the morning seems routine.
- 

## 3. Sound

- ☐ **Loud or distinctive sounds are more noticeable than softer ones.**
- ☐ Sudden or unexpected sounds increase attention.

✓*Example:* A **fire alarm** instantly grabs attention, while **background office noise** may be ignored.

---

## 4. Location

- ☐ **The placement of a stimulus influences how it is perceived.**
- ☐ Things that are **closer, centered, or in a prominent position** receive more attention.

✓*Example:*

- **A desk near the manager's office** might make an employee feel more supervised.
  - **Products placed at eye level** in a store attract more customers than those on the bottom shelf.
- 

## 5. Contrast

- ☐ **Stimuli that stand out from their surroundings are more likely to be noticed.**
- ☐ A strong contrast **grabs attention and enhances perception.**

✓*Example:*

- A **bright red dress** in a room full of people wearing black stands out.
- A **bold heading in a document** is more noticeable than normal text.

---

## 6. Repetition

- ☐ **Repeated exposure to a stimulus makes it more likely to be noticed and remembered.**
- ☐ The more often something is seen or heard, the more it influences perception.

✓*Example:*

- Advertisements use repetition to make **brands memorable**.
- A manager who repeatedly praises teamwork helps employees **value collaboration**.

---

## 7. Movement

- ☐ **Moving objects attract more attention than stationary ones.**
- ☐ Our eyes naturally follow movement.

✓*Example:*

- **A moving banner ad** on a website draws more attention than a static image.
- **A manager walking around the office** is more noticed than one sitting at their desk.

---

## 2 Internal Factors (Perceiver-Related Factors)

These factors are personal to the individual who is perceiving and interpreting stimuli.

## 8. Personality

- ☐ **An individual's personality influences how they perceive situations.**
- ☐ Optimistic people may see challenges as **opportunities**, while pessimists may see them as **threats**.

✓*Example:* A confident salesperson sees customer objections as **part of the process**, while a timid salesperson may take rejection **personally**.

---

## 9. Attitude

- ☐ **Pre-existing attitudes shape how people interpret information.**
- ☐ A positive attitude leads to **favorable perceptions**, while a negative attitude can distort reality.

✓*Example:* An employee with a **positive attitude toward leadership** may see a manager's strictness as **discipline**, while another may see it as **control**.

## 10. Personal Mood

- ☐ A person's emotional state affects how they perceive their environment.
- ☐ Positive moods make people **interpret situations optimistically**, while negative moods lead to **misinterpretation and overreaction**.

✓*Example:* A happy employee may see constructive criticism as **helpful**, while a stressed employee may see it as **an attack**.

---

## 11. Experience

- ☐ Past experiences shape how people interpret present situations.
- ☐ People rely on previous knowledge to **predict outcomes**.

✓*Example:* A manager who has worked with **dishonest employees** in the past may be **less trusting** of new hires.

---

## 12. Expectation

- ☐ What a person expects influences what they perceive.
- ☐ People tend to see what they **expect to see** rather than what is actually there (perceptual set).

✓*Example:*

- If a supervisor **expects an employee to be lazy**, they may notice only **slow work** and ignore **efficient performance**.
  - If a teacher **believes a student is intelligent**, they may overlook minor mistakes.
- 

## 13. Values and Beliefs

- ☐ Deeply held beliefs and values shape perception.
- ☐ People interpret situations based on their **cultural, religious, or moral values**.

✓*Example:* A person who values **hard work** may perceive remote work as **less productive**, while another who values **work-life balance** may see it as **beneficial**.

---

## 14. Learning

- ☐ Learning influences how people process information.
- ☐ Training and education refine perception.

✓*Example:*

- A **trained HR manager** can quickly **spot workplace conflicts**, while an untrained manager may **overlook them**.
  - **Medical professionals** can detect health issues **faster than the average person** due to their learning.
- 

## 15. Interest

- ☐ **People pay more attention to what interests them.**
- ☐ Topics that are **personally or professionally relevant** attract more focus.

✓*Example:* A **marketing professional** may notice **advertisements more** than a software engineer.

---

## 16. Familiarity

- ☐ **People tend to notice things they are already familiar with.**
- ☐ New or unfamiliar stimuli may take longer to process.

✓*Example:*

- A musician may **easily recognize music notes**, while a non-musician sees them as symbols.
- A manager who is familiar with **certain employee behaviors** may **anticipate reactions** before they happen.

## PERSONALITY:

- Term PERSONALITY is derived from the latin word “ Personare” meaning- to speak through.
- Personality is the way in which an individual understands the world and his place in it, the things that motivate him, & the way in which he learns all aspects of his personality.
- The sum total of **ways in which an individual act and reacts in a given situation.**
- McClelland – “ the most adequate conceptualization of an individual’s behavior in all its details which the scientist can provide at a moment in time.”

# **DETERMINANTS OF PERSONALITY:**

The determinants of personality can be categorized into several factors, which influence how individuals develop their unique patterns of thoughts, behaviors, and emotions. Here's a breakdown of the key factors:

## **1. Biological Factors:**

These are inherent traits or characteristics influenced by genetics and physical traits.

- **Age:** As people age, their personality traits can evolve due to life experiences, changing priorities, and evolving social roles.
- **Gender:** Gender roles can influence personality development, though this varies by culture. Social expectations and biological differences can contribute to how certain traits manifest.
- **Marital Status:** A person's relationship status can impact their personality by shaping emotional responses, social behavior, and responsibilities.
- **Tenure (Work Experience):** The length of time spent in a particular job or industry can shape personality traits such as confidence, responsibility, and interpersonal skills.
- **Ability (Intellectual and Physical):** Intellectual and physical abilities can influence personality by shaping how individuals approach problem-solving, relationships, and challenges.

## **2. Personality Factors:**

These factors refer to the internal influences that shape an individual's personality, which are often rooted in biology or psychological traits.

- **Heredity:** Genetics play a significant role in determining basic temperamental traits such as emotional reactivity, social engagement, and overall disposition.
- **Brain:** The structure and functioning of the brain, including neurotransmitter activity, can influence behaviors such as risk-taking, impulsivity, and emotional regulation.
- **Physical Features:** Some research suggests that physical traits (e.g., facial expressions, body language) can influence personality development by shaping how individuals are perceived and how they perceive themselves.

## **3. Cultural (Environmental) Factors:**

The cultural environment in which a person grows up shapes their personality by influencing values, norms, and social behaviors.

- **Culture:** Cultural upbringing dictates many personality aspects, such as how people express emotions, how they approach work, and how they interact with others. For example, collectivist cultures may emphasize group harmony and interdependence, while individualistic cultures may focus more on independence and personal achievement.

- **Socialization:** The process of social learning, where individuals learn about societal norms and values from their family, peers, and community, shapes personality over time.

#### 4. Family & Social Factors:

Family dynamics and social influences are key in shaping personality traits, especially during formative years.

- **Family:** The family environment plays a pivotal role in personality development. Parenting styles, the presence of supportive or strained relationships, and sibling dynamics all contribute to emotional growth and how one interacts with others in later life.
- **Peer Influence:** Friends and social groups can influence personality traits like assertiveness, social skills, and self-confidence. Peer pressure, both positive and negative, can lead individuals to develop certain personality attributes.

#### 5. Situational Factors:

These refer to external, often temporary, influences that can affect how personality is expressed in specific contexts.

- **Situational Context:** Stress, life events (e.g., trauma, loss, job changes), and environmental stimuli can temporarily or permanently alter personality expressions. For instance, someone who is typically introverted may exhibit more extroverted behaviors in a high-pressure work environment.
- **Life Experiences:** Personal experiences, including both positive and negative life events, can dramatically shape one's worldview and personality traits. Overcoming challenges may build resilience or develop certain coping mechanisms.

### PERSONALITY TRAITS:

Personality traits are the consistent patterns of thoughts, feelings, and behaviors that individuals display over time and across various situations. These traits can help define who we are and influence how we interact with others and the world around us. Here's an overview of the most common personality traits, often categorized in frameworks like the **Big Five Personality Traits** or other trait-based models:

#### 1. Big Five Personality Traits (Five-Factor Model):

The Big Five is one of the most widely accepted frameworks for understanding personality. It includes five broad traits:

- **Openness to Experience:** This trait refers to the degree of intellectual curiosity, creativity, and preference for novelty and variety. Individuals high in openness tend to be imaginative, curious, and open-minded, while those low in this trait might be more conventional and prefer routine.
  - **High Openness:** Creative, curious, imaginative, open-minded.



- **Low Openness:** Conventional, down-to-earth, prefers routine.
  - **Conscientiousness:** This trait reflects an individual's degree of self-discipline, responsibility, and goal orientation. High conscientiousness is associated with being organized, reliable, and detail-oriented, while low conscientiousness is linked to being more spontaneous and less structured.
    - **High Conscientiousness:** Organized, disciplined, goal-oriented, dependable.
    - **Low Conscientiousness:** Spontaneous, disorganized, careless, less reliable.
  - **Extraversion:** Extraversion refers to how outgoing, energetic, and social an individual is. High extraversion is characterized by sociability, talkativeness, and high energy levels, while low extraversion (introversion) is linked to a more reserved and solitary nature.
    - **High Extraversion:** Outgoing, energetic, sociable, talkative.
    - **Low Extraversion (Introversion):** Reserved, quiet, introspective, prefers solitude.
  - **Agreeableness:** This trait involves how cooperative, compassionate, and friendly an individual is. High agreeableness is associated with being empathetic, kind, and supportive, while low agreeableness can manifest as being more competitive, critical, or argumentative.
    - **High Agreeableness:** Compassionate, cooperative, empathetic, friendly.
    - **Low Agreeableness:** Critical, competitive, combative, self-centered.
  - **Neuroticism/Openness to experience:** This trait reflects emotional stability and how prone an individual is to experiencing negative emotions like anxiety, depression, or stress. High neuroticism is linked to being more emotionally reactive, while low neuroticism is associated with being calm, stable, and emotionally resilient.
    - **High Neuroticism:** Anxious, moody, emotionally unstable, sensitive to stress.
    - **Low Neuroticism:** Calm, emotionally stable, resilient, less prone to stress
2. The **Myers-Briggs Type Indicator (MBTI)** is a popular personality assessment tool that categorizes individuals into one of 16 personality types based on preferences in four key areas. The MBTI framework is based on Carl Jung's theory of psychological types, and it focuses on how people perceive the world and make decisions. It is widely used in various fields, including personal development, career counseling, and team building.

The MBTI uses four pairs of opposing preferences:

### 1. Extraversion (E) vs. Introversion (I)

- **Extraversion (E):** People who prefer extraversion are energized by spending time with others, are more outwardly focused, and enjoy engaging with the external world. They tend to be sociable, talkative, and action-oriented.
- **Introversion (I):** People who prefer introversion are energized by solitude or spending time with a few close people. They are more inwardly focused and reflective, often enjoying quiet time to think, recharge, and process information internally.

### 2. Sensing (S) vs. Intuition (N)

- **Sensing (S):** Individuals with a sensing preference tend to focus on the present and rely on concrete information gained from their five senses. They are practical, detail-oriented, and prefer facts and experiences.
- **Intuition (N):** People who prefer intuition focus on patterns, possibilities, and abstract ideas. They are future-oriented, imaginative, and tend to see the big picture rather than focusing on immediate details.

### 3. Thinking (T) vs. Feeling (F)

- **Thinking (T):** Those who prefer thinking make decisions based on logic, objectivity, and facts. They prioritize fairness and consistency over emotions and are more focused on analytical reasoning.
- **Feeling (F):** Individuals with a feeling preference make decisions based on personal values, empathy, and the impact decisions will have on others. They prioritize harmony, compassion, and maintaining relationships.

### 4. Judging (J) vs. Perceiving (P)

- **Judging (J):** People who prefer judging prefer structure, organization, and planning. They like to have things decided and value closure, deadlines, and predictability.
- **Perceiving (P):** People with a perceiving preference prefer flexibility, spontaneity, and keeping their options open. They are adaptable, enjoy exploring possibilities, and may resist rigid schedules or structures.

## MOTIVATION:

**Motivation** is the internal process that drives individuals to take action, pursue goals, and achieve desired outcomes. It involves the reasons or desires behind behavior, and it can stem from a variety of sources, both internal (intrinsic) and external (extrinsic). Motivation plays a crucial role in determining how much effort a person is willing to put into a task and how persistently they will work toward their goals.

## NATURE OF MOTIVATION :

### 1. Motivation is a Psychological Process:

Motivation is fundamentally a psychological phenomenon. It arises from internal mental processes and influences how individuals think, feel, and behave. These psychological processes can be driven by both conscious and unconscious factors. Motivation initiates and directs behavior toward achieving specific goals, satisfying needs, or fulfilling desires. It involves:

- **Cognitive aspects:** How individuals perceive their goals and the rewards for achieving them.

- **Emotional** aspects: How emotions like excitement, frustration, or anxiety influence persistence and effort.
- **Behavioral** aspects: How motivation translates into actions that lead to goal attainment.

## 2. Motivation is Goal-Oriented:

Motivation is inherently tied to goals. It directs energy and effort toward achieving a specific outcome or fulfilling a particular need. Whether the goal is intrinsic (e.g., personal satisfaction) or extrinsic (e.g., receiving a reward), motivation provides the drive to pursue these objectives. The clarity and significance of the goal can strongly influence how much effort is exerted:

- **Long-term Goals:** These involve broader, more enduring aspirations (e.g., career success).
- **Short-term Goals:** These are more immediate targets that guide day-to-day actions (e.g., completing a task or assignment).

## 3. Motivation is Dynamic & Ever-Changing:

Motivation is not static; it fluctuates over time based on internal and external factors. A person's level of motivation can change depending on:

- **Circumstances:** Changes in the environment, such as a new job, family responsibilities, or stressors, can affect motivation levels.
- **Emotions:** Emotional states like excitement, boredom, or frustration can either enhance or diminish motivation.
- **Progress:** People may feel more motivated when they perceive progress toward their goals or when they encounter setbacks that push them to try harder.
- **External Reinforcement:** Positive feedback, rewards, or recognition can increase motivation, while lack of recognition or negative feedback can decrease it.

## 4. Motivation Can Be Intrinsic or Extrinsic:

Motivation can be driven by internal (intrinsic) or external (extrinsic) factors, or a combination of both:

- **Intrinsic Motivation:** This comes from within, where the person is driven by the inherent satisfaction or enjoyment of the activity itself. For example, someone might be motivated to learn a new skill because they find it fulfilling or interesting.
- **Extrinsic Motivation:** This is driven by external rewards or outcomes, such as money, praise, or recognition. An employee may work hard for a salary increase or to win an award.
- Both intrinsic and extrinsic motivations can work together, influencing an individual's overall motivation and the intensity with which they pursue goals.

## 5. Motivation Influences Performance:

Motivation is closely linked to performance. The higher an individual's motivation, the more effort and persistence they will put into a task, leading to better performance. Highly motivated individuals are more likely to take on challenges, persist through difficulties, and reach higher levels of achievement. However, lack of motivation can lead to reduced effort, disengagement, and poor performance. This relationship can be influenced by:

- **Task Complexity:** Motivation has a stronger impact on performance for tasks that require effort and persistence. Simple tasks may not require much motivation, but complex, challenging ones require a higher level of motivation to perform well.
- **Skill Level:** High motivation can compensate for lack of skill to some extent, but motivation and ability work together to improve performance.

## 6. Motivation Requires Reinforcement:

Motivation is reinforced through rewards or positive outcomes, which help maintain or increase motivation. Reinforcement can be:

- **Positive Reinforcement:** This involves receiving a reward for accomplishing a task (e.g., praise, bonuses, promotions). Positive reinforcement strengthens the desire to repeat the behavior.
- **Negative Reinforcement:** This involves removing an unpleasant stimulus when a desired action is performed (e.g., eliminating stress or punishment when goals are met). It reinforces behavior by reducing negative experiences.
- **Continuous Reinforcement:** Immediate and consistent reinforcement of desired behavior strengthens motivation, particularly when someone is starting to pursue a new goal or behavior.
- **Variable Reinforcement:** Random or unpredictable reinforcement can also maintain high motivation, especially for long-term goals.

## TYPES OF MOTIVATION:

**Positive motivation** or **Pull motivation** is one towards which behaviour is directed positively, by showing the rewards and the ways to achieve it. Rewards may be financial or non-financial.

**Negative motivation** or **Push motivation** In this negative factors like fear and punishment are used to get the desired work done. Motivation is used by installing the fear in the minds of workers and get the things done.

## IMPORTANCE OF MOTIVATION:

Motivation is a fundamental driving force behind human behavior, and its importance extends to various aspects of life. Below are the key ways in which motivation contributes to personal and professional success:

### 1. Helps Achieve Goals & Success:

Motivation is the fuel that drives individuals to pursue and accomplish their goals. Without motivation, even the most well-defined and practical goals can remain unattainable. Here's how motivation helps in goal achievement:

- **Direction & Focus:** Motivation helps individuals set clear goals and maintain focus on the tasks needed to achieve them. Whether personal or professional, motivated individuals are more likely to follow through on their plans and strategies.
- **Persistence:** Challenges and obstacles are inevitable when pursuing goals. Motivation gives individuals the drive to persist through difficulties and setbacks, pushing them to keep going even when things get tough.
- **Time & Effort Investment:** Motivation encourages individuals to dedicate time and effort to their goals, which are crucial for achieving success. The more motivated someone is, the more time and energy they're willing to invest in their endeavors.

### 2. Increases Self-Confidence & Resilience:

Motivation not only influences behavior but also has a profound impact on a person's mindset, particularly their confidence and resilience.

- **Self-Confidence:** Motivation helps individuals recognize their potential and strengths. As people work toward and achieve their goals, they gain a sense of accomplishment that boosts their self-esteem and belief in their abilities.
- **Resilience:** Motivated individuals are generally more resilient because they see setbacks as temporary challenges, not insurmountable barriers. They are more likely to bounce back from failure, adapt, and continue working toward their objectives. Motivation fosters the mindset that effort leads to growth and eventual success.

### 3. Improves Mental & Physical Well-Being:

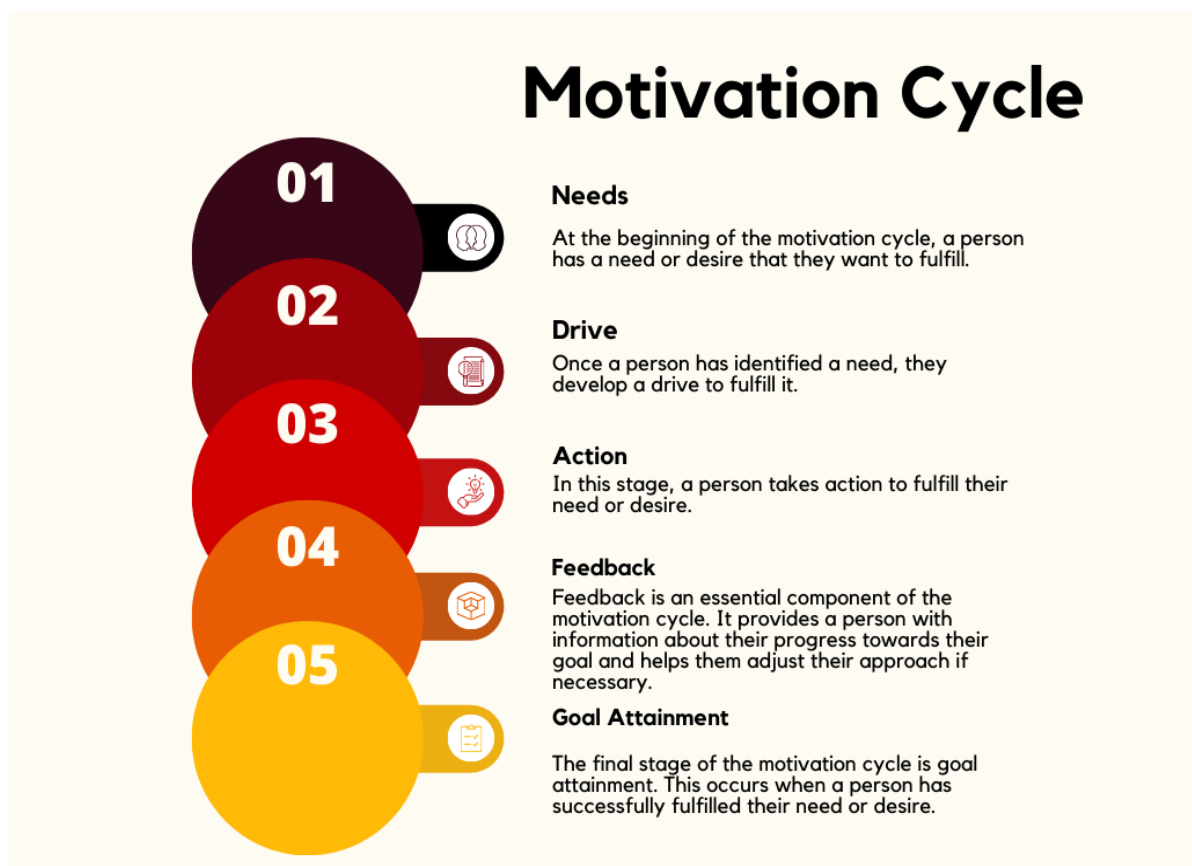
Motivation has significant effects on both mental and physical health, enhancing overall well-being in the following ways:

- **Mental Health:** Motivation provides individuals with a sense of purpose and direction, reducing feelings of aimlessness or depression. It can combat stress and anxiety by focusing on positive goals and maintaining a forward-moving attitude. The process of achieving goals boosts happiness and life satisfaction.
- **Physical Health:** Motivated individuals are more likely to take care of their physical health, whether by exercising regularly, eating healthily, or adhering to medical advice. Motivation to maintain a healthy lifestyle leads to improvements in energy, stamina, and longevity.

#### 4. Encourages Lifelong Learning & Growth:

Motivation is a key driver in personal development and continuous learning. It pushes individuals to expand their knowledge, acquire new skills, and develop their potential.

- **Learning:** Motivated individuals seek out new opportunities for learning and growth, whether through formal education, self-study, or new experiences. They remain curious and open to acquiring new knowledge that can enhance their lives and careers.
- **Adaptability:** Motivation encourages individuals to embrace change and develop adaptability in the face of evolving challenges. People who are motivated to learn are more likely to stay relevant and competitive in an ever-changing world.
- **Self-Improvement:** Motivation instills a mindset of improvement, where individuals are always seeking ways to better themselves, whether professionally, personally, or in their relationships.



## **THEORIES OF MOTIVATION:**

**Content theories of motivation deals with identifying the needs of the people & how they priorities them.**

- **Maslow's hierarchy of needs theory**
- **Herzberg's Two-factor theory**
- **McClelland's Acquire needs theory**
- **Alderfer's ERG theory**

### **1. Maslow's Hierarchy of Needs Theory:**

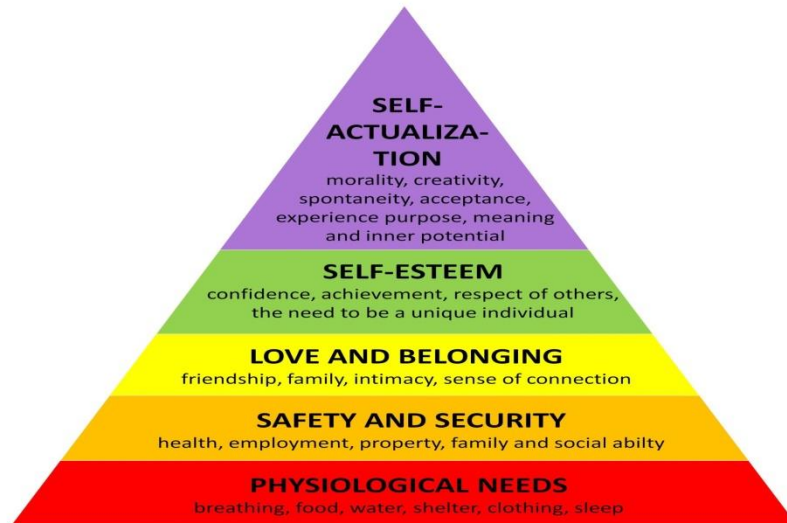
Abraham Maslow's theory suggests that human motivation is driven by a series of hierarchical needs. Maslow categorized these needs into five levels, each one building upon the other. According to this theory, individuals are motivated to satisfy lower-level needs before they can focus on higher-level needs.

**The Five Levels of Needs (in order from basic to advanced):**

- **Physiological Needs:** These are basic survival needs such as food, water, shelter, and sleep. Until these needs are met, higher needs cannot be pursued.
- **Safety Needs:** This level refers to the need for security, stability, and protection from harm (e.g., job security, health, safety).
- **Love and Belongingness Needs:** After basic survival and safety needs are met, individuals seek relationships, affection, and a sense of belonging (e.g., family, friends, social connections).
- **Esteem Needs:** This level involves the need for self-esteem, recognition, respect from others, and feelings of accomplishment (e.g., promotions, awards, status).
- **Self-Actualization Needs:** The highest level, involving the need for personal growth, self-improvement, creativity, and fulfilling one's potential (e.g., pursuing one's passions, achieving personal goals).

**Maslow's Hierarchy of Needs Theory** emphasizes that people are motivated by unmet needs, and once lower-level needs are fulfilled, individuals are motivated to pursue higher-level goals.





## 2. Herzberg's Two-Factor Theory:

Frederick Herzberg's theory, also known as the **Motivation-Hygiene Theory**, proposes that there are two distinct factors that influence motivation in the workplace:

- **Motivators (Satisfiers):** These factors lead to job satisfaction and are associated with the content of the work itself. When present, motivators enhance motivation and performance. Examples include:
  - Achievement
  - Recognition
  - Responsibility
  - Advancement
  - Personal growth and development
- **Hygiene Factors (Dissatisfiers):** These factors do not necessarily motivate employees but, when absent or inadequate, can lead to dissatisfaction. Hygiene factors are related to the work environment and conditions rather than the work itself. Examples include:
  - Salary and compensation
  - Working conditions
  - Job security
  - Company policies
  - Interpersonal relationships

**Herzberg's theory** suggests that improving hygiene factors can prevent dissatisfaction, but to truly motivate employees, organizations must focus on providing motivators that increase job satisfaction.



### 3. McClelland's Acquired Needs Theory:

David McClelland's theory is based on the idea that certain needs are acquired over time and shaped by life experiences. According to McClelland, individuals are motivated by three primary needs:

- **Need for Achievement (nAch):** This need drives individuals to accomplish difficult tasks, set high standards for themselves, and seek out success. People high in nAch are motivated by challenges, responsibility, and personal accomplishment.
- **Need for Affiliation (nAff):** This need refers to the desire for positive relationships, social acceptance, and belongingness. People high in nAff are motivated by teamwork, collaboration, and supportive environments.
- **Need for Power (nPow):** This need involves the desire to influence, control, or lead others. People high in nPow are motivated by leadership positions, control over decisions, and the ability to have an impact on others.

According to **McClelland's Acquired Needs Theory**, individuals are driven by a combination of these three needs, and understanding an individual's dominant need can help organizations tailor motivation strategies to each person.

### 4. Alderfer's ERG Theory:

Clayton Alderfer's **ERG Theory** builds on Maslow's Hierarchy but simplifies it into three categories instead of five. ERG stands for **Existence, Relatedness, and Growth**, and these categories represent three core needs that drive motivation:

- **Existence Needs:** These are the basic survival needs, similar to Maslow's physiological and safety needs. They include the need for physical well-being, food, water, shelter, and safety.
- **Relatedness Needs:** These needs involve interpersonal relationships and the need for social interaction and approval from others, similar to Maslow's love and belongingness needs.
- **Growth Needs:** These needs are related to self-development and the desire for personal growth, achievement, and self-actualization. This is similar to Maslow's esteem and self-actualization needs.

**Alderfer's ERG Theory** differs from Maslow's theory in that:

- Needs do not have to be fulfilled in a strict order. People can be motivated by different needs simultaneously.
- Frustration-regression principle: If a person is unable to satisfy higher-level needs (growth needs), they may regress to focusing on lower-level needs (relatedness or existence).

# MODULE 4- MANAGING HUMAN AT WORK

## MEANING OF GROUP:

According to S. P Robbins – “Two or more individuals, interacting and interdependent, who come together to achieve particular objectives” .

According to G.C.Homans, “No.of people who share goals, often communicate with each other over a period of time, and are few enough so that each individual may communicate with all others, person to person”.

## CHARACTERISTICS OF GROUPS:

A **group** is a collection of individuals who interact with each other, share common goals, and develop a collective identity. Here are the key features of a group:

1. **Two or More Persons**

A group must have at least two individuals who interact and work together. There is no maximum limit, but for effective communication and collaboration, a reasonable size is preferable.

2. **Interaction**

Group members communicate, coordinate, and engage in activities together. Interaction can be face-to-face or virtual, depending on the nature of the group.

3. **Reasonable Size**

The size of a group impacts its efficiency. A very large group may struggle with coordination, while a very small group may lack diverse perspectives. A reasonable size ensures effective participation and decision-making.

4. **Common and Shared Goals**

A group exists to achieve specific objectives or purposes. Members work toward shared goals, whether they are task-oriented (such as a project team) or social (such as a club or community group).

5. **Collective Identity**

Group members identify themselves as part of the group. They develop a sense of belonging, which influences their behavior, loyalty, and commitment.

6. **Group Dynamics (Forces)**

Groups have internal forces that shape interactions, relationships, and overall functioning. These forces include leadership, norms, roles, communication patterns, and conflicts, all of which affect group performance and cohesion.

## CLASSIFICATION OF GROUPS:

Groups can be classified in various ways based on their structure, purpose, and characteristics. The classification helps in understanding how groups function, how

individuals interact within them, and how they contribute to achieving goals. Below are the main classifications of groups:

### **1. Based on Structure:**

#### a. Formal Groups:

- Definition: Formal groups are those that are created deliberately to fulfill specific organizational goals. These groups are defined by the organization's hierarchy and have clear roles, responsibilities, and expectations.
- Characteristics:
  - Defined by organizational rules and policies.
  - Clear roles and responsibilities.
  - Organized structure, such as teams or departments.
  - Examples: Project teams, work committees, management teams, departments.

#### b. Informal Groups:

- Definition: Informal groups emerge naturally from social interactions among individuals. These groups are not officially recognized or structured but develop based on mutual interests, friendships, or common goals.
- Characteristics:
  - Formed based on personal relationships, interests, or shared experiences.
  - Flexibility in roles and interactions.
  - No formal structure or organizational purpose.
  - Examples: Friend groups, social circles, lunch buddies at work.

### **2. Based on Purpose and Function:**

#### a. Task Groups:

- Definition: Task groups are formed with the primary purpose of achieving a specific goal or completing a particular task.
- Characteristics:
  - Focused on achieving a specific outcome or completing a project.
  - Temporary in nature; members are often selected for their expertise or skills.
  - Examples: Project teams, advisory committees, task forces.

b. Maintenance Groups:

- Definition: Maintenance groups focus on maintaining relationships, ensuring smooth functioning, and supporting individuals within the group.
- Characteristics:
  - Emphasize building and maintaining trust, collaboration, and interpersonal relationships.
  - Can exist in both formal and informal settings.
  - Examples: Support groups, workgroups focused on team morale, social gatherings.

**3. Based on Duration:**

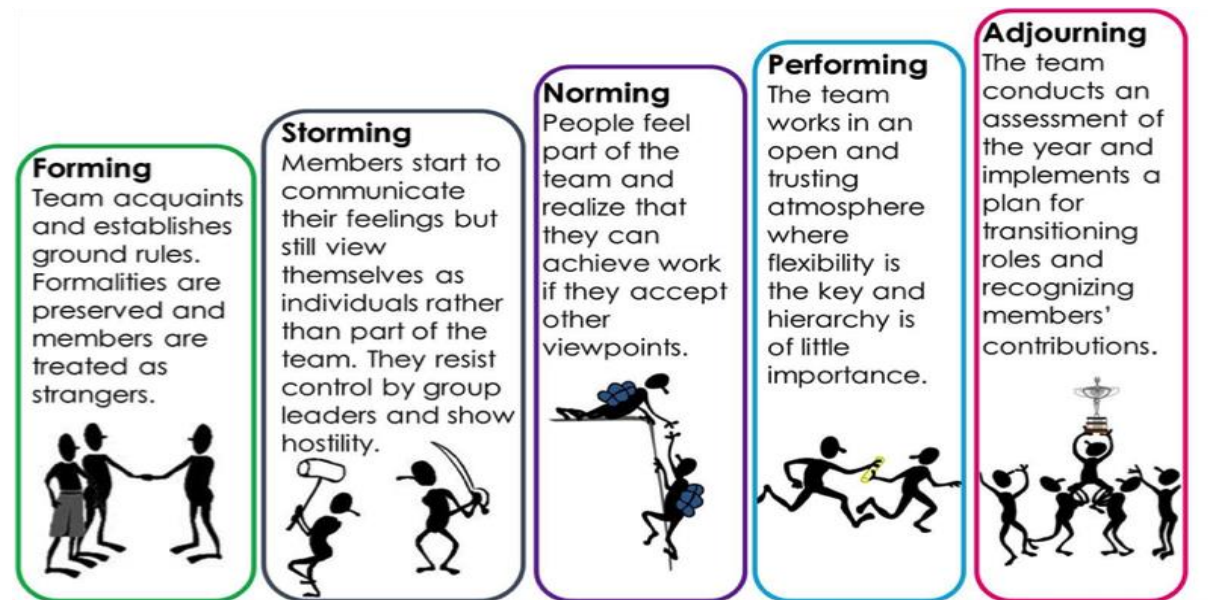
a. Temporary Groups:

- Definition: Temporary groups are formed to accomplish a specific task within a limited time frame and dissolve once the task is complete.
- Characteristics:
  - Short-lived; they are formed to address a particular goal or project.
  - Group members may not have long-term relationships with each other.
  - Examples: Task forces, project teams, committees formed for events.

b. Permanent Groups:

- Definition: Permanent groups are long-term groups that exist to fulfill ongoing organizational needs or societal functions.
- Characteristics:
  - Have a long-lasting existence and stable membership.
  - Members remain in the group for extended periods.
  - Examples: Departments within an organization, professional associations, lifelong clubs.

## MODELS OF GROUP DEVELOPMENT/ STAGES IN GROUP OR TEAM DEVELOPMENT:



## 1. Forming:

- **Definition:** This is the initial stage where the group is created and members begin to get acquainted with each other. During this stage, the group is focused on understanding its goals, roles, and structure.
- **Characteristics:**
  - Members are polite, reserved, and cautious.
  - There is little conflict at this point, as everyone is still in the process of determining their roles and how to interact with others.
  - The leader typically takes a more active role in providing guidance and direction.
  - There is a lack of clarity about group goals and objectives.

## 2. Storming:

- **Definition:** In this stage, members start to assert themselves and express differing opinions, which can lead to conflicts. Disagreements over roles, leadership, and the group's goals may arise.
- **Characteristics:**
  - Tensions, disagreements, and conflicts become more apparent as members test boundaries and try to define their positions within the group.
  - Members may challenge authority or other members' ideas.
  - There is a struggle for control, and some individuals may try to push for their own vision or ideas.
  - This stage is crucial for team development but can be uncomfortable as members navigate power dynamics and differing perspectives.

## 3. Norming:

- **Definition:** The group begins to resolve its conflicts and establish norms and relationships that help it function more cohesively. Members start to work collaboratively toward shared goals.
- **Characteristics:**
  - The group develops its norms, roles, and expectations for behavior. There is an increasing sense of unity and trust.
  - Communication improves, and members start working together more harmoniously.

- Differences are accepted, and members begin to respect one another's strengths and contributions.
- The group becomes more focused on problem-solving and task achievement rather than interpersonal issues.
- **Challenges:** Balancing individual needs with group needs, maintaining motivation and engagement.

#### **4. Performing:**

**Definition:** At this stage, the group is functioning effectively and efficiently. Members are highly motivated and focused on achieving the group's goals.

- **Characteristics:**
  - The group is productive and operates smoothly with little need for external leadership.
  - Roles are clear, and members work interdependently to achieve shared goals.
  - Collaboration and creativity are high, and conflict is minimal because the group has learned to work together effectively.
  - Members are confident and feel a sense of accomplishment in their work.

#### **5. Adjourning (or Mourning):**

**Definition:** This is the final stage where the group disbands after accomplishing its goals. This stage is often seen in project-based or temporary teams, where the group's work is completed, and members move on to new tasks or projects.

- **Characteristics:**
  - The group may reflect on its successes and challenges, and members prepare to move on to other tasks.
  - Feelings of sadness or loss can arise, particularly if strong bonds have been formed.

### **MEANING OF GROUP DYNAMICS:**

- **Group dynamics** refers to the patterns of interaction, behaviors, and psychological processes that occur within a group. It describes how people in a group influence each other, how roles and relationships evolve, and how the group functions as a whole.

### **Key Aspects of Group Dynamics:**

- **Formation & Structure:** How groups are formed, including roles, norms, and leadership.
- **Interaction & Communication:** How members communicate and collaborate.
- **Influence & Power:** The ways individuals influence group decisions and behaviors.
- **Conflict & Resolution:** How groups handle disagreements and decision-making.
- **Cohesion & Performance:** The level of trust and unity that impacts group effectiveness.

#### **Group dynamics in the workplace:**

- In the workplace, group dynamics can impact productivity and creativity.
- A positive group dynamic can lead to better collaboration and communication.
- A negative group dynamic can lead to miscommunication, distrust, and disruption.

#### **Factors that affect group dynamics:**

- **Group size**

Smaller groups may have stronger relationships, but larger groups may have more diverse ideas.

- **Group structure**

Formal groups have specific rules and norms, while informal groups have more flexible rules.

#### **GROUP BEHAVIOR:**

**Group behavior** refers to how individuals behave when they are part of a group. It is influenced by social norms, group roles, leadership, and group dynamics. Group behavior can be seen in workplaces, social organizations, and teams.

- **Types of Group Behavior:**

**Cooperative Behavior:** Members work together to achieve common objectives.

**Competitive Behavior:** Members compete for resources, recognition, or power.

**Conformity & Deviance:** Some follow group norms, while others challenge them.

**Groupthink:** When the desire for harmony leads to poor decision-making.

**Social Loafing:** Some members exert less effort when working in a group.



## **IMPACT OF GROUP ON INDIVIDUAL'S BEHAVIOUR:**

Being part of a group significantly influences an individual's behavior, thoughts, and decisions. This impact can be **positive or negative**, depending on the group dynamics, culture, and structure.

- **Positive Impact of Groups on Individuals**

### **1. Emotional Support & Well-being**

Groups play a crucial role in providing emotional support, which contributes to an individual's overall well-being. This support comes in various forms, including encouragement, empathy, and a sense of belonging.

#### **How Groups Provide Emotional Support:**

- **Sense of Belonging:** Being part of a group helps individuals feel accepted and valued, reducing feelings of loneliness and isolation.
- **Stress Reduction:** Supportive group environments help individuals manage stress better, whether in the workplace, school, or social settings.
- **Encouragement & Motivation:** Group members provide moral support, helping individuals stay motivated in challenging situations.
- **Conflict Resolution & Advice:** Groups allow individuals to share their problems and receive guidance from peers who have had similar experiences.

#### **Example:**

- A workplace team where members support each other can reduce job-related stress and enhance job satisfaction. Employees who feel supported are more likely to stay engaged and perform better.
- A student study group provides emotional encouragement during exam periods, reducing anxiety and fostering a sense of unity.

### **2. Identity & Self-Esteem (Social Identity Theory)**

**Social Identity Theory (Tajfel & Turner, 1979)** suggests that people derive a significant part of their self-esteem from their group memberships. A strong group identity enhances an individual's confidence, sense of purpose, and overall self-worth.

#### **Key Aspects of Social Identity Theory in Groups:**

- **Group Membership & Self-Concept:** People define themselves based on their group associations (e.g., "I am a member of this elite team").
- **Boost in Confidence:** Being part of a respected, high-achieving group can make individuals feel more competent and valued.
- **Us vs. Them Mentality:** People tend to favor their own groups (in-group favoritism), which strengthens bonds and unity.

### **Example:**

- An employee who is part of a top-performing sales team feels a sense of pride and confidence in their abilities, increasing their motivation to succeed.
- A student who is a member of a prestigious academic club feels a stronger sense of self-worth, knowing they belong to an elite group.

### **3. Collaboration & Creativity**

Groups foster collaboration and creativity by bringing together diverse ideas, perspectives, and expertise. When individuals work together, they can generate more innovative solutions than when working alone.

#### **How Groups Enhance Collaboration & Creativity:**

- **Brainstorming & Idea Sharing:** Groups provide a platform for discussing different viewpoints, leading to novel solutions.
- **Diverse Perspectives:** Teams with members from different backgrounds can approach problems from multiple angles, enhancing creativity.
- **Collective Problem-Solving:** Group discussions help refine ideas, challenge assumptions, and create well-rounded solutions.
- **Synergy Effect:** The combined efforts of a group often produce better outcomes than individual efforts.

### **Example:**

- A technology company that encourages teamwork sees more innovation in product development, as diverse engineers and designers contribute unique ideas.
- A marketing team brainstorming campaign ideas can develop more creative advertisements compared to an individual working alone.

**While groups offer many benefits, they can also have negative impacts on individuals. Some of the key drawbacks include:**

#### **1. Groupthink (Pressure to Conform)**

- In highly cohesive groups, members may prioritize harmony over critical thinking, leading to poor decision-making.
- Individuals may hesitate to express dissenting opinions due to fear of rejection.
- **Example:** A company's leadership team ignores warning signs of a failing project because no one wants to challenge the dominant opinion.

#### **2. Social Loafing (Reduced Effort in Groups)**

- Some individuals put in less effort when working in a group compared to working alone, assuming others will carry the workload.

- This can lead to inefficiency and resentment among team members.
- **Example:** In a group project, some students do minimal work, relying on others to complete the assignment.

### 3. Conflict & Group Polarization

- Differences in opinions, values, or personal interests can lead to tension, misunderstandings, or even hostility within a group.
- Group discussions may strengthen extreme views, making members more rigid in their beliefs.
- **Example:** Political or workplace groups may become more divided over time, reinforcing radical or unproductive positions.

### 4. Loss of Individuality (Deindividuation)

- In large groups, individuals may lose their sense of self-awareness and engage in behavior they wouldn't normally do alone.
- This can lead to reckless, unethical, or aggressive actions.
- **Example:** Online groups or protest crowds may encourage aggressive behavior that individuals wouldn't engage in alone.

### 5. Unfair Distribution of Rewards & Recognition

- In group settings, some individuals may take credit for work done by others.
- Hardworking members may feel unappreciated if their contributions are not recognized.
- **Example:** A workplace team where a manager takes credit for employees' innovative ideas

## **IMPACT OF EXTERNAL FACTORS ON GROUP BEHAVIOUR:**

External factors play a crucial role in shaping how groups function, make decisions, and interact. These factors come from the surrounding environment and influence group dynamics, productivity, and cohesion.

### **Key External Factors Affecting Group Behavior**

- Organizational Culture & Policies
  - The values, norms, and rules set by an organization impact how groups operate.
  - Example: A company with a collaborative culture fosters teamwork, while a competitive culture may create rivalry.
- Leadership & Management Style
  - Leadership influences motivation, communication, and decision-making within groups.

- Example: An autocratic leader may suppress open discussions, while a democratic leader encourages participation.
- Workplace Environment & Resources
  - Physical and psychological conditions affect group performance.
  - Example: A supportive environment with proper resources enhances productivity, while a toxic culture leads to disengagement.

#### Economic & Market Conditions

- Economic stability, industry trends, and financial constraints affect group decision-making and priorities.
- Example: During a recession, a company may cut costs, leading to stress and uncertainty within teams.

#### Technology & Innovation

- Advancements in technology change how groups communicate and collaborate.
- Example: Remote work tools like Zoom and Slack enable virtual teams to function effectively.

#### Social & Cultural Influences

- Societal norms, diversity, and cultural backgrounds shape group interactions.
- Example: A diverse workforce brings innovation but may also require cultural sensitivity training.

#### Competition & Industry Trends

- Rivalry in the market can push groups to perform better or create excessive pressure.
- Example: A tech company facing competition may work in high-pressure environments to innovate faster.

#### Legal & Ethical Regulations

- Compliance with labor laws, ethics, and industry standards affects group behavior.
- Example: Strict workplace regulations on discrimination encourage fair treatment within teams.

#### Global Events & Crisis Situations

- Events like pandemics, geopolitical conflicts, or natural disasters disrupt group functioning.
- Example: COVID-19 forced organizations to adapt to remote work, reshaping teamwork and communication.

### **MEANING OF TEAMS:**

A team is a small no of people with complementary skills who are committed to a common purpose, common performance goals and an approach for which they hold themselves mutually accountable.

Work teams are formal groups made up of interdependent individuals who are responsible for the attainment of a goals.

### **Characteristics of an Effective Team**

An **effective team** is one that works efficiently to achieve common goals while maintaining positive group dynamics. The key characteristics of such a team include:

#### **1. Clear Goals**

- A successful team has well-defined objectives that all members understand and agree upon.
- Goals should be **SMART** (Specific, Measurable, Achievable, Relevant, and Time-bound).

#### **2. Relevant Skills**

- Each team member brings unique and necessary skills to contribute effectively to the team's success.
- A balance of technical, problem-solving, and interpersonal skills is crucial.

#### **3. Mutual Trust**

- Team members trust each other's abilities and integrity, creating a safe environment for collaboration.
- Trust reduces conflicts and enhances cooperation.

#### **4. Unified Commitment**

- All members are dedicated to the team's mission and willing to put in the effort needed for success.
- A shared sense of purpose keeps members motivated.

#### **5. Good Communication**

- Open and honest communication ensures that team members stay informed and aligned.
- Active listening, constructive feedback, and clarity in messaging are essential.

## 6. Internal and External Support

- **Internal Support:** Team members support one another through collaboration and encouragement.
- **External Support:** Organizations provide necessary resources, training, and leadership support.

## 7. Appropriate Leadership

- A good leader provides direction, resolves conflicts, and motivates team members.
- Leadership can be shared, depending on the situation and team dynamics.

## 8. Cooperation

- Teamwork thrives when members collaborate instead of competing.
- Successful teams emphasize helping one another rather than focusing on individual achievements.

### **DIFFERENCE BETWEEN TEAMS AND GROUPS:**

While both teams and groups involve people working together, a team is characterized by interdependence and a shared goal, where each member's success or failure is tied to the team's, while a group is a collection of individuals who may or may not be interdependent and focus on individual goals.

Basis	Group	Team
<b>Purpose and Goals</b>	A group may have a common purpose or interest, but individual members may have different goals and objectives.	A team has a shared purpose and specific goals that all members work together to achieve.
<b>Interdependence</b>	Members may work independently, and their actions may not directly affect or rely on each other.	Members are highly interdependent, and their actions and contributions directly impact the team's performance and outcomes.
<b>Roles and Responsibilities</b>	Members may have different roles and responsibilities, but these roles may not be specifically defined or coordinated.	Members have clearly defined roles and responsibilities that are coordinated to ensure effective collaboration and goal attainment.
<b>Communication and Collaboration</b>	Communication and collaboration among members may vary and may not be a	Communication and collaboration are essential within a team, with regular interactions,

<b>Basis</b>	<b>Group</b>	<b>Team</b>
	primary focus.	information sharing, and collective decision-making.
<b>Accountability</b>	Individual members are primarily accountable for their actions and results.	Team members hold each other accountable for the team's performance and outcomes, fostering a sense of collective responsibility.
<b>Performance and Productivity</b>	Group performance may be variable and dependent on individual efforts without a strong focus on overall productivity.	Team performance is measured collectively, with a focus on achieving high levels of productivity and accomplishing shared goals.
<b>Cohesion and Trust</b>	Group cohesion and trust among members may vary and may not be a central aspect of group dynamics.	Building cohesion and trust among team members is crucial to establish a positive team environment and enhancing collaboration.
<b>Leadership</b>	Leadership may not be formally assigned, and there may be no designated leader.	A team typically has a designated leader who provides guidance, facilitates collaboration, and ensures effective team functioning

### **TEAMWORK:**

Teamwork is the collaborative effort of a group to achieve a common goal effectively. It involves communication, trust, accountability, and cooperation among members. Strong teamwork leads to higher productivity, creativity, and employee satisfaction.

Key Elements of Effective Teamwork:

- Clear Goals – Everyone understands the team's objectives.
- Open Communication – Active listening and constructive feedback help avoid misunderstandings.
- Defined Roles – Each member knows their responsibilities, reducing conflicts and redundancies.

- Trust & Respect – A positive work environment fosters mutual respect and psychological safety.
- Collaboration – Teams that work together rather than in silos produce better results.
- Adaptability – A team should be flexible to navigate changes and challenges.
- Accountability – Team members take ownership of their tasks and deliver results.

## **PROCESS OF TEAMWORK:**

Teamwork follows a structured process to ensure efficiency and effectiveness in achieving goals. Here's a breakdown of key teamwork processes:

### **1. Formation & Goal Setting**

- Define the team's purpose and objectives.
- Assign roles and responsibilities.
- Establish team norms and expectations.

### **2. Communication & Coordination**

- Share information openly and transparently.
- Hold regular meetings for updates and feedback.
- Use collaboration tools to streamline workflow (e.g., Slack, Trello, Microsoft Teams).

### **3. Collaboration & Problem-Solving**

- Work together to complete tasks efficiently.
- Leverage diverse skills and perspectives.
- Address challenges proactively through brainstorming and consensus-building.

### **4. Decision-Making & Conflict Resolution**

- Use structured decision-making techniques (e.g., voting, consensus, delegation).
- Resolve conflicts constructively through active listening and mediation.
- Maintain respect and professionalism in disagreements.

### **5. Performance Monitoring & Feedback**

- Track progress using key performance indicators (KPIs).
- Conduct peer reviews and self-assessments.



- Provide constructive feedback for continuous improvement.

## **6. Adaptation & Continuous Improvement**

- Reflect on team successes and areas for improvement.
- Implement lessons learned into future projects.
- Encourage innovation and adaptability to new challenge

## **TYPES OF TEAMS IN ORGANIZATIONS:**

Different types of teams are formed based on their purpose, structure, and level of autonomy. Here's a detailed explanation of **Manager-Led Teams, Project Teams, Self-Managing Teams, Cross-Functional Teams, and Virtual Teams**:

### **1. Manager-Led Teams**

#### **Definition:**

Manager-led teams are groups where a designated leader (such as a supervisor or team manager) makes key decisions, assigns tasks, and oversees performance. Team members execute tasks but have little decision-making authority.

#### **Characteristics:**

- A single manager or leader directs the team.
- Members focus on execution rather than strategic decision-making.
- The leader is responsible for planning, monitoring, and evaluating performance.
- Common in structured work environments.

#### **Advantages:**

- ✓ Clear authority and direction.
- ✓ Efficient in environments where standardization is required.
- ✓ Reduces decision-making burden on employees.

#### **Disadvantages:**

- ✗ Limited autonomy can reduce motivation and creativity.
- ✗ Employees may feel disengaged due to lack of participation in decision-making.

## 2. Project Teams

### Definition:

Project teams are **temporary teams** formed to complete a specific task or project within a defined timeframe. Members come from various departments or areas of expertise.

### Characteristics:

- Focus on a single project with clear goals and deadlines.
- Team members may have different specializations.
- Once the project is completed, the team disbands.

### Advantages:

- ✓ Encourages collaboration across different expertise.
- ✓ Goal-oriented and efficient in achieving specific outcomes.
- ✓ Flexible, as team members return to their departments after project completion.

### Disadvantages:

- ✗ Short-term focus may limit long-term team cohesion.
- ✗ Requires strong leadership to manage diverse team members.

## 3. Self-Managing Teams (Autonomous Teams)

### Definition:

Self-managing teams **operate with minimal supervision** and have the authority to make decisions about their work. They manage schedules, roles, and problem-solving internally.

### Characteristics:

- Members have decision-making authority.
- No direct supervisor; leadership is shared.
- Requires high levels of trust, collaboration, and accountability.

### Advantages:

- ✓ Increases motivation and job satisfaction.
- ✓ Encourages creativity and innovation.
- ✓ Reduces the need for middle management.

### Disadvantages:

- ✗ Requires high levels of responsibility and self-discipline.
- ✗ Decision-making can be slow without a clear leader.

#### 4. Cross-Functional Teams

##### Definition:

Cross-functional teams bring together employees from different departments or expertise areas to **solve complex problems** or achieve a specific goal.

##### Characteristics:

- Members come from various functional areas (e.g., marketing, finance, engineering).
- Encourages diverse perspectives and problem-solving.
- Can be temporary (for a project) or permanent.

##### Advantages:

- ✓ Promotes innovation through diverse perspectives.
- ✓ Improves coordination between departments.
- ✓ Enhances problem-solving and decision-making.

##### Disadvantages:

- ✗ Communication challenges due to different expertise areas.
- ✗ Conflicts may arise due to differing departmental priorities.

#### 5. Virtual Teams

##### Definition:

Virtual teams consist of members who work remotely and **collaborate using digital communication tools** instead of working in a physical office.

##### Characteristics:

- Members may be located in different cities or even countries.
- Communication relies on video calls, emails, and online collaboration tools.
- Common in multinational companies, freelancing, and remote work settings.

##### Advantages:

- ✓ Provides flexibility and access to global talent.
- ✓ Reduces office costs and commuting time.
- ✓ Allows businesses to operate across time zones.

## **Disadvantages:**

- ✗ Communication barriers due to time zones and cultural differences.
- ✗ Lack of face-to-face interaction can reduce team bonding.

## **REASONS FOR TEAM FAILURE:**

### 1. Communication Breakdown:

#### **Poor Communication:**

Teams often fail due to a lack of clear and open communication, leading to misunderstandings, conflicts, and missed deadlines.

#### **Lack of Transparency:**

When information isn't shared openly, team members may feel disengaged and unable to contribute effectively.

#### **Ineffective Listening:**

If team members aren't actively listening to each other, ideas and concerns may not be heard, leading to a lack of collaboration.

### 2. Lack of Trust and Accountability:

#### **Low Trust:**

A lack of trust among team members can create a climate of fear and suspicion, hindering open communication and collaboration.

#### **Lack of Accountability:**

When team members don't take responsibility for their actions and commitments, it can lead to a decline in performance and morale.

#### **Poor Decision-Making:**

A lack of trust and accountability can also lead to poor decision-making, as team members may be hesitant to speak up or take risks.

### 3. Leadership Issues:

#### **Ineffective Leadership:**

Poor leadership can lead to a lack of direction, motivation, and support, ultimately hindering team performance.

#### **Lack of Vision:**

A team without a clear vision or purpose may struggle to stay focused and motivated, leading to a lack of direction and purpose.

#### **Micromanagement:**

Excessive micromanagement can stifle creativity and initiative, leading to a decline in team morale and performance.

### 4. Role Ambiguity and Resource Constraints:

#### **Unclear Roles:**

If team members don't understand their roles and responsibilities, it can lead to confusion, duplication of effort, and a lack of accountability.

**Insufficient Resources:**

Teams may struggle to achieve their goals if they lack the necessary resources, tools, or support.

**Lack of Training:**

If team members aren't properly trained, they may not be able to perform their roles effectively, leading to mistakes and a decline in performance.

**5. Lack of Focus on Results:**

**Inattention to Results:**

If team members are more focused on their individual goals than on the team's overall objectives, it can lead to a lack of cohesion and a decline in performance.

**Lack of Planning:**

Without a clear plan and strategy, teams may struggle to stay on track and achieve their goals.

**Fear of Conflict:**

Teams that avoid conflict may fail to address important issues, leading to a decline in performance and morale.

**CREATING AN EFFECTIVE TEAM:**

To create effective teams, focus on clear goals, well-defined roles, strong communication, fostering trust, embracing diversity, and providing enabling structures, all while promoting collaboration and conflict resolution skills.

**1. Setting Clear Goals and Objectives:**

**Purpose:**

Ensure everyone understands what the team is working towards, which helps to maintain focus and direction.

**SMART Goals:**

Aim for Specific, Measurable, Achievable, Relevant, and Time-bound objectives.

**Shared Understanding:**

Make sure all team members are on the same page regarding goals and expectations.

**2. Defining Roles and Responsibilities:**

**Clarity:** Assign specific roles and responsibilities to each team member.

**Accountability:** Ensure everyone understands their individual contributions and how they impact the overall team success.

**Skill Matching:** Match roles with the skills and strengths of team members.

### 3. Fostering Effective Communication:

**Open Dialogue:** Encourage open and honest communication among team members.

**Active Listening:** Promote active listening and understanding of different perspectives.

**Clear Channels:** Establish clear communication channels and protocols.

### 4. Building Trust and Rapport:

**Transparency:** Be transparent with team members about decisions and processes.

**Respect:** Foster a culture of respect and mutual trust among team members.

**Feedback:** Provide regular and constructive feedback to help team members grow and improve.

### 5. Embracing Diversity and Inclusion:

**Diverse Perspectives:** Recognize the value of diverse backgrounds, experiences, and perspectives.

**Inclusivity:** Create an inclusive environment where all team members feel valued and respected.

**Collaboration:** Encourage collaboration and teamwork to leverage diverse strengths.

### 6. Providing an Enabling Structure:

**Tools and Resources:** Ensure the team has the necessary tools, resources, and support to succeed.

**Flexibility:** Create a flexible and adaptable structure that allows the team to respond to changing circumstances.

**Empowerment:** Empower team members to make decisions and take ownership of their work.

### 7. Promoting Collaboration and Conflict Resolution:

**Teamwork:** Encourage collaboration and teamwork to achieve shared goals.

**Conflict Resolution:** Develop skills to resolve conflicts constructively and efficiently.

**Positive Environment:** Create a positive and supportive team environment.

### 8. Engaging and Motivating the Team:

**Recognition:** Recognize and celebrate team accomplishments.

**Motivation:** Motivate team members by providing opportunities for growth and development.

**Engagement:** Keep team members engaged and involved in the team's activities.

# MODULE 5- ORGANIZATIONAL POWER, POLITICS & CULTURE

## **MEANING OF POWER:**

Power is the ability to influence others' behaviors, decisions, and actions, even in the face of resistance. It exists at all levels of an organization and can be either formal (position-based) or informal (relationship-based).

### **Definition:**

Power is the capacity to influence others, enabling someone to get things done, sometimes even against resistance.

## **CHARACTERISTICS OF POWER:**

- Relational – Power exists in relationships between individuals or groups.
- Dynamic – It can shift depending on circumstances, roles, and relationships.
- Positive or Negative – Power can be used for productive organizational goals or personal advantage.
- Context-Dependent – The effectiveness of power varies based on the situation.

## **SOURCES OF POWER FOR INDIVIDUALS:**

Individuals in organizations derive power from various sources, categorized into formal (positional) and informal (personal) power.

### **Formal Sources of Power (Positional Power)**

- Legitimate Power – Derived from an official position in the hierarchy, such as a manager or CEO.
- Reward Power – The ability to provide incentives, such as promotions, bonuses, or recognition.
- Coercive Power – Based on the ability to impose penalties or punishments, such as demotions or job termination.

### **Informal Sources of Power (Personal Power)**

- Expert Power – Comes from specialized knowledge, skills, or expertise in a particular domain.
- Referent Power – Based on charisma, admiration, and personal likability, making others want to follow or associate with the individual.

- Network Power – Stems from access to influential individuals, valuable relationships, and useful connections.
- Informational Power – Control over critical data and insights, giving individuals an advantage in decision-making and negotiations.

### **ORGANIZATION POLITICS:**

*Organizational politics* refers to the use of influence and strategies by individuals to gain advantages, achieve goals, or advance personal or organizational interests. It often operates outside formal channels of authority.

- Characteristics of Organizational Politics:
- Inevitable – Politics exist in every organization due to differing interests and limited resources.
- Can be Constructive or Destructive – It can drive positive change when used ethically but can also lead to conflict and inefficiency if misused.
- Influences Decision-Making – Political behavior shapes policies, promotions, and resource allocation.
- Thrives in Uncertainty – The lack of clear policies or authority structures encourages political maneuvering.

### **INTERPLAY BETWEEN POWER AND POLITICS:**

- Power enables political behavior – Those with power often engage in politics to maintain or expand their influence.
- Politics can shift power dynamics – Individuals can use political strategies to gain power, even without formal authority.
- Both can impact organizational effectiveness – Used ethically, power and politics can lead to strategic decision-making and innovation. Misused, they can create conflicts, reduce trust, and lower morale.
- Understanding the nature of power and politics helps organizations navigate influence effectively, ensuring that power is used ethically and political behavior aligns with organizational goals.



### **MANAGING ORGANIZATION POLITICS:**

Organizational politics can be either beneficial or detrimental, depending on how it is managed. Leaders and employees must adopt strategies to ensure that political behavior contributes positively to the workplace.

### **STRATEGIES TO MANAGE ORGANIZATIONAL POLITICS:**

- Promote Transparency and Clear Policies – Establishing well-defined rules, performance metrics, and decision-making processes reduces ambiguity and political maneuvering.
- Build a Culture of Trust and Ethics – Encouraging honesty, fairness, and ethical behavior minimizes negative political activities.
- Encourage Open Communication – Providing employees with a voice and ensuring clear communication channels help reduce misunderstandings and power struggles.
- Develop Political Skills Ethically – Training employees and leaders in negotiation, conflict resolution, and strategic influence can help navigate politics constructively.
- Recognize and Reward Merit – Ensuring that promotions, raises, and other rewards are based on performance rather than favoritism discourages unnecessary politicking.
- Manage Conflicts Proactively – Addressing conflicts early prevents them from escalating into political battles that harm the organization.
- Empower Employees – Giving employees autonomy and involvement in decision-making reduces the need for political maneuvering to gain influence.
- Encourage Collaboration Over Competition – Fostering teamwork and shared goals minimizes the need for individuals to engage in self-serving political behavior.

### **ORGANIZATION CULTURE:**

- Organizational culture is the set of values, beliefs, and behaviors that guide how people work together in an organization. It's also known as company culture or corporate culture.
- Organizational culture is the set of values, beliefs, attitudes, systems, and rules that outline and influence employee behavior within an organization. The culture reflects how employees, customers, vendors, and stakeholders experience the organization and its brand.



### **STRONG VS WEAK CULTURE:**

**Strong Culture:** A strong organizational culture is crucial for success, fostering employee engagement, productivity, and attracting top talent. It's built on shared values, beliefs, and practices that shape how employees behave and interact, ultimately influencing everything from employee satisfaction to customer perception.

**Clear and Widely Shared Values:**

- In a strong culture, core values are clearly defined, communicated, and widely accepted by employees.

**Deeply Embedded Practices:**

- The values are deeply ingrained in the way the organization operates, influencing everything from decision-making to employee interactions.

**Sense of Purpose and Commitment:**

- A strong culture can foster a strong sense of purpose and commitment among employees, leading to increased loyalty and engagement.

**Cohesion and Stability:**

- A strong culture can contribute to a sense of cohesion and stability within the organization, as employees have a shared understanding of the organization's values and goals.

**Potential for Stifled Creativity:**

- However, a strong culture can also be rigid and potentially stifle creativity and innovation if it's too resistant to change.

**WEAK CULTURE:** A weak organizational culture occurs when values and norms are unclear, unshared, or inconsistently enforced, leading to ambiguity, confusion, and potentially lower employee engagement and performance.

Weak Culture:

- Unclear Values and Norms:

A weak culture lacks well-defined values, norms, and expectations, leading to ambiguity and confusion among employees.

- Inconsistent Practices:

There is often a disconnect between the stated values and actual behaviors within the organization, leading to inconsistent practices and behaviors.

- Lack of Shared Understanding:

A weak culture can lead to a lack of a shared understanding of the organization's purpose and direction, potentially leading to disengagement and conflict.

- May Benefit from Adaptability:

Organizations with weak cultures can be more adaptable to changing environments, as they don't have the same resistance to change that strong cultures might have.

- Can Lead to Micromanaging:

Without clear values and norms, organizations with weak cultures may resort to excessive control and micromanagement to ensure desired behaviors.

### **CHARACTERISTICS OF ORGANIZATIONAL CULTURE:**

- Shared values: The core values of an organization that guide employee behavior
- Adaptability: A culture that encourages employees to respond to change
- Open communication: A culture that encourages employees to share ideas and opinions
- Strong leadership: A culture that's led by engaged leaders who support employees
- Accountability: A culture that encourages employees to take responsibility for their actions
- Innovation: A culture that encourages employees to be creative and take risks
- Teamwork: A culture that encourages employees to work together and share values

- Diversity and inclusion: A culture that's inclusive of people from different backgrounds

### **TYPES OF ORGANIZATION CULTURE:**

#### **1. Clan Culture:**

Emphasizes teamwork, employee well-being, and a sense of family, prioritizing employee engagement and retention.

#### **2. Adhocracy Culture:**

Fosters innovation, risk-taking, and adaptability, encouraging employees to challenge the status quo and embrace change.

#### **3. Market Culture:**

Focuses on results, competition, and achieving goals, with a strong emphasis on customer satisfaction and market leadership.

#### **4. Hierarchy Culture:**

Prioritizes structure, stability, and efficiency, with clear roles, procedures, and a strong chain of command.



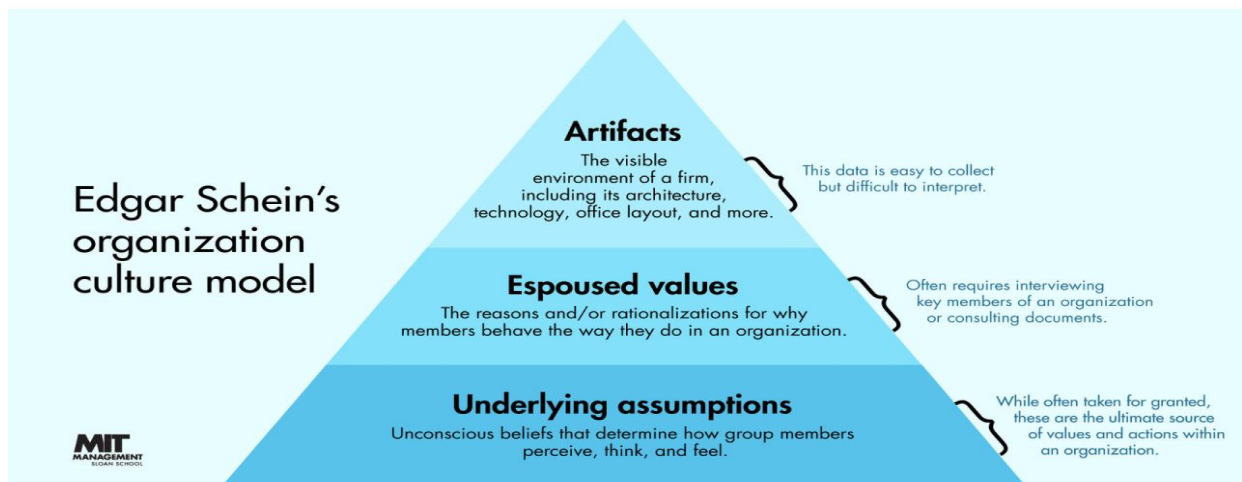
### **LEVELS OF ORGANIZATION CULTURE:**

Organizational culture can be understood through three levels: observable artifacts, espoused values and beliefs, and underlying assumptions, as proposed by Edgar Schein.

1. **Observable Artifacts:** These are the visible aspects of an organization's culture that an outsider can easily see, feel, or observe, such as building design, dress codes, rituals, and behaviors.

2. **Espoused Values and Beliefs:** This level encompasses what the organization says about itself, including its ideals, goals, values, aspirations, and ideologies.

3. Underlying Assumptions: This is the deepest level, consisting of the taken-for-granted, unstated, and automatic beliefs and assumptions that shape the organization's culture and influence behaviors, often to the point that people are not even aware of them.



## **DIMENSIONS OF ORGANIZATION CULTURE:**

Organizational culture can be understood through several key dimensions, including innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness, and stability.

Some of them are:

- **Innovation and Risk-Taking:**

This dimension reflects the extent to which employees are encouraged to be innovative and take risks.

- **Attention to Detail:**

This dimension indicates the degree to which employees are expected to exhibit precision and analysis in their work.

- **Results Orientation:**

This dimension focuses on the degree to which management emphasizes results or outcomes rather than the process of achieving them.

- **People Orientation:**

This dimension reflects the extent to which management decisions take into account the effects on employees' lives and interests.

- **Team Orientation:**

This dimension indicates the degree to which work activities are organized around teams rather than individuals.

- **Aggressiveness:**

This dimension addresses the degree to which people are competitive rather than easygoing.

- **Stability:**

This dimension indicates the degree to which organizational activities emphasize maintaining the status quo in contrast to growth.



### **CREATING EFFECTIVE ORGANIZATION CULTURE:**

Creating Organization culture is essential for fostering a positive, productive workplace where employees feel valued and motivated. Here are some key strategies to achieve this:

- **Connect employee work to a purpose:** Help employees see how their work contributes to the organization's mission and vision. When employees understand the impact of their efforts, they are more likely to feel engaged and aligned with the company's objectives and key results (OKRs). Consider using storytelling or real-world examples to demonstrate this connection.
- **Create positive employee experiences:** Focus on crafting moments that matter throughout the employee lifecycle, from onboarding to offboarding. Positive experiences, like a warm onboarding process or celebrations of milestones, contribute to an environment where employees feel supported and appreciated.
- **Be transparent and authentic:** Open communication builds trust. Share successes, challenges, and organizational updates openly with employees. Authenticity in leadership fosters a culture where people feel safe to voice opinions and ideas, creating a collaborative and honest workplace.

- Schedule regular and meaningful 1:1s: One-on-one meetings between managers and employees offer an opportunity to address challenges, provide constructive feedback, and discuss career aspirations. When done regularly, these conversations build stronger relationships and demonstrate that the organization cares about professional growth.
- Encourage frequent employee recognition: Recognition is a powerful motivator. Celebrate achievements, both big and small, to create a culture of appreciation. Employee recognition platforms make it easy to implement a consistent and engaging recognition program, ensuring employees feel seen and valued for their contributions.

### **CHANGING ORGANIZATIONAL CULTURE:**

Changing organizational culture is a process that involves shifting an organization's values and behaviors to better align with its goals and vision. It can be a powerful way to improve an organization's performance and productivity.

Steps for changing organizational culture:

- Define values and behaviors: Decide on the desired behaviors and values that will guide the organization
- Align with strategy: Ensure that the desired changes are aligned with the organization's mission, vision, and processes
- Communicate and engage employees: Ensure that employees are aware of the desired changes and are involved in the process
- Measure progress: Track the organization's progress towards its goals
- Reward desired behaviors: Recognize employees who demonstrate the desired values and behaviors