

UNIT – I

Fundamentals of management: Introduction to Management – Evolution and approaches – Principles and Functions of management, Managerial roles and Skills; Decision making process and techniques; Social responsibility and ethics in management ; current trends in Management

INTRODUCTION:

Management is a universal phenomenon. It is a very popular and widely used term. All organizations- business, political, culture or social are involved in management because one of the most important activities in business is the management of 4 M's men, material, machines, material and money and it is the management which helps and directs the various efforts towards a definite purpose. Management is the managerial process of forming a strategic vision, setting objectives, crafting a strategy and then implementing and executing the strategy.

Management mainly concentrates on efficiency and effectiveness. Efficiency is about doing things the right way. It involves eliminating waste and optimizing processes. Effectiveness is about doing the right things. A good management style is a blend of both efficiency and effectiveness. There is no point in acting efficiently if what you are doing will not have the desired effect.

DEFINITIONS OF MANAGEMENT

"Management is the art of getting things done through and with the people in formally organized groups".

- Mary

Parker Follet

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

- Harold

Koontz and Heinz Weihrich "Management is defined as the process by which a cooperative group directs action towards common goals".

- Joseph

Massie Management is a multi-purpose organ that manages a business and manages managers and manages worker and work".

- Peter F

Drucker "Management is the force which leads guides and directs an organization in the accomplishment of a pre-determined object."

- J.N. Schulze

"To manage is to forecast and to plan, to organize, to command, to co-ordinate and to control".

- Henry

Fayol "Management is the process of working with and through others to effectively achieve organizational objectives by efficiently using limited resources in the changing environment."

- Kreitner

This basic definition needs to be expanded:

- As managers, people carry out the managerial functions of planning, organizing, staffing, leading and controlling. ▪ Management applies to any kind of organization.
- It applies to managers at all organization levels.
- The aim of all managers is the same.
- Managing is concerned with productivity.

FEATURES OR CHARACTERISTICS OF MANAGEMENT

1. **Organized activities:** Management is a process of organized activities. Without organized activities, two groups of people cannot be involved in the performance of activities. A group of people are involved in working towards a common objective, through the coordinated efforts of people.
2. **Existence of objectives:** An objective or set of objectives should exist towards which the organized group activities are directed. Without objectives, it becomes difficult to define the direction where organized group activities would lead to.
3. **Relationship among resources:** To achieve common goals certain relationship among available resources is important. Resources include money, machine, materials, and men. All these resources are made available to those who manage. They apply knowledge, experience, principles for getting the desired results.
4. **Working with and through people:** Management involves working with people and getting organizational objectives achieved through them. The idea of working through people is interpreted in terms of assigning activities to subordinates.
5. **Decision – making:** Management process involves decision – making at various levels for getting things done by others. Decision – making basically involves selecting the most appropriate alternative out of the several. The right decision of the managers determines the organizations performance.

ROLE OF MANAGEMENT PRINCIPLES

1. **To increase efficiency:** The established principles of management provide managers guidelines as to how they should work in different situations. These principles increase managerial efficiency.
2. **To crystallize the nature of management:** Lack of understanding of management principles makes it difficult to analyze the management job and to define the exact scope of managerial functions.
3. **To carry on researches:** If in any organization, certain fundamental principles are developed, the scope and limitations defined, these become the basis for future researchers. The recent emphasis on management researchers has increased the quantum of knowledge in this field.
4. **To attain social objectives:** Management itself is part of the society and it takes the inputs from the society and gives the output to the society. Thus the standard of the society depends upon the quality of the management.

PRINCIPLES OF MANAGEMENT

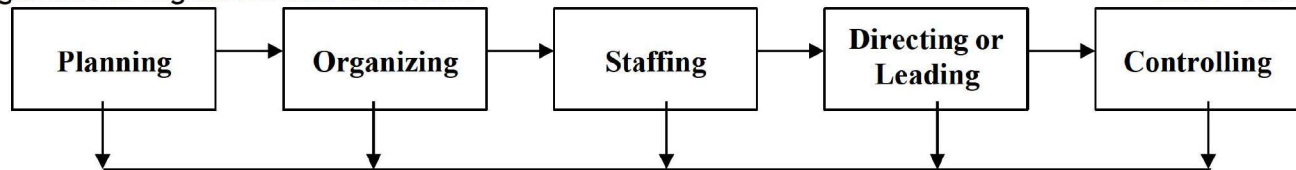
Henry Fayol's fourteen principles of management:

1. **Division of Work:** Division of work implies division of the total task in order to lighten the total burden and promote specialization in such a way that one person does only one thing. This helps to avoid the waste of time and effort caused by changes from work to another. This division of work can be applied at all levels of the organization.
2. **Authority and Responsibility:** This principle states that authority and responsibility should go side by side. A person can be accountable for certain activities only if he has been given authority for the work done. Responsibility and authority should be commensurate with each other. Official authority is derived from the manager's position and personal authority is derived from personal qualities such as intelligence, experience, moral worth, past services etc. Responsibility arises out of assignment of activity. A good leader must have courage to accept authority. Authority without responsibility leads to irresponsible behaviour while responsibility without authority makes a person ineffective.

3. **Discipline:** Discipline means obedience, respect of authority and observance of the established rules. In the words of Fayol Discipline are obedience, application, energy, behaviour and outward mark of respect shown by employees.
4. **Unity of Command:** This principle states that a person should receive order and instructions from only one superior, in other words, one person should be accountable to only one boss. If one person is under more than one boss then there can be contradictory orders and the subordinate fails to understand who orders to be followed.
5. **Unity of Direction:** The principle of unity of direction implies that there should be “one head and one plan for a group of activities having the same objective.”
6. **Subordination of Personal Interest to General or Common Interest:** This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.
7. **Remuneration:** The remuneration paid to the workers should always be just fair and should afford maximum satisfaction to both employees and the employer. The management must ensure fair reward for the work and decide the most equitable method of calculating the wages.
8. **Centralization:** Centralization means concentration of authority in the hands of few, i.e. top management. Everything which goes to increase the importance of subordinate’s role in decentralization and everything which goes to reduce its centralization.
9. **Scalar Chain:** This refers to chain of authority that extends from the top to the bottom of an organization. The scalar chain defines the communication path in the organization.
10. **Order:** This refers to both material & social order in organization. Material order indicates that everything is kept in a right place to facilitate the smooth co-ordination of work activities. Social order implies that the right person is place in the right job.
11. **Equity:** All employees should be treated fairly. An organization consists of people involved in joint effort. Hence, equity must be there. Without equity, we cannot have sustained and adequate joint collaboration.
12. **Stability of Tenure of Personnel:** A person needs time to adjust himself with the new work and demonstrate efficiency in due course. Hence, employees and managers must have job security. Security of income and employment is a pre-requisite of sound organization and management.
13. **Initiative:** Initiative implies the power of thinking out a plan and ensuring its successful implementation. The manager should encourage or inspire the confidence of his subordinates so that they show initiative. For this, the manager should sacrifice his won vanity. Initiative is a powerful motivator of human behaviour and a source of strength for the organization.
14. **Esprit-de-crops:** This principle implies that there should be co-operation and team-work among the members of an organization. This is the principle of „Union is Strength“ the extension of unity of command for establishing teamwork.

FUNCTIONS OF MANAGEMENT

Managerial functions are effective tools for managers to achieve the organization’s planned objectives. The functions of a manager provide a useful framework for organizing management knowledge under the various heads of planning, organizing, staffing, directing/leading and controlling. All the managers in the organization perform these functions to get the things done by others.



1. **Planning:** Planning is defined as the process by which managers decide the mission and objectives of the firm and take necessary steps to achieve the objectives. In simple words, planning is deciding in advance what actions to take, how and when, who are the people involved in it. Plans are classified in a number of ways on the basis of organization level, frequency of use and time frame.
2. **Organizing:** If plans are not organized properly even the best plans can fail. Organizing is the process of assigning tasks and allocating resources to individuals to enable them to accomplish organizational goals
organizing is a continuous process of determining
 - a. Which task are to be performed
 - b. How tasks can best be combined into specific jobs
 - c. How jobs can be grouped into various units and
 - d. The authority and reporting relationship within the corporate hierarchy.
3. **Staffing:** Staffing involves managing the various positions created by organizing process. It includes preparing inventory of personnel available and identifying the gap between manpower required and available, identifying the sources like, selecting people, training, financial, appraising, etc.
4. **Directing/Leading:** It is defined as “the management function of influencing, motivating, and directing people towards the achievement of organizational goals. In simple words it is the act of making things happen through others. Directing/Leading involves:
 - a. Communicating with others
 - b. Leadership styles and approaches
 - c. Motivating people to put forth the effort required to achieve organizational goals.
5. **Controlling:** Controlling can be defined as the continuous measurement and analysis of actual operations against established standards developed during the planning process and correction of deviations. The basic control process involves:
 - a. Comparing performances with standards
 - b. Determining where negative deviations occur and
 - c. Developing remedial measures to correct deviations

POSDCORB:

Management is a process. There is no universally accepted list of functions. Various experts have classified the functions of management in different ways. *Luther Gulick* gave the keyword *POSDCORB* which stands for initials of the following: Planning (P), Organizing (O), Staffing (S), Directing (D), Controlling (Co), Reporting (R) and Budgeting (B).

Reporting: It is very essential for the lower level management and middle level management. Reporting is very helpful to take good decisions. Managers submit the actual reports to top level.

Budgeting: Budgeting is another important function of management. Every management consists of budgets. For example cash budget, production budget, sales budget etc. These budgets are very helpful to control the costs and take development activities.

MANAGERIAL SKILLS

It is an acquired and learned ability to translate knowledge into performance.

1. **Technical Skills:** Technical skills basically involve the use of knowledge, methods and techniques in performing a job effectively.
2. **Interpersonal Skill:** Interpersonal skill is the ability to work with other people amicably, ability to lead and motivate and effectively interact with others.
3. **Conceptual Skills:** Conceptual skill is the ability to view the organization as a whole and as a total entity as well as a system comprised of various parts and subsystems integrated into a single unit.
4. **Diagnostic Skill:** Diagnostic skill refers to a manager's analytical ability where the manager can logically and objectively investigate and analyze a problem and an opportunity and use scientific approaches to arrive at a feasible and optimal solution.
5. **Communicational Skills:** Communication skills are basic to all other skills and are important at all levels of management. Good communication is the foundation of sound management.
6. **Political Skills:** Political skill can be described as the ability to get your own way without seeming to be selfish or selforiented. Political skill is most important at the middle management level because middle managers always aspire to reach the top levels of management.

ROLES OF MANAGERS IN ORGANIZATIONS

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 behavior.

- **Figurehead role:** 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.
- **Leadership role:** The influence of the manager is most clearly seen in his roles to 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.
- **Liaison role:** 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 and regulations.

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.

- **Monitor role:** The managers are constantly monitoring and scanning their environment internal and external, collecting and studying information regarding their organization and the outside environment affecting their organization.
- **Information disseminator role:** The managers must transmit the informal or other matters to their subordinates, their peers and to other members of the organization.

- **Spokesman role:** Manager has to be a spokesman for his unit and represent this unit in either sending relevant information to people outside his unit or making some demands on behalf of his unit.

3. Decision Roles

So 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.

- **Entrepreneur role:** As entrepreneurs, managers are constantly involved in improving their units and facing the dynamic technological challenges. They are constantly on the lookout for new ideas for or in product improvement or product addition.
- **Conflict handling role:** The managers are constantly involved as arbitrators in solving differences among the subordinates or the employee's conflicts with the management.
- **Resource allocator:** The managers establish priorities among various projects or programs and make budgetary allocations to different activities of the organization based upon these priorities.
- **Negotiator role:** The managers represent their units or organizations in negotiating deals/agreements within and outside of the organization.

LEVELS OF MANAGEMENT

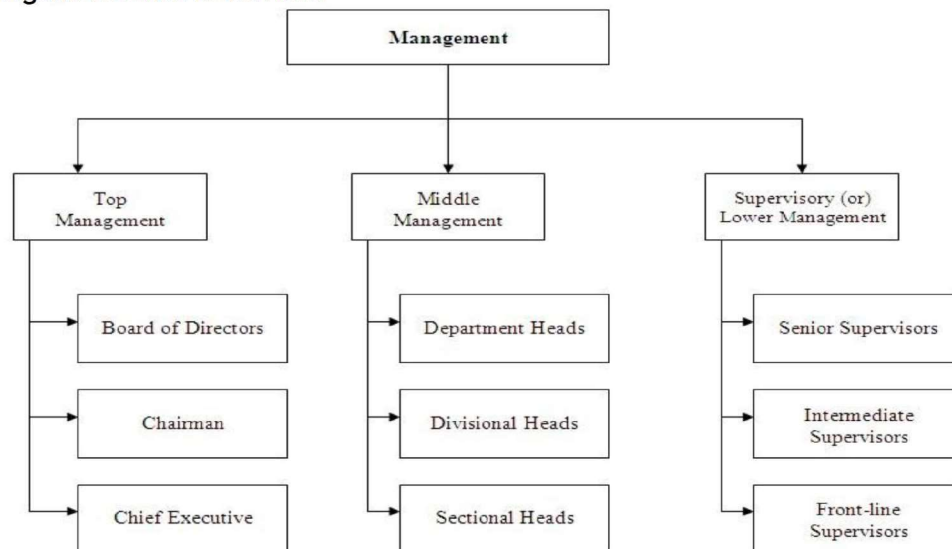
1. Top Level Management
2. Middle Level Management
3. Supervisory (or) Lower Level Management

The duties and responsibilities at these three levels of management vary from organization to organization, depending upon the size, technology, culture etc prevailing in the organization.

Functions of Top Level Management:

- Develop & reviews long range plans and strategies
- Evaluates general performance of various departments and ensure co-operation
- Involved in selection of key personnel
- Consult subordinate managers and subjects or problems of general scope.

Top level managers are usually appointed, elected or designated by the organizations governing body. They include job classifications such as Chief Executive Officer (CEO), President, Executive Director, etc.



Functions of Middle Level Management:

- Makes plans of intermediate range
- Establishes departmental policies
- Review daily and weekly reports on production or sales
- Selects and recruits personnel

Middle level management deal with the actual operation of various departments in an organization. Their titles include manager, director, chief, department head & divisional head. In any organization middle level managers serves as a source of creativity and innovation.

Functions of Supervisory (or) Lower Level Management:

- Makes detailed, short range operational plans
- Review performance of subordinates
- Supervises day-to-day operations
- Makes specific task assignments
- Maintains close contact with employees involved in operations

Lower level managers are directly responsible for the performance of the employees involved in operations. They usually called supervisors.

DECISION MAKING

The life of manager is filled with making decisions after decisions. Managers see decisions making as their central job because they constantly choose what is to be done, who is to do, when, where and how to do.

DEFINITION

“Decision making is a conscious and human process, involving both individual and social phenomenon based upon factual and value premises, which concludes with a choice of one behavioural activity from among one or whole alternatives with the intention of moving towards some desired state of affairs.”

Decision making is thus an act of projecting one’s own mind upon an opinion or course of action.

DECISION MAKING PROCESS

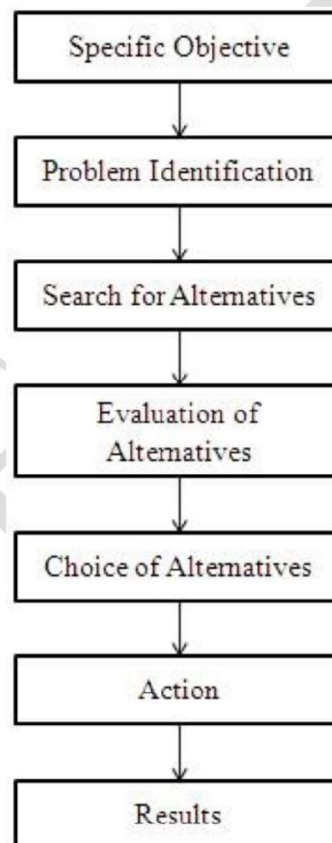
Decision making is a process and involves a series of steps. Decision should be thought of as means rather than ends. Every decision is the outcome of a dynamic process which is influenced by multiple forces.

1. **Specific Objective:** The need for decision making arises in order to achieve certain specific objective. Every action of human being is goal directed. In fact, setting of specific objective itself is an outcome of an earlier decision.

2. **Problem Identification:** Particular decision is made in the context of certain given objectives; identification of problem is the real beginning of decision-making process. A problem can be identifiable much clearly, if managers go through diagnosis and analysis of the problem.

a) **Diagnosis:** A symptom is a collection condition or set of conditions that indicates the existence of a problem.

b) **Analysis:** The analysis of the problem requires to find-out who would make decision, what & from where the information is available.



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

4. **Evaluation of Alternatives:** After the various alternatives are identified, the next step is to evaluate them and select the one that will meet the choice criteria. All alternatives available for decision making will not be taken for detailed evaluation because of the obvious limitations of managers in evaluating all alternatives.

5. **Choice of Alternatives:** The evaluation of various alternatives presents a clear picture as to how each one of them contributes to the objectives under question. Choice aspect of decision making is related to deciding the most accepted alternatives which fits with the organizational objectives.

In choosing an alternative, the decision member can go through three approaches: i.

Experience

- ii. Experimentation
- iii. Research & Analysis

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

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

TYPES OF DECISIONS

1. Strategic Vs Operational Decisions:

Strategic decisions are related to unified, integrated and comprehensive issues of the organization. Strategic decisions are concerned with:

- i. The total or major part of the organization
- ii. The matching of organizational factors to the external environmental factors
- iii. Allocation and reallocation of organizations resources
- iv. The values, expectations and goals of the organization
- v. The organizational direction and
- vi. The change throughout the organization.

Operational decisions are selected to the operational activities of the company which are routine in nature. These are supportive area of the organization.

2. Major and Minor Decisions:

Major decisions are also called important decisions which affect the policies of the company the total company or major portion of the company. This decision influences almost all the functional areas of the company. These decisions do not repeat frequently.

Minor decisions are also called unimportant decisions. These decisions affect only one functional area to which it belongs. Most of these decisions are made at the lower level.

3. Programmed and Non-programmed Decisions:

Programmed decisions are those which are made based on the company's policy, budget procedures etc. These decisions are made in response to routine and repetitive situations or problems, Managers develop programmes for the repetitive issues. Non-repetitive, peculiar, complex and most important, novel and unstructured problem are nonprogrammed decision. Downsizing of employees, removal of regional office and demarketing are some of the examples for non-programmed decisions.

4. Simple and Complex Decision:

If the number of variables affecting a decision is more, such decisions are called complex decisions. On the other hand, if the number of variables affecting the decision is less such decisions are called simple decisions.

5. Long-run Decisions and Short-run Decisions:

Decisions affecting the long run plans, activities and business are called long run decisions. These decisions include: Plant location, entering new markets and joint venture programmes.

Decisions affecting short run plans, activities and business are called short run decisions. These decisions include: sources of finance for making capital, over time payment for employees, offering special special discounts for clearance sale etc.

6. Individual Vs Group Decisions:

Decision taken by an individual employee or manager is called individual decisions. These decisions are mostly routine, simple, and repetitive and programmed decision. Decisions made by a group of people are called group decisions. Group decisions include: Strategic decisions, non-programmed, complex and strategic decisions are also group decisions.

APPROACHES or TECHNIQUES TO DECISION-MAKING

Different theories have suggested different approaches of decision-making. Now we shall discuss these approaches.

1) The Intuitive-Emotional Approach:

Decision-maker takes decisions based on intuition which is characterized by the use of hunches, inner feelings or the „gut-feeling“ of the decision-maker. The decision maker who makes decisions based on intuition, practices management exclusively as an art.

- They fasten on the big lie stick with it
- They are attracted to scandalous issues and heighten their significance
- They overlook everything except the immediately useful ➤ They press every fact into a normal pattern

The following emotional attachments are possible and can lead to poor decisions. The supporters of intuition or judgment point out that in many cases, judgment may lead to better decisions than optimizing techniques.

- It does not effectively use all tools available to modern decision-makers and
- The rational approaches ensure that adequate attention is given to consequences of decisions before big mistakes are committed.
- Becoming more involved by filling their minds with facts and experiences in the areas where their future decisions will be made.
- Developing an awareness that hunches can help in decision-making.

2) The Rational – Analytical Approach:

In the rational – analytical approach, the decision maker is intelligent and rational. The rational approach to decision making includes the following steps:

- Recognise the need for a decision

- Establish, rank and weigh criteria
- Gather available information and data
- Evaluate each alternative with respect to all criteria and
- Select the best alternative

Assumption of Rational Approach:

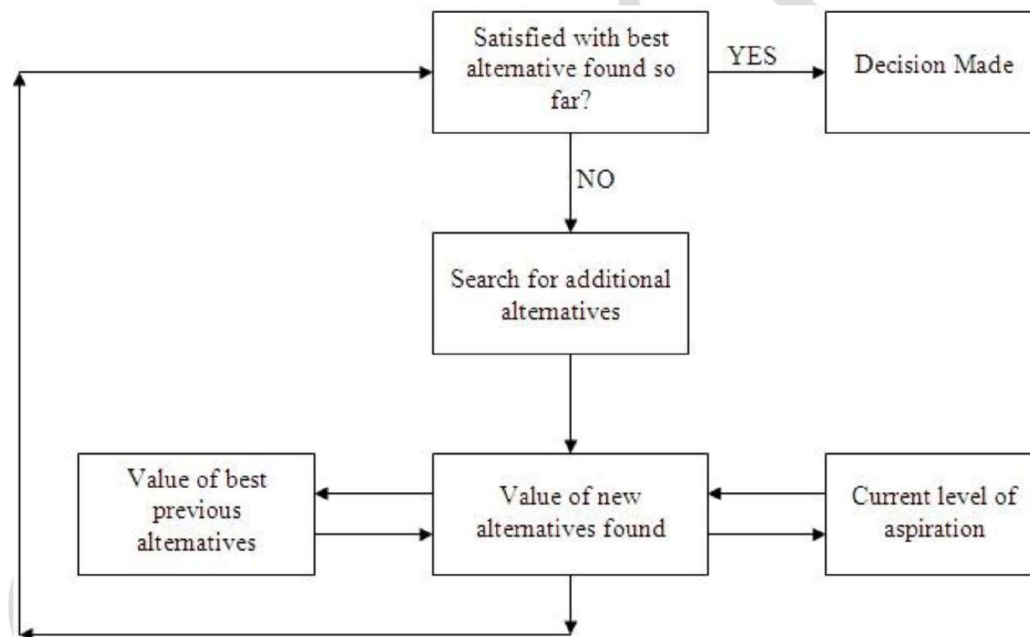
- ✓ People have knowledge of all relevant alternatives
- ✓ People have the ability to evaluate each alternative with respect to all the criteria and arrive at an overall rating for each alternative .

Criticism of Rational Approach:

- ✓ Decision-maker makes decision based on limited knowledge or less perfect information.
- ✓ The most difficult stage in the decision process may be the evaluation or the prediction of outcomes for the various alternatives

3) A Satisfying Approach:

A person's knowledge of alternatives and criteria is limited. People do not attempt to optimize but will take the first alternative which satisfies their current level of aspiration. This is called satisfying.



4) Political – Behavioural Approach:

Normally decisions made by organizations affect a variety of people and the organization themselves. Hence another view suggests that the corporations must consider all the people and organization in making decisions.

The employees exchange their human resources for fair benefits and harmonious industrial and human relations. As stated, every stakeholder gives something to the corporation and expects something in return. Powerful dealers influence

the corporation regarding the terms and conditions of trade. In view of these factors, corporations do a juggling act to meet the demands of various stake holders.

SOCIAL RESPONSIBILITY

Social responsibility is a moral obligation on a company or an individual to take decisions or actions that is in favour and useful to society. Social responsibility in business is commonly known as Corporate Social Responsibility or CSR. For any company, this responsibility indicates that they acknowledge and appreciate the goals of the society, and therefore, would support them to achieve these goals.

Social responsibility is defined as the obligation and commitment of managers to take steps for protecting and improving society's welfare along with protecting their own interest. The managers must have social responsibility because of the following reasons:

Organizational Resources - An organization has a diverse pool of resources in form of men, money, competencies and functional expertise. When an organization has these resources in hand, it is in better position to work for societal goals.

Precautionary measure - if an organization lingers on dealing with the social issues now, it would land up putting out social fires so that no time is left for realizing its goal of producing goods and services. Practically, it is more costefficient to deal with the social issues before they turn into disaster consuming a large part of managements time.

Moral Obligation - The acceptance of managers' social responsibility has been identified as a morally appropriate position. It is the moral responsibility of the organization to assist solving or removing the social problems

Efficient and Effective Employees - Recruiting employees becomes easier for socially responsible organization. Employees are attracted to contribute for more socially responsible organizations. For instance - Tobacco companies have difficulty recruiting employees with best skills and competencies.

Better Organizational Environment - The organization that is most responsive to the betterment of social quality of life will consequently have a better society in which it can perform its business operations. Employee hiring would be easier and employee would of a superior quality. There would be low rate of employee turnover and absenteeism. Because of all the social improvements, there will be low crime rate consequently less money would be spent in form of taxes and for protection of land. Thus, an improved society will create a better business environment.

Advantages of Social Responsibility

A company can boost its morale and enhance work culture when they can engage their employees with some social causes. There are many factors that can have a positive impact on the business while delivering social responsibilities. Such few factors are

- Justification for existence and growth
- The long-term interest of the firm
- Avoidance of government regulation
- Maintenance of society
- Availability of resources with business
- Converting problems into opportunities
- A better environment for doing business
- Holding business responsible for social problems

Disadvantages of Social Responsibility

Like there are many advantages of social responsibility there are similarly many disadvantages for business. Few factors are mentioned below.

- Violation of profit maximization objective
- Burden on consumers
- Lack of social skills
- Lack of broad public support

Types of Social Responsibilities

Following Are the Different Types of Social Responsibilities:

(1) Economic Responsibility

- Every business is engaged in economic activities.
- So, the prime social responsibility of every business should be economic responsibility.
- Hence they should sell products and service which can satisfy the need of the society.

(2) Legal Responsibility

- The company should comply with the political and legal environment of the country.
- The company should consider protecting the environment.

(3) Ethical Responsibility

- This type of responsibility expects a certain type of behaviour or conduct from the company.
- This behaviour may not be documented by law.

(4) Discretionary Responsibility

- These are voluntary actions taken by the entities in case of natural calamities, helping poor people etc.
- They help them by providing a charitable contribution, education activities etc. □ It prevents investments of charitable funds into speculative activities.

Opinions in Favour of Social Responsibilities:

Following Are the Opinions in Favour of Social Responsibilities:

(1) Justification for Existence and Growth

- Good quality products help in expansion of the business.
- When the business organisation keeps on providing good quality products, it's actually a fulfillment of social responsibility.

(2) Long Term Interest of the Business

- Every business wants long term profits and gains.
- If increasing no. Of stakeholders are not giving their best, there may be the withdrawal of cooperation of society.
- It can be noted that the public image of the business can be improved by focusing on social goals.

(3) Avoidance of Government Regulations

- Good social behaviour is an ethical aspect of the business. They are beyond the law.
- Business entities avoid government regulations as it their freedom.

(4) Maintenance of Society

- The business should take social responsibilities.
- However, the law is not made for every situation.
- People who are against the organisation can come into conflict. They can also harm the organisation.
- This situation can create criminal intent in society.

(5) Availability of Resources With Business

- Business entities have huge set-ups and good infrastructure.
- These organizations have access to different types of resources.
- These resources should be used for fulfilling social responsibilities.

(6) Holding Business Responsible for Social Problems

- Business activity should see if any type of activity is causing harm to society.
- The business should themselves held responsible for causing harm rather than waiting for any government or social team to come and correct them.

Opinions Which Are Against the Idea of Fulfillment of Social Responsibility:

Following Are the Opinions Against Social Responsibilities:

(1) Violation of Profit Maximisation Objective

- The sole motive of the business is profit maximization.
- Supporting social responsibilities is violating the profit-making objective of the business.
- It would be better if entities increase the profits through increased efficiency.

(2) Burden on Consumers

- Social responsibilities like environment protection, pollution control are very costly in nature.
- If entities opt for these social responsibilities, they always try to shift their burden on ultimate consumers.
- It is not reasonable to charge the customers on the name of social responsibilities.

(3) Lack of Social Skills

- Every entity does not have enough skills and knowledge to solve each and every social problem.
- This can be the reason for a poor image in the society.
- So, these problems should be solved by some specialized parties.

(4) Lack of Broad Public Support

- Generally, society does not accept the involvement of business entities in social programs.
- That is why it gets difficult for the business to solve the problems without the participation of the public.

Social Responsibilities for Different Interest Groups**(1) Responsibility Towards the Shareholders**

- Shareholders are the owners of the company.

- The company should make all the efforts to maximize and protect shareholder's wealth.
- Sharing of useful information with the shareholders, utilization of funds etc.

(2) Responsibility Towards the Workers

- Workers are the key persons behind company success.
- Management of the enterprise must provide the proper working conditions to the workers. □ Workers should get fair salaries and wages.

(3) Responsibility Towards the Consumers

- It is the consumer who buys the company's product & services.
- So, it is the responsibility of the company to provide the right quality, right quantity with the right price to the consumer.
- There should not be the unfair trade practices like adulteration, poor quality, courtesy to the customers etc.

(4) Responsibility Towards the Government & Community

- Enterprises must follow the laws and regulations of the country/ state in which it is operating.
- The organisation should interact with society to know what they require.
- It should maintain proper infrastructure, proper disposal system and should not cause harm to the society in any manner.

CURRENT TRENDS IN MANAGEMENT PRACTICES

According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating environment in which people can perform and individuals can cooperate towards the attainment of group goals". As a manager, one has to effectively manage the employees to get better outcomes. Practices implemented by the managers better management are known as Recent Trends in Management.

Emerging Trends in Management Managerial trends keep changing from time to time based on dynamic market conditions. Some of the emerging trends in management are:

Total Quality Management Total Quality Management (TQM) is a systematic approach followed by the entire organization to efficiently achieve the company's objectives to provide services and products with a high level of quality that satisfies the customer. TQM aims continuous improvement of practises in the organization at The Principles of TQM are as follows:

Customer Focussed- Customer satisfaction is the basis for determining the quality. An organisation may perform various methods to promote better quality but ultimately quality is determined by the customer.

Continuous Improvement- Continuous improvement steers an organisation towards creativity to find more ways and become more competitive and meet the stakeholder expectation.

Total Employee Involvement- All employees are committed to performing and accomplishing common goals when an appropriate environment is provided for them.

• **Process-Centric-** The processes are well defined in this approach and are continuously monitored to find variations.

• **Systematic and Strategic Approach-** A systematic and strategic approach is involved to accomplish the mission, vision and goals set by the organisation.

- **Decision Making-** Data collection and analysis play an integral part in performance evaluation and decision making.

Globalisation

Due to globalisation, various global business practises have emerged. Global management refers to practises followed to manage the international business.

When a business runs in different countries, its managers face challenges in such global scenarios. There is a need to have proper planning, decision making, controlling and organising because of the differences in time zones, distances and cultural factors. Communication is the key to leading the employees across borders.

Global managers must have a thorough understanding of environmental and competitive issues.

Apart from the generic trends, there are specific trends related to operations, human resources and marketing management. A few are mentioned below.

Recent Trends in Operations Management

Supply Chain Management- Supply chain managers have the responsibility to fulfil the end-user needs at a quick pace because of shorter product life cycles, demanding customers and technology expansions. Supply chains are now revamped to incorporate digitalization along with traditional physical operations to create improvement in business outcomes.

Shrinking Product Life Cycle- In contrast to the earlier years where a product developed would stay in the market for a longer period, the need to rapidly change in a short period due to the fast-expanding technologies can be seen nowadays.

Organisations are forced to bring in the rapid development of products to be more competitive and innovative, thus a product gets replaced by a new one quickly.

Computer-aided Design and Manufacturing- In this age of computerization, the design and manufacturing of products with the help of computers make operations more efficient and quick.

Recent Trends in Marketing Management

Customer Relationship Management- This plays a very important role in retaining customers by maintaining a good relationship with them by addressing their grievances on time and offering them desired products and services.

Emphasis on Quality, Customer Satisfaction, and Retention- Marketers emphasise providing the best quality to customers and also intend to "offer more for less" to give utmost satisfaction to their customers. This helps in retaining their customers for the long term.

Recent Trends in Human Resource Management

Workforce diversity is the inclusion of people in an organisation based on various aspects such as age, gender, cultural background, physical abilities, and disabilities, etc.

Organisations that embrace workforce diversity will have a wide pool of applicants choose from as their employees. When people from different backgrounds collaborate, they bring in innovation and new ideas to solve organizational problems and promote business growth. A problem will be dealt with in different perspectives from different people in contrast to a homogeneous group or individual's perception which may be limited.

Different people think differently because of the experiences they come from, different backgrounds and having solved problems in different manners in the past. It also attracts diverse customers.

Trends in Leadership Management

Soft Skills Development

As a leader one needs to interact with numerous people. They are experts in different areas and they have different technical skill sets. Soft skills play a vital role in communicating with all these people. Soft skills include time management, interactive skills,

communication skills, cultural intelligence, etc. Technical skills also referred to as 'hot skills' are specific to a role but soft skills are learnt over time and experience. Soft skills enable satisfaction in the workplace, improve the performance of employees, build a positive work environment, increase leadership potential. Hence firms are investing in soft skills training courses for their employees.

Gender Balance

Nowadays women are seen in leadership roles and they are very successful. In the workspace, gender equality is seen, it leads to professional growth and overall development. Many female managers have set an example for successful leadership Programs. It improves the economic growth of the country. It increases performance and enhances the reputation of the organisation. It helps in talent recognition and retaining employees. Many companies are trying to reach gender equality.

Remote Working

Post pandemic, the entire world shifted to remote working and It is very flexible. Before the pandemic, people used to work remotely for various reasons like health, child care, etc. The latest technologies smoothen the process of remote work. work-life balance is achieved. It helps in recruiting people from different countries, backgrounds and also helps in having a pool of talent that promotes the growth of the business.

Flat Organizational Structures

Flat organizational structures enhance the communication between the employees, morality, and help in decision making. It enhances the responsibility of employees and improves job satisfaction.

Self-development

As the world is progressing with the latest technologies, competition increases. So there is a need to update yourself. At every stage of your career path, master your role and don't be outdated.

External Consultants

When leaders accept that they don't know about these specific topics, then consultants from outside are given an opportunity. They can share their experiences and knowledge. They can facilitate communication skills, leadership skills, interactive skills, time management and other technical sk

UNIT – II

Functions of management –Planning- Process, types and techniques. Organising- structure, Design, departmentation, delegation, decentralisation, and span of control. Staffing – Recruitment, selection, and training. Controlling – Process, types, and techniques

PLANNING

Introduction: planning means thinking before doing. Prof. F. Durker has proposed two criteria to judge managers performance i.e. efficiency and effectiveness. Effectiveness means the ability to do right things and efficiency means the ability to do things right. These two are parallel to two aspects of planning like setting the right goals and choosing the right means for achieving these goals.

Planning is a primary function of the corporate management. It is a bridge between present and future. It helps in the process of motivation and provides framework for decision making.

DEFINITIONS

According to Louis A. Allen “*planning is a trap laid down to capture the future.*”

According to Harold Koontz & O. Donnel “*planning is deciding in advance what is to be done in future, plan bridges the gap between where we are and where we want to go.*”

Forecasting: Predictions or estimates of future changes.

Planning: Planning is deciding in advance.

NEED FOR PLANNING

The need for planning arises mostly due to the fact that modern organizations have to survive, operate and grow in highly competitive market economics where change is the order of the day. The change may be either sudden or slow. The different areas of change include in technology, policies, competition etc. managers have to bear the problems caused due to the changes and should reduce the effects of these problems on the growth of the organization.

Managers have to foresee the problems before they actually occur and make the future favourable to the organization to achieve the goals effectively. The successful manager’s deal with foreseen problems .the difference lies in planning. Thus there is a greater need for planning in order to keep the organization dynamic & effective.

TYPES OF PLANS

1. ***Philosophy:*** Organizations are part of society. They exist because they perform an important function in the society philosophy is a system of thought. The philosophy of the company should have unity of thought an action in the accomplishment of economic of society and economy of the country.
2. ***Purpose:*** Every kind of organized group activities or operations has purpose. For example the purpose of a bank is to accept deposits and grant loans & advances.

3. **Objectives:** Objectives are the ends towards which organizational activity is aimed. Organization objectives represent not only the point of planning but also the end towards organizing, staffing, directing & controlling point. For example the objective of the bank may be to contribute to the socio economic objectives of the country.

4. **Strategies:** Strategy is determination of basic long term objectives of an enterprise & the option of courses of action & allocation of resources necessary to achieve these goals.

5. **Policies:** Policies are general statements or understanding which guide or direct thinking & action in decision making. However all the policies are not statements.

6. **Procedures & Rules:** Procedures are plans that establish a desired method of handling future activities. They are guides to action rather than thinking. They detail the exact manner in which certain must be accomplished. Rules spell out specific required actions or non action allowing no description. For example charging of 10% rate of interest on housing loans.

7. **Programmes:** These are complexes of goals, policies, procedures, rules task assignment, steps to be taken to be employed & other elements necessary to carryout given course of action.

8. **Budget:** A budget is a statement of expected results in terms of members. It may be referred to as a numerical programme cash budget, sales budget etc are examples.

ADVANTAGES OF PLANNING

All organizational activities have to be undertaken as per planning. In addition all organizational formulate objectives & planning helps in the achievement of these objectives & goals. The advantages of planning include:

- *Optimum utilization of resources:* As indicated earlier, planning enhances efficiency. Efficiency requires optimum utilization of all inputs. Further it also requires optimum utilization of machinery, men & other resources.
- *Economy in operations:* Planning eliminates the unnecessary operations in production, marketing & other functions. In addition it reduces the purchase price of material & other inputs. These result in economy in operations.
- *Reduces uncertainties:* It initiates the steps to prepare for meeting the future challenges & converting some of the future threats into opportunities. Thus planning reduces uncertainties.
- *Strengthens competitive ability:* An organization competitive ability depends upon its strengths & matching these strengths with environmental opportunities. Planning helps the organization with the environmental opportunities. Planning helps the organization to build the strengths, reduce the weakness, foresee the environmental opportunities & match the strengths with opportunities.
- *Effective coordination:* Coordination is linking various sections and departments through network. The detailed process of activities which would result in effective coordination.
- *Act as a change agent:* Planning decides what should be done in terms of innovate product design, technology, marketing alliances etc and bring the changes before it is implemented by other companies.
- *Effective control:* Control function is based on the plans. The detailed plans provide guidelines for effective control.

LIMITATIONS OF PLANNING

Management & Organizational Behaviour

MBA - I Sem

- *Unreliability of forecasts:* Planners forecast future trends based on the past trends by the help of statistical techniques. But no. of environmental factors changes between the planning & execution periods.
- *Time consuming:* Based on no of statistical tools planning process requires a lot of time to perform all these activities & to make planning effective and systematic.
- *High cost:* The planning process is not only time consuming but also expensive. In addition, the planning process requires use of statistical techniques & service of a no of personnel.
- *Organizational politics:* Some times the influential leaders dominate the planning process. Consequently, planning takes the approach or trend determined by the influential managers. Thus, politics also takes place in the planning process.
- *Inflexibility:* Modern business times have realized that they should change before change changes them. But planning makes most of organizational activities inflexible & static.

STEPS IN PLANNING

1. *Perception of opportunities:* Being aware of opportunities and threats taking advantage of opportunities & avoiding threats.
2. *Establishing objectives:* Objectives are ends towards which activity is aimed. Objectives provide directions to the organizational plans. Managers & sub ordinates formulate the objectives in collaboration by exchanging their ideas and views
3. *Developing premises:* Planning assumptions forecasting plays a major role in planning premises. All the managers involved in planning should have a common understanding about the planning premises.
4. *Identification of alternatives:* Managers have to develop alternative courses. The objective of profit maximization can be achieved through alternative courses.
5. *Evaluation of alternatives:* Managers have to evaluate alternatives & should analyze those in terms of strengths and weaknesses. Each alternative courses of action has to be evaluated in terms of strengths, weaknesses, opportunities & threats (SWOT) analysis.
6. *Choice of alternatives:* After evaluation of alternatives based no SWOT analysis manager decides which the best is and which is suitable.
7. *Formulating derivative plans:* Managers have to prepare derivative plans after finishing the main & basic plan.
8. *Budgeting:* The final step is converting the plans derivate plans into budgets. Budgets include sales budget, material budgets etc.

Conclusion: Through we have some limitations, planning is necessary to achieve the future organizational & other goals.

ORGANIZING**DEFINITION**

According to Koontz and O'Donnell, "Organization involves the grouping of activities necessary to accomplish goals and plans, the assignment of these activities to appropriate departments and the provision of authority, delegation and co-ordination." Organization involves division of work among people whose efforts must be co-ordinated to achieve specific objectives and to implement pre-determined strategies

ORGANIZATION STRUCTURE

An organization structure is a framework that allots a particular space for a particular department or an individual and shows its relationship to the other. An organization structure shows the authority and responsibility relationships between the various positions in the organization by showing who reports to whom. It is an established pattern of relationship among the components of the organization

March and Simon have stated that-"Organization structure consists simply of those aspects of pattern of behavior in the organization that are relatively stable and change only slowly." The structure of an organization is generally shown on an organization chart. It shows the authority and responsibility relationships between various positions in the organization while designing the organization structure, due attention should be given to the principles of sound organization.

Significance of Organization Structure

- Properly designed organization can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.
- Organization structure determines the location of decision-making in the organization.
- Sound organization structure stimulates creative thinking and initiative among organizational members by providing well defined patterns of authority.
 - A sound organization structure facilitates growth of enterprise by increasing its capacity to handle increased level of authority.
- Organization structure provides the pattern of communication and coordination.
- The organization structure helps a member to know what his role is and how it relates to other roles.

DEPARTMENTATION BY DIFFERENT STRATEGIES DEPARTMENTATION

DEPARTMENTATION refers to the process of grouping activities into departments. Departmentation is the process of grouping of work activities into departments, divisions, and other homogenous units.

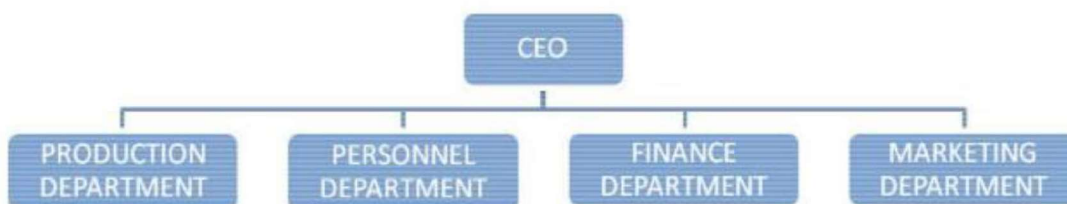
Key Factors in Departmentation

- It should facilitate control.
- It should ensure proper coordination.
- It should take into consideration the benefits of specialization.
- It should not result in excess cost. • It should give due consideration to Human Aspects.

Departmentation takes place in various patterns like departmentation by functions, products, customers, geographic location, process, and its combinations.

a) FUNCTIONAL DEPARTMENTATION

Functional departmentation is the process of grouping activities by functions performed. Activities can be grouped according to function (work being done) to pursue economies of scale by placing employees with shared skills and knowledge into departments for example human resources, finance, production, and marketing. Functional departmentation can be used in all types of organizations.



Advantages:

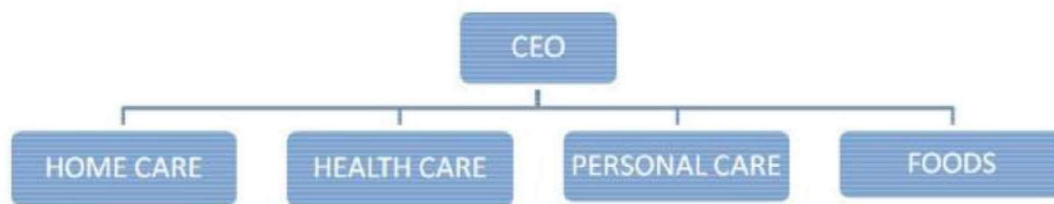
- Advantage of specialization
- Easy control over functions
- Pinpointing training needs of manager
- It is very simple process of grouping activities.

Disadvantages:

- Lack of responsibility for the end result
- Overspecialization or lack of general management
- It leads to increase conflicts and coordination problems among departments

b) PRODUCT DEPARTMENTATION

Product departmentation is the process of grouping activities by product line. Tasks can also be grouped according to a specific product or service, thus placing all activities related to the product or the service under one manager. Each major product area in the corporation is under the authority of a senior manager who is specialist in, and is responsible for, everything related to the product line. Dabur India Limited is the India's largest Ayurvedic medicine manufacturer is an example of company that uses product departmentation. Its structure is based on its varied product lines which include Home care, Health care, Personal care and Foods

**Advantages**

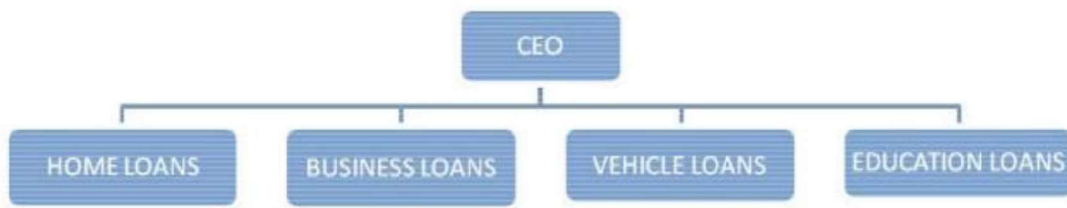
- It ensures better customer service
- Unprofitable products may be easily determined
- It assists in development of all around managerial talent
- Makes control effective
- It is flexible and new product line can be added easily.

Disadvantages

- It is expensive as duplication of service functions occurs in various product divisions
- Customers and dealers have to deal with different persons for complaint and information of different products.

c) CUSTOMER DEPARTMENTATION

Customer departmentation is the process of grouping activities on the basis of common customers or types of customers. Jobs may be grouped according to the type of customer served by the organization. The assumption is that customers in each department have a common set of problems and needs that can best be met by specialists. UCO is the one of the largest commercial banks of India is an example of company that uses customer departmentation. Its structure is based on various services which includes Home loans, Business loans, Vehicle loans and Educational loans.



Advantages

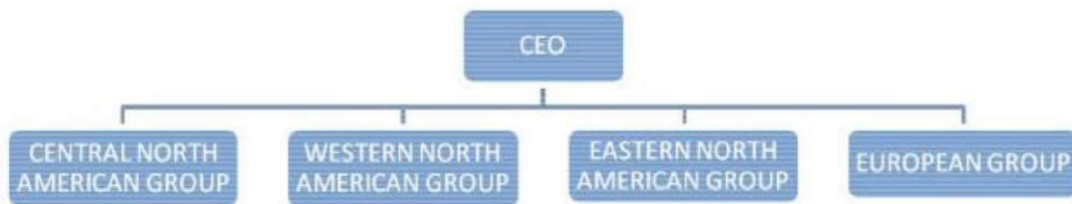
- It focused on customers who are ultimate suppliers of money
- Better service to customer having different needs and tastes
- Development in general managerial skills

Disadvantages

- Sales being the exclusive field of its application, co-ordination may appear difficult between sales function and other enterprise functions.
- Specialized sales staff may become idle with the downward movement of sales to any specified group of customers.

d) GEOGRAPHIC DEPARTMENTATION

Geographic departmentation is the process of grouping activities on the basis of territory. If an organization's customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola Ltd has reflected the company's operation in various geographic areas such as Central North American group, Western North American group, Eastern North American group and European group



Advantages

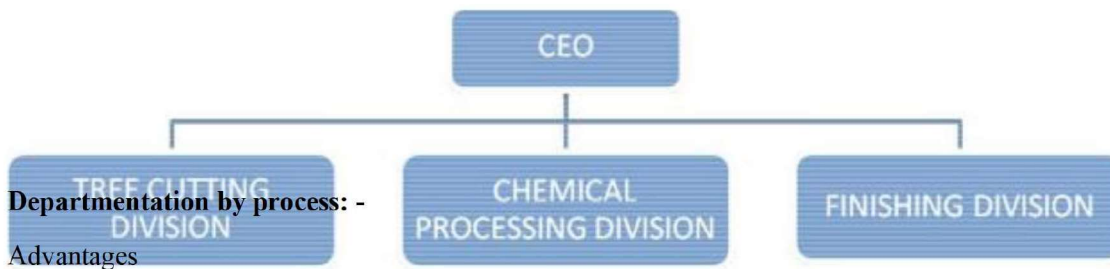
- Help to cater to the needs of local people more satisfactorily.
- It facilitates effective control
- Assists in development of all-round managerial skills

Disadvantages

- Communication problem between head office and regional office due to lack of means of communication at some location
- Coordination between various divisions may become difficult.
- Distance between policy framers and executors
- It leads to duplication of activities which may cost higher.

e) PROCESS DEPARTMENTATION

Geographic departmentation is the process of grouping activities on the basis of product or service or customer flow. Because each process requires different skills, process departmentation allows homogenous activities to be categorized. For example, Bowater Thunder Bay, a Canadian company that harvests trees and processes wood into newsprint and pulp. Bowater has three divisions namely tree cutting, chemical processing, and finishing (which makes newsprint).

**Advantages**

- Oriented towards end result.
- Professional identification is maintained.
- Pinpoints product-profit responsibility.

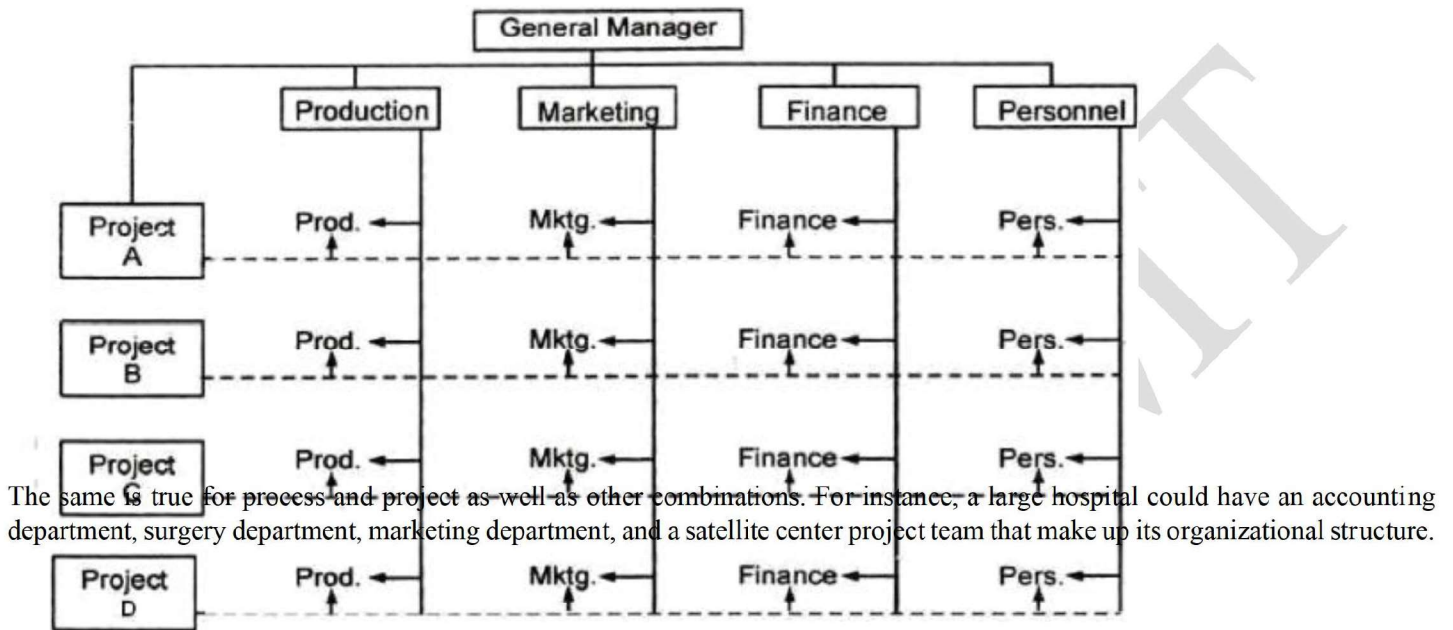
Disadvantage

- Conflict in organization authority exists.
- Possibility of disunity of command.
- Requires managers effective in human relation

f) MARTIX DEPARTMENTATION

In actual practice, no single pattern of grouping activities is applied in the organization structure with all its levels. Different bases are used in different segments of the enterprise. Composite or hybrid method forms the common basis for classifying activities rather than one particular method,. One of the mixed forms of organization is referred to as matrix or grid organization's According

to the situations, the patterns of Organizing varies from case to case. The form of structure must reflect the tasks, goals and technology if the organizations the type of people employed and the environmental conditions that it faces. It is not unusual to see firms that utilize the function and project organization combination.



Advantages

- Efficiently manage large, complex tasks
- Effectively carry out large, complex tasks

Disadvantages

- Requires high levels of coordination
- Conflict between bosses
- Requires high levels of management skills

SPAN OF CONTROL

Span of Control means the number of subordinates that can be managed efficiently and effectively by a superior in an organization. It suggests how the relations are designed between a superior and a subordinate in an organization.

Factors Affecting Span of control:

a) Capacity of Superior:

Different ability and capacity of leadership, communication affect management of subordinates.

b) Capacity of Subordinates:

Efficient and trained subordinates affects the degree of span of management.

c) Nature of Work:

Different types of work require different patterns of management.

d) Degree of Centralization or Decentralization:

Degree of centralization or decentralization affects the span of management by affecting the degree of involvement of the superior in decision making.

e) Degree of Planning:

Plans which can provide rules, procedures in doing the work higher would be the degree of span of management.

f) Communication Techniques:

Pattern of communication, its means, and media affect the time requirement in managing subordinates and consequently span of management.

g) Use of Staff Assistance:

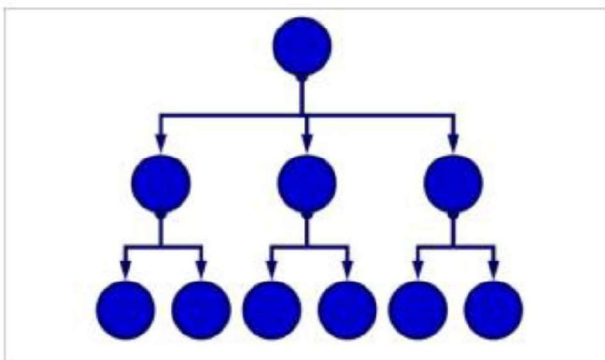
Use of Staff assistance in reducing the work load of managers enables them to manage more number of subordinates.

h) Supervision of others:

If subordinate receives supervision from several other personnel besides his direct supervisor. In such a case, the work load of direct superior is reduced and he can supervise more number of persons.

Span of control is of two types:

1. Narrow span of control: Narrow Span of control means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.



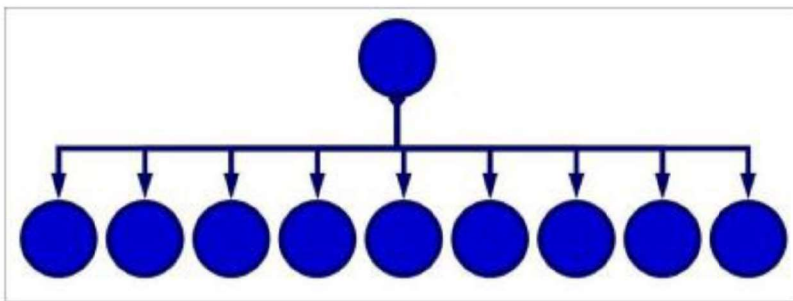
Advantages:

- Close supervision
- Close control of subordinates
- Fast communication

Disadvantages:

- Too much control
- Many levels of management
- High costs
- Excessive distance between lowest level and highest level

2. Wide span of control: Wide span of control means a single manager or supervisor oversees a large number of subordinates. This gives rise to a flat organizational structure.

**Advantages:**

- More Delegation of Authority
- Development of Managers
- Clear policies

Disadvantages:

- Overloaded supervisors
 - Danger of superiors loss of control
- Requirement of highly trained managerial personnel
- Block in decision making

DECENTRALIZATION:

It is the process of transferring and assigning decision-making authority to lower levels of an organizational hierarchy. The span of control of top managers is relatively small, and there are relatively few tiers in the organization, because there is more autonomy in the lower ranks.

Characteristics

- Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.
- Decision-making: democratic, participative, detailed.
- Organizational change: emerging from interactions, organizational dynamics.
- Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.
- Participation, accountability. Low risk of not-invented-here behavior.

Three Forms of decentralization

- **De-concentration.** The weakest form of decentralization. Decision making authority is redistributed to lower or regional levels of the same central organization.
- **Delegation.** A more extensive form of decentralization. Through delegation the responsibility for decision-making are transferred to semi-autonomous organizations not wholly controlled by the central organization, but ultimately accountable to it.
- **Devolution.** A third type of decentralization is devolution. The authority for decision-making is transferred completely to autonomous organizational units.

Advantages of Decentralization

- Raise morale and promote interpersonal relationships
- Relieve from the daily administration
- Bring decision-making close to action
- Develop Second-line managers
- Promote employee's enthusiasm and coordination
- Facilitate actions by lower-level managers

Disadvantages of Decentralization

- Top-level administration may feel it would decrease their status
- Managers may not permit full and maximum utilization of highly qualified personnel
- Increased costs. It requires more managers and large staff
- It may lead to overlapping and duplication of effort

Centralization and Decentralization are two opposite ways to transfer decision-making power and to change the organizational structure of organizations accordingly. There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

DELEGATION OF AUTHORITY

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

Elements of Delegation

1. Authority - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't mis utilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a **superior gets** work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.

2. Responsibility - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.

3. Accountability - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of job. Accountability, in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

DELEGATION PROCESS

The steps involved in delegation are given below



1. Allocation of duties – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.

2. Granting of authority – Subdivision of authority takes place when a superior divide and shares his authority with the subordinate. It is for this reason; every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very

3. Assigning of Responsibility and Accountability – The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted.

4. Creation of accountability – Accountability, on the others hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore, every manager, i.e., the delegator has to follow a system to finish up the delegation process. Equally important is the delegate's role which means his responsibility and accountability is attached with the authority over to here.

STAFFING

Staffing involves filling the positions needed in the organization structure by appointing competent and qualified persons for the job.

The staffing process encompasses man power planning, recruitment, selection, and training.



a) Manpower requirements: Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. The primary function of man power planning is to analyze and evaluate the human resources available in the organization, and to determine how to obtain the kinds of personnel needed to staff positions ranging from assembly line workers to chief executives.

b) Recruitment: Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. Job descriptions and job specifications are important in the recruiting process because they specify the nature of the job and the qualifications required of job candidates.

c) Selection: Selecting a suitable candidate can be the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

d) Training and Development: Training and Development is a planned effort to facilitate employee learning of job-related behaviors in order to improve employee performance. Experts sometimes distinguish between the terms “training” and “development”; “training” denotes efforts to increase employee skills on present jobs, while “development” refers to efforts oriented toward improvements relevant to future jobs. In practice, though, the distinction is often blurred (mainly because upgrading skills in present jobs usually improves performance in future jobs).

RECRUITMENT PROCESS

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. The recruitment process consists of the following steps

- Identification of vacancy
- Preparation of job description and job specification
- Selection of sources
- Advertising the vacancy
- Managing the response



a) Identification of vacancy: The recruitment process begins with the human resource department receiving requisitions for recruitment from any department of the company. These contain: • Posts to be filled • Number of persons • Duties to be performed • Qualifications required

b) Preparation of job description and job specification: A job description is a list of the general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job

c) Selection of sources: Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of the recruitment.

d) Advertising the vacancy: After choosing the appropriate sources, the vacancy is communicated to the candidates by means of a suitable media such as television, radio, newspaper, internet, direct mail etc.

e) Managing the response: After receiving an adequate number of responses from job seekers, the sieving process of the resumes begins. This is a very essential step of the recruitment selection process, because selecting the correct resumes that match the job profile, is very important. Naturally, it has to be done rather competently by a person who understands all the responsibilities associated with the designation in its entirety. Candidates with the given skill set are then chosen and further called for interview. Also, the applications of candidates that do not match the present nature of the position but may be considered for future requirements are filed separately and preserved. The recruitment process is immediately followed by the selection process.

JOB ANALYSIS

Job Analysis is the process of describing and recording aspects of jobs and specifying the skills and other requirements necessary to perform the job.

The outputs of job analysis are

- a) Job description
- b) Job specification

Job Description

A job description (JD) is a written statement of what the job holder does, how it is done, under what conditions it is done and why it is done. It describes what the job is all about, throwing light on job content, environment and conditions of employment. It is descriptive in nature and defines the purpose and scope of a job. The main purpose of writing a job description is to differentiate the job from other jobs and state its outer limits.

Contents

A job description usually covers the following information:

- Job title: Tells about the job title, code number and the department where it is done.
- Job summary: A brief write-up about what the job is all about.
- Job activities: A description of the tasks done, facilities used, extent of supervisory help, etc.
- Working conditions: The physical environment of job in terms of heat, light, noise and other hazards.
- Social environment: Size of work group and interpersonal interactions required to do the job.

Job Specification

Job specification summarizes the human characteristics needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully. It spells out the important attributes of a person in terms of education, experience, skills, knowledge and abilities (SKAs) to perform a particular job. The job specification is a logical outgrowth of a job description. For each description, it is desirable to have a job specification. This helps the organization to find what kinds of persons are needed to take up specific jobs.

Contents

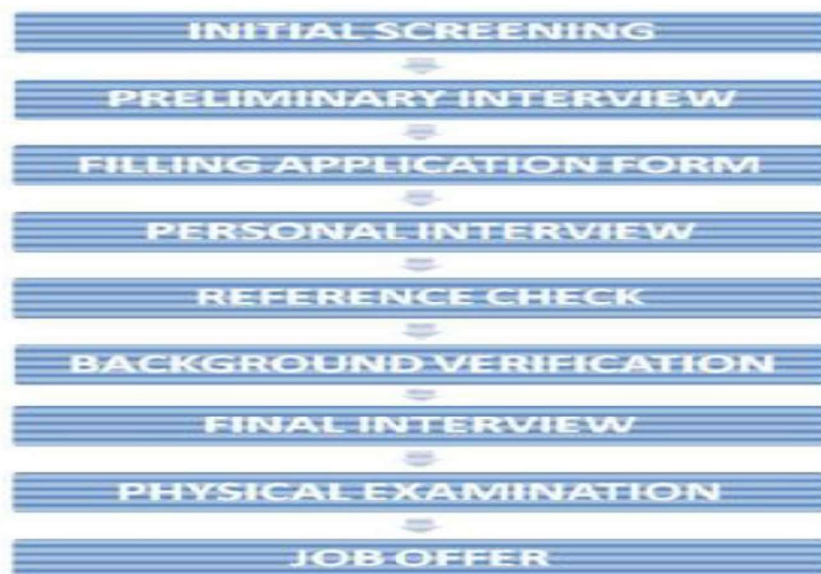
A job specification usually covers the following information:

- Education
- Experience
- Skill, Knowledge, Abilities
- Work Orientation Factors
- Age

SELECTION PROCESS

Selecting a suitable candidate can be the biggest challenge for any organisation. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

Though there is no fool proof selection procedure that will ensure low turnover and high profits, the following steps generally make up the selection process



a) Initial Screening This is generally the starting point of any employee selection process. Initial Screening eliminates unqualified applicants and helps save time. Applications received from various sources are scrutinized and irrelevant ones are discarded.

b) Preliminary Interview It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews

c) Filling Application Form A candidate who passes the preliminary interview and is found to be eligible for the job is asked to fill in a formal application form. Such a form is designed in a way that it records the personal as well professional details of the candidates such as age, qualifications, reason for leaving previous job, experience, etc.

d) Personal Interview Most employers believe that the personal interview is very important. It helps them in obtaining more information about the prospective employee. It also helps them in interacting with the candidate and judging his communication abilities, his ease of handling pressure etc. In some Companies, the selection process comprises only of the Interview.

e) **References check** Most application forms include a section that requires prospective candidates to put down names of a few references. References can be classified into - former employer, former customers, business references, reputable persons. Such references are contacted to get a feedback on the person in question including his behaviour skills etc...

f) **Background Verification** A background check is a review of a person's commercial, criminal and (occasionally) financial records. Employers often perform background checks on employers or candidates for employment to confirm information given in a job application, verify a person's identity, or ensure that the individual does not have a history of criminal activity, etc., that could be an issue upon employment.

g) **Final Interview** Final interview is a process in which a potential employee is evaluated by an employer for prospective employment in their organization. During this process, the employer hopes to determine whether or not the applicant is suitable for the job. Different types of tests are conducted to evaluate the capabilities of an applicant, his behaviour, special qualities etc. Separate tests are conducted for various types of jobs.

h) **Physical Examination** If all goes well, then at this stage, a physical examination is conducted to make sure that the candidate has sound health and does not suffer from any serious ailment.

i) **Job Offer** A candidate who clears all the steps is finally considered right for a particular job and is presented with the job offer. An applicant can be dropped at any given stage if considered unfit for the job.

TRAINING

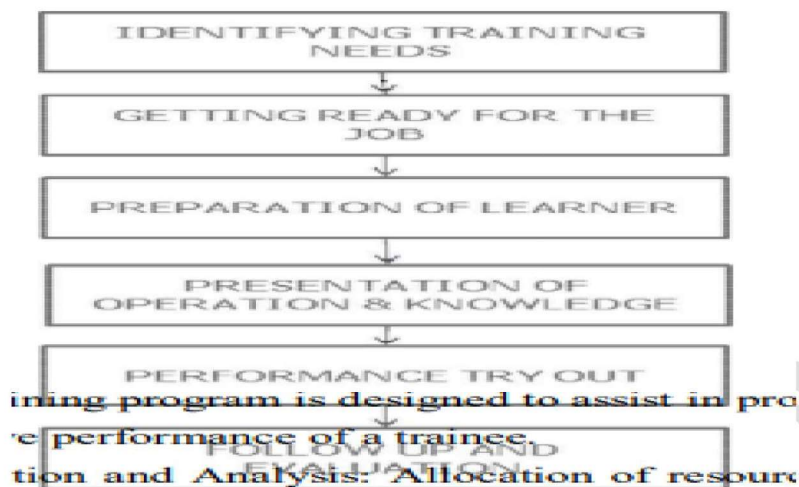
Training is a process of learning a sequence of programmed behaviour. It improves the employee's performance on the current job and prepares them for an intended job.

Purpose of Training:

- 1) **To improve Productivity:** Training leads to increased operational productivity and increased company profit.
- 2) **To improve Quality:** Better trained workers are less likely to make operational mistakes.
- 3) **To improve Organizational Climate:** Training leads to improved production and product quality which enhances financial incentives. This in turn increases the overall morale of the organization.
- 4) **To increase Health and Safety:** Proper training prevents industrial accidents.
- 5) **Personal Growth:** Training gives employees a wider awareness, an enlarged skill base and that leads to enhanced personal growth.

Steps in Training Process:

Identifying training needs: a training programme is designed to assist in providing solutions for specific operational problems or to improve performance of a trainee



- Organizational determination and Analysis: Allocation of resources that relate to organizational goal.
- Operational Analysis: Determination of a specific employee behaviour required for a particular task.
- Man Analysis: Knowledge, attitude and skill one must possess for attainment of organizational Objectives

1) Getting ready for the job: The trainer has to be prepared for the job. And also who needs to be trained -the newcomer or the existing employee or the supervisory staff.

Preparation of the learner:

- Putting the learner at ease
- Stating the importance and ingredients of the job
- Creating interest
- Placing the learner as close to his normal working position
- Familiarizing him with the equipment, materials and trade terms

2) Presentation of Operation and Knowledge: The trainer should clearly tell, show, illustrate and question in order to convey the new knowledge and operations. The trainee should be encouraged to ask questions in order to indicate that he really knows and understands the job.

3) Performance Try out: The trainee is asked to go through the job several times. This gradually builds up his skill, speed and confidence.

4) Follow-up: This evaluates the effectiveness of the entire training effort

TRAINING METHODS

Training methods can be broadly classified as on-the-job training and off-the-job training

a) On-the-job training

On the job training occurs when workers pick up skills whilst working alongside experienced workers at their place of work. For example this could be the actual assembly line or offices where the employee works. New workers may simply “shadow” or observe fellow employees to begin with and are often given instruction manuals or interactive training programmes to work through.

b) Off-the-job training

This occurs when workers are taken away from their place of work to be trained. This may take place at training agency or local college, although many larger firms also have their own training centres. Training can take the form of lectures or self-study and can be used to develop more general skills and knowledge that can be used in a variety of situations.

The various types of off-the-job training are

- (i) Instructor presentation: The trainer orally presents new information to the trainees, usually through lecture. Instructor presentation may include classroom lecture, seminar, workshop, and the like.
- (ii) Group discussion: The trainer leads the group of trainees in discussing a topic.
- (iii) Demonstration: The trainer shows the correct steps for completing a task, or shows an example of a correctly completed task.
- (iv) Assigned reading: The trainer gives the trainees reading assignments that provide new information.
- (v) Exercise: The trainer assigns problems to be solved either on paper or in real situations related to the topic of the training activity
- (vi) Case study: The trainer gives the trainees information about a situation and directs them to come to a decision or solve a problem concerning the situation.
- (vii) Role play: Trainees act out a real-life situation in an instructional setting.
- (viii) Field visit and study tour: Trainees are given the opportunity to observe and interact with the problem being solved or skill being learned.

CONTROLLING

Controlling Process

1 Setting Performance Standards

The first step in controlling process is establishment of standards of performance. Standards serve as a criteria or a test on the basis of which actual performance can be measured. In business context standards mean objectives to be achieved. In order to check whether actual performance is in right directions, there need to have certain standards.

Standards are mainly of two types:

a. Quantitative Standards: standards which are expressed in numerical terms like quantities of goods to be produced, cost to be incurred, investments to be made, profits to be earned, man hours to be worked, speed to be achieved etc.

b. Qualitative Standards: standards which cannot be expressed in numerical terms or which are established for intangible things like improvement in employee morale, customer or employee opinion etc. these cannot be measured directly. E.g. in order to measure employee morale, labour turnover rate, absenteeism rate etc. will be considered. If rate of all these factors is low, it means employee morale has increased. Similarly to measure opinion of customers, variations in sales can be taken into consideration.

Basis of Standards

There are mainly four basis for establishing standards. These are a) Quantity b) Quality c) Cost and d) Time.

Quantity standards are set for production, sales, stock etc. Quality standards are set relating to raw material, finished goods, customers service, employee satisfaction etc. Cost standards are related to material, labour and other expenses. Time standards are related to time consumed in production of goods.

2. Measurement of Actual Performance

After setting standards, the second step of controlling process is to measure actual performance of various individuals, groups or units. Actual Performance can be measured by using any method of evaluation e.g. supervision, observation, reporting, sampling, accounting statements etc. the actual performance should be measured according to fixed standards. The performance should be measured in quantitative terms if standards have been fixed in numerical terms. E.g. if standard is prescribed as number of units per hour, quantity of goods to be produced etc. then information relating to actual performance in same terms can be easily measured.

Managers should select the methods and time of measurement very carefully. Actual performance can be measured either during the course of its operation or after the actual work is completed. In first situation, when the work is in process, it can be measured with the help of supervision and observation to check if the work is being done according to plans and per standards. If any negative result is found, corrective action can be taken immediately to avoid any further loss to the remaining work. However, in second situation, where work has been completed, in case of any negative result, corrective action can be taken only for future work and the loss cannot be compensated. Following points should be kept in mind at the time of measurement of actual performance:

- a. The units of measuring performance should be same as were set at the time of fixing standards.*
- b. The facts and figures regarding performance of work should be as far as possible true.*
- c. The figures should be continuously prepared.*
- d. The time of measurement of performance should neither be too short nor too long.*

Mar

3 Comparing Actual performance with Standards

Once actual performance has been measured, the third main step of control process is comparing actual performance with the fixed standards of performance. It includes two steps:

- a) finding out the extent of deviations and
- b) identifying the causes of these deviations. The comparison of actual performance with standards will be easy when standards have been fixed numerically.

In all other cases, where results cannot be measured quantitatively, techniques like personal observation, inspection, etc. can be used for evaluation. The managers can find out deficiencies or deviations in actual performance from the fixed standards. The deviations are of two types: positive and negative. When performance is less than fixed standards, it results into negative deviation, on the other hand, when performance is more than the fixed standard, it is positive deviation. Though, it is very important to analyse the causes of negative deviation, it is equally important to examine the causes of positive deviation.

4 Analysing Deviations

The deviations coming out of comparison of actual performance with standards are analysed. If there are no deviations, there is no need to take any action regarding this. The control process ends here. But if standards are not achieved and actual performance is below standards, it will be checked if deviation is acceptable i.e. if deviation is within deviation tolerance limits, then again there is no need to do anything and hence can be avoided. However, if deviation is large and not acceptable, they should be reported to management and finally, causes of such deviation will be identified and responsibility will be fixed accordingly. The standards will also be reviewed. If the standards are found to be wrong, these will be revised and new standards will be formed. There are two main principles which guide analysis of deviations:

5 Taking Corrective Action

The last and most important step in controlling process is taking corrective action. The purpose of taking corrective action is to bring the actual performance up to the level of expected performance standards. There may be two types of actions like removing deviation in the actual performance e.g. removing hurdles or defects in machines and stopping the repetition of any such problem in future e.g. modification of plans, revising of goals or standards, reassignment of duties etc.

Factors to be considered while taking corrective action

While taking corrective actions, managers should take into consideration following points:

- a. *Corrective action should be taken only after a thorough analysis of causes of deviations.*
- b. *Standards should be revised if the need be.*
- c. *Corrective action should be taken only by the concerned officers who are directly associated with the work.*
- d. *Action should be taken without loss of time to avoid any further loss.*
- e. *Policies, procedures etc. should also be revised if the need be.*
- f. *Corrective action should be acceptable by the people involved in it.*
- g. *Positive deviations should also be found and causes should be analysed so as to make further improvements in work.*

Once corrective action is taken, the process of control repeats. Hence, control is a continuous process. The essence of a good control system is whether a correct action is taken at the correct time.

Types of Control

There are two main categories of control:

a) Direct Vs. Indirect Control and**b) Physical Vs. Financial Controls****a. Direct Vs Indirect Control Direct Control:**

Various control measures like cost control, quality control, budgetary control are known as direct control because, the results can be directly compared in this case.

Indirect Control

Indirect control involves devising a control system whereby control is maintained automatically. Control can also be categorised as physical control and financial control

b. Physical Vs. Financial Control Physical Control

Physical control involves control over quality and quantity. Output standards may be fixed in terms of per day or per man. Similarly quality standards may also be fixed such as hardness or softness of product etc.

Financial Control

Financial controls are expressed in terms of monetary value like cost per unit of output or sale price per unit etc.

Sometimes, physical and financial controls may be applied jointly as in case of budgetary control. In case of budgetary control, physical as well as financial standards are fixed in advance and actual performance is compared with the fixed standards.

c. Other Classifications

Control can also be categorized on the basis of various activities of the business enterprise such as inventory control, sales control, credit control, personnel control, production control, capital expenditure control, safety control etc.

Techniques of Controlling

Controlling techniques are methods that help managers to regulate the activities and functions of an organisation. It provides managers with the information for comparing the actual performance against the set standards expected from the different operations of units or departments. Organisations make use of regular standard methods of financial, budgetary and project reports for getting regular and consistent information.

Every domain within the organisation has its own techniques of controlling, which help superiors to regulate the functions of units. The controlling technique enables managers to collect the information, which will be used to check the performance.

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 the right course."

The manager of the organisation should be aware of the different controlling techniques and the situation for which they must be used. The main reason for using the method of controlling is to ascertain if the activities are being carried out according to the plans.

Hence, the manager must determine the required standards for taking corrective actions. There are many methods of controlling that can be put under two categories.

Let us understand the traditional and modern techniques of controlling in detail.

1. **Traditional Techniques**
2. **Modern Techniques**

Traditional Techniques

Traditional techniques include personal observation, statistical reports, break-even analysis and budgetary control. Let us understand these traditional techniques of controlling in detail:

Personal observation

The method of personal observation and guidance is one of the oldest techniques of controlling. It is a traditional technique in which supervisors review the work of employees. In this way, supervisors are in direct contact with employees and have first-hand knowledge of the ways of working. For instance, Ritvik is being monitored by his supervisor while he works on 'Aluminium Foil Container Making Machine' so as to prevent wastage and guide him immediately if he commits any mistake.

In case of any problems, supervisors or managers are in a position to solve them and find solutions. Employees also remain cautious of their performance as they are being monitored and observed by the supervisor or manager. This type of control is more common in smaller business organisations.

Statistical reports

The statistical method is used to make a total analysis of the data and reports that are measured using averages, ratio, percentages, mean, median, and more. For instance, sales managers collect data of previous five years sales and analyse it to know the sales trend and accordingly put efforts to control if a downward trend is seen.

It helps in providing useful and quantifiable information for the managers regarding the performance of the organisation. Managers collect all the data and analyse it before finding the results. The data and information mentioned in statistical reports help managers to understand the problems and find out the appropriate solutions to handle them.

Break Even analysis

The break-even analysis acts as a controlling method used for measuring the performance of an organisation. It is a situation of no profit no loss. The break-even analysis is in the form of sale output, production volume, the price of products, and it is also used to define the profit and loss according to the selling price, the volume of goods, and different ratios. It also measures the performance and the impact on the revenues.

In other words, the break-even analysis establishes a relationship between the volume and cost of producing and selling goods. For instance, an automobile organisation entered into the manufacturing of electric vehicles.

In order to fix the minimum number of vehicles to sell every year to be profitable, the break-even analysis is done to know the no profit and no loss situation as this acts as a guide in fixing the vehicles to be sold every year. In case of sales less than the expected numbers, corrective measures would be taken as per the control mechanism.

Budgetary control

Budgetary control is an important technique used by managers for controlling the different functions and operations that are performed according to the set budget for a particular plan. It is an important method of controlling that helps an organisation to decide the level of spending and evaluating revenues.

For instance, material budget made by the production department is also helpful in keeping a track of misuse or wastage of materials during production process. The manager needs to plan the budget to avoid unnecessary spending. If the expenditure is more than the sanctioned budget, then employees as well as managers are answerable to the management and this helps in controlling the expenditure of different departments.

Budget injects a sense of clarity, direction, and purpose in the activities of various operating units within the organisation. Budget control is used by the supervisor to keep a check and control expenditure. It is the technique of controlling the finances for keeping the costs under control.

Modern Techniques

Modern techniques are the advanced techniques used by organisations to control. Some modern techniques of controlling are as follows:

Return on Investment (ROI)

ROI is an important technique used for controlling. This technique enables an organisation to evaluate the benefit received from the investment, and measure the total profits made against the capital that is invested. If there is a high ROI, then the financial performance of an organisation is considered to be good.

ROI is an effective way to measure the performance and the financial position of an organisation. It is a method of comparing the performance of the present year with that of the past years. For instance, departmental ROIs are also calculated to measure and compare the performance of different departments and accordingly take the control measures.

Ratio analysis

The technique of ratio analysis gives a total understanding of the organisation's performance, efficiency, liquidity, and profits. It is the most common form of controlling technique used by enterprises.

For instance, the various turnover ratios like debtors turnover ratio, inventory turnover ratio, fixed assets turnover ratio etc. are helpful in knowing whether the resources are effectively used in operations of a business or not. A higher turnover indicates better utilisation of resources. In case of low turnover ratio proper control measure are taken to have better utilisation of available resources.

Responsibility accounting

Responsibility accounting is a system of accounting in which the different units of an organisation are converted into responsibility centers. For instance, the production department of an organisation may be classified as the cost centre to keep control on the cost incurred during production process.

A production budget acts as a guide in knowing whether the costs are under control or not. Each unit is responsible for controlling the areas assigned to it. A responsibility centre can be a division, department, or section headed by a manager who is accountable for achieving specified targets.

The idea of creating different units is to increase the level of profits in terms of ROI and reduce the cost involved in production. There are separate budgets made for each unit. If the expenditure of each unit is less than the budgeted cost, then the unit is doing well.

The procedure of responsibility accounting involves:

- Setting responsibility units or centres keeping in mind the overall objective of the organisation
- Measuring actual performance by using systematic accounting
- Comparing, calculating, and analysing inconsistencies •
- Reporting inconsistencies to the higher level of management

Management audit

Management audit refers to the technique in which a comprehensive and constructive review of the overall all performance of the organisation is done. Under management audit, managers undertake a systematic checking of the effectiveness and efficiency of the management.

Auditors investigate the in-depth performance of management concerning the day-to-day working of systems and functions. In management audit, the auditor systematically evaluates the operational procedures and various management functions. Auditors do thorough checking of the entire management system.

For instance, an organisation carries an internal audit of the purchase department at the end of every month to keep a check on timely availability of material for production process and proper utilisation of the materials purchased.

PERT & CPM

Program Evaluation and Review Technique (PERT) and Critical Path Method (CPM) are significant techniques used for controlling. CPM and PERT methods are used to mini- mise the cost and time for particular activities. It helps in taking necessary actions for completing the activities within the specified time.

For instance, construction projects, aircraft manufacturing, and shipbuilding, etc., use PERT & CPM techniques to compute the total expected time needed to complete a project and to identify the bottleneck activities also that may have a perilous effect on the project completion date.

UNIT – III

Motivation and Leadership: Motivation Theories (Maslow, Herzenberg, McGregor, Vroom, Equity) and applications, Leadership Theories (Trait, Behavioural, Contingency) and Styles; Managerial Interpersonal styles (Johari Window, Transactional analysis); Managing Motivation in small and large organisations

MOTIVATION

People differ by nature, not only in their ability to perform a specific task but also in their will to do so. Albert Einstein said that “*genius is 10% inspiration and 90% perspiration*.” This “will” to do is known as motivation.

The word motivation is derived from motive which is defined as an active form of a desire, craving or need which must be satisfied. All motives are directed towards goals and the needs and desires affect or change your behaviour which becomes goal oriented.

Stephen P Robbins defines motivation as “the willingness to exert high levels of efforts towards organizational goals, conditioned by the efforts ability to satisfy some individual need.”

Motivation can also be defined as a condition that is initiated by a physiological or psychological deficiency or need in an individual, which causes the individual to behave in a certain manner in order to achieve a particular goal or incentive.

Motivation is a drive that encourages action or feeling. To motivate means to encourage and inspire. Motivation can also mean igniting the spark for action. Motivation is powerful. It can persuade, convince and people you into action. In other words, motivation can be defined as motive for action. It is a force that can literally change your life. Motivation is the driving force in our lives. It comes from a desire to succeed. Without success there is little pride in life; no enjoyment or excitement at work and at home. Once you understand what causes motivation, you can motivate yourself and achieve your goals and you can motivate others too.

Inspiration is thought; motivation is action. When thinking changes it reflects in behaviour. In order to inspire people to motivate themselves we need to understand their needs and wants. Motivation is like fire unless you keep adding fuel to it, it dies. Your fuel is your belief in your inner values. When this belief in inner values feeds your motivation, your motivation becomes long lasting. One of the most important factors that lead one to their goals is the drive. This drive is known as motivation. It is a zest and determination with a kind of excitement that leads one to persevere to reach greater heights, in no matter what avenue of their life; be it – personal or professional. The drive may come from an internal or external source. The individual determines this.

The factors that motivate an individual keep changing as one climbs the ladder of age and maturity. And also, achievement of one goal sets the ball rolling for another one to be achieved. Thus, to be motivated is a constant need. There are times when one faces a period of demotivation and everything seems bleak. It is then that they need to find what would motivate them back into action. For every individual there is a variable driving force. In fact, it is not

just a single factor, but a combination of factors that lead people to achieve their goals. The fact is that with routine monotony steps in and then everything seems like stagnant waters. It feels like there is nothing new.

Breaking this cycle of monotony has helped many bounce back with enthusiasm. This is why human resource managers create a training calendar, which will take away employees from the routine they are stuck to, as well as enhance their skills in various areas. Others pursue hobbies during the weekend, thus giving them something to look forward to, as each week comes to a close. There are people who redefine their goals and ambitions from time to time in order to fill them with newer levels of enthusiasm to achieve greater feats. One needs to take stalk every now and then and find the motivator required to carry them through. One of the most important and underlying factors that drives every human being reach their goals is motivation. This includes personal, as well as professional goals and targets. In fact, if this driving force did not exist then people would live in the rut of monotony and no great discoveries or inventions would have happened. Humanity would have probably continued to exist in the in stone ages.

The fact that humanity, in general, is constantly progressing is proof enough that motivation does exist as a prominent factor. In fact, the importance of motivation multiplies at the workplace. This is because an adult spends most of his or her hours in the office. Targets and goals have to be met. And apart from the usual appraisals and bonuses there needs to be more that drives a person to continue at the same workplace, or continue pursuing the same career for years together. No doubt, anything that falls into routine brings in the problems of monotony.

And once this takes over there are various harms that come to the employee and their performance on the job. Understanding this, managers take the responsibility of motivating employees from time to time through various ways and means. One instance is by adopting soft skills training programs especially in areas such as stress management, motivation, decision-making, time management, etc. These types of workshops help employees bring something new into their working day. Apart from what the management does to keep employees motivated, one need to also bring in self-motivating factors. For instance, set personal goals such as a time-line target to purchase an asset, which can happen if work targets are met and one continues in the same job. *No matter what the source, motivation is an important factor to drive once life through every challenge and stumbling block.*

Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need.

To assist your management team in the fine art of motivation, here are some guidelines to follow, captured by the acronym MOTIVATE:

- Maximize employee potential
- Offer opportunities for growth
- Trust employees to do their jobs
- Involve employees in company decisions
- Value employee differences
- Allow for mistakes
- Throw away threats, punishment and fear
- Encourage through praise and rewards

CHARACTERISTICS OF MOTIVATION

- ✓ **EFFORT:** The amount of effort put into the activity identifies the strength of the person's work related behaviour. Hard work usually reflects high motivation.
- ✓ **PERSISTENCE:** Motivation is a permanent and an integral part of a human being. Its second characteristic is persistence in the efforts. Motivation is continuously goal directed so that once a goal is achieved, a higher goal is selected and efforts are exercised towards this higher goal.
- ✓ **DIRECTION:** Persistent hard work determines the quantity of effort while direction determines the quality of the anticipated output. All efforts are to be directed towards the organizational goal. This would ensure that the persistent effort is actually resulting into accepted organizational outcomes.

TYPES OF MOTIVATION

Experts in the organizational behaviour field have a divided opinion as to whether workers are motivated by factors in the external environment such as rewards or fear or whether motivation is self generated without the application of external factors. Some of these motivational types are:

1. **Positive Motivation:** Positive motivation involves proper recognition of employee efforts and appreciation of employee contribution towards the organizational goal achievement. Such motivations improve the standards of performance, lead to good team spirit and pride, a sense of cooperation and a feeling of belonging and happiness.
2. **Negative or Fear Motivation:** This motivation is based upon the use of force, power, fear and threats. The fear of punishment or unfavorable consequences affects the behavioural changes. Some examples of negative motivation include the fear of failing in the examination, and fear of being fired or demoted.
3. **Extrinsic Motivation:** This type of motivation is induced by external factors which are primarily financial in nature. It is based upon the assumption that the behaviour which results in positive rewards tends to be repeated. Money is probably the most important incentive for positive behaviour since money can be used for a number of other resources.
4. **Intrinsic Motivation:** Intrinsic motivation stems from feelings of achievement and accomplishment and is concerned with the state of self actualization in which the satisfaction of accomplishing something worthwhile motivates the employee further so that this motivation is self-generated and is independent of financial rewards.

THEORIES OF MOTIVATION

There are basically two types of theories developed that relate to and define the motivational processes. These are

“CONTENT Theories” which attempt to determine and specify drives and needs that motivate people to work and

“PROCESS Theories” which attempt to identify the variables that go into motivation and their relationship with each other.

The Content Theories of Work Motivation:

The content theories have been developed to explain the nature of motivation in terms of types of need that people experience. They attempt to focus on factors within a person that initiate and direct a certain type of behaviour or check certain other type of behaviour. The basic idea underlying such theories is that people have certain fundamental needs, both physiological and psychological in nature, and that they are motivated to engage in activities that would satisfy these needs.

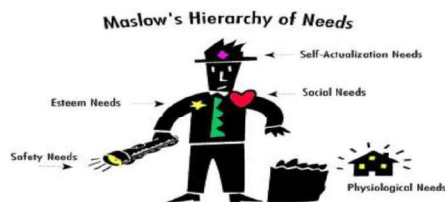
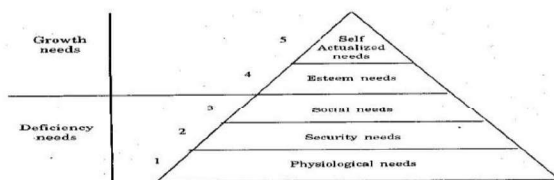
1. MASLOW'S MODEL

Maslow's "needs hierarchy theory" is probably the most widely used theory of motivation in organizations. Abraham Maslow suggested that people have a complex set of exceptionally strong needs and the behaviour of individuals at a particular moment is usually determined by their strongest need.

This model of hierarchical needs explains human behaviour in a more dynamic and realistic manner and is primarily based upon people's inner states as a basis for motivation and the environmental conditions do not play any significant role. Maslow postulates five basic needs arranged in successive levels. These needs continue to change resulting in change in goals and activities.

The first three levels of needs at the bottom are known as "deficiency" needs and they must be satisfied in order to ensure the individual's very existence and security and make him fundamentally comfortable. The top two sets of needs are termed "growth" needs because they are concerned with personal growth, development and realization of one's potential.

- a) **Physiological Needs:** The physiological needs form the foundation of the hierarchy and tend to have the highest strength in terms of motivation. These are primarily the needs arising out of physiological or biological tension and include the basic needs for food, water and shelter.
- b) **Security and Safety Needs:** Once the physiological needs are gratified, the safety and security needs become predominant. These are the needs for self-preservation as against physiological needs which are for survival. These needs include those



of security, stability, freedom from anxiety and a structured and ordered environment. These safety and security needs are really provisions against deprivation of satisfaction of physiological needs in the future.

- c) ***Love and Social Needs:*** After the needs of the body and security are satisfied, then a sense of belonging and acceptance becomes prominent in motivating behaviour. These needs include the needs for love, friendship, affection, and social interaction. It includes the need for love, friendship, affection and social interaction.
- d) ***Esteem Needs:*** This need for esteem is to attain recognition from others which would induce a feeling of selfworth and self-confidence in the individual. It is an urge for achievement, prestige, status and power. Self-respect is the internal recognition. The respect from others is the external recognition and an appreciation of one's individuality as well as his contribution.
- e) ***Self Actualization Needs:*** This last need is the need to develop fully and to realize one's capacities and potentialities to the fullest extent possible, whatever these capacities" and potentialities may be. This is the highest level of need in Maslow's hierarchy and is activated as a motivator when all other needs have been reasonably fulfilled. At this level, the person seeks challenging work assignments that allow for creativity and opportunities for personal growth and advancement.

Maslow's theory made management aware that people are motivated by a wide variety of needs and that management must provide an opportunity for the employees to satisfy these needs through creating a physical and conceptual work environment, so that people will be motivated to do their best to achieve organizational goals. Maslow believed that from the point of organizational behaviour, the management should strive to create an organizational hierarchy. Research has established that top managers generally are more able to satisfy their higher level needs than lower level managers who have more routine jobs.

2. Mc CLELLAND'S THEORY OF NEEDS

Since the lower level needs in Maslow's model are generally satisfied by the business, societal and legal systems, they are no longer strong motivators. Studies conducted by Harvard psychologist David McClelland concluded that from the organization behaviour point of view, the most prominent need is the need for achievement, power and affiliation. The primary motive is the "achievement motive" and is denoted as a "desire to succeed in competitive situations based upon an established or perceived standard of excellence."

- a) ***Need for Achievement (n Ach):*** They are constantly preoccupied with a desire for improvement and look for situations in which successful outcomes are directly correlated with their efforts so that they can claim credit for success. They take moderate and calculated risks prefer to get quick and precise feedback on their performance.
- b) ***Need for Power (n Pow):*** It is the desire to affect and control the behaviour of other people and to manipulate the surroundings. Power motivation when applied positively results in successful managers and leaders who prefer democratic style of leadership. Power motivation, applied negatively tends to create arrogant autocratic leadership.

- c) ***Need for Affiliation (N Aff)***: It is related to social needs and reflects a desire for friendly and warm relationships with others. Individuals with high “n Aff” tend to get involved in jobs that require a high amount of interpersonal contacts and relations such as jobs in teaching and public relations.

2. HERZBERG’S TWO-FACTOR THEORY

Fredrick Herzberg and his associated developed the two-factor theory in the late 1950s and the early 1960s. Herzberg named the factors that are related to job satisfaction as Motivational factors, which are intrinsic in nature and factors related to job dissatisfaction are Hygiene factors.

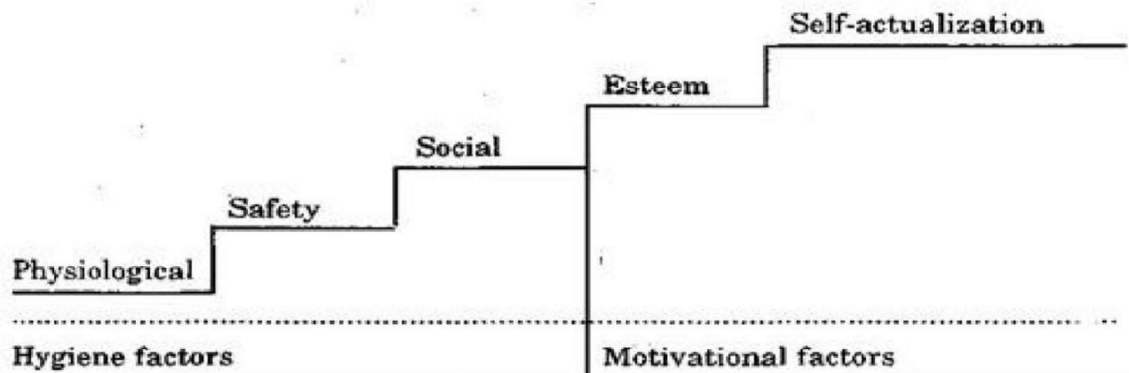
Hygiene Factors:

Hygiene factors do not motivate people. They simply prevent dissatisfaction and maintain status quo. They produce no growth but prevent loss. The absence of these factors leads to job dissatisfaction. The elimination of dissatisfaction does not mean satisfaction and these factors simply maintain a “Zero level of motivation.”

Some of the hygiene factors are:

- Wages, salary and other types of employee benefits.
- Company policies and administration rules that govern the working environment.
- Interpersonal relations with peers, supervisors and subordinates. Cordial relations with all will prevent frustration and dissatisfaction.
- Working conditions and job security.

All the hygiene factors are designed to avoid damage to efficiency or morale and these are



Motivational Factors:

These factors are related to the nature of work and are intrinsic to the job itself. These factors have a positive influence on morale, satisfaction, efficiency and higher productivity.

The Job Itself: To be motivated, people must like and enjoy their jobs. They become highly committed to goal achievement and do not mind working late hours in order to do what is to be done.

Recognition: Proper recognition of an employee's contribution by the management is highly morale boosting. It gives the workers a feeling of worth and self esteem.

Achievement: A goal achievement gives a great feeling of accomplishment. The goal must be challenging, requiring initiative and creativity. An assembly line worker finishing his routine work hardly gets the feeling of not expected to stimulate positive growth. The word "hygiene" is taken from the medical field, where it means taking steps to maintain your health but not necessarily improve it.

Responsibility: It is an obligation on the part of the employee to carry out the assigned duties satisfactorily. The higher the level of these duties, the more responsible the worker would feel and more motivated he would be.

Growth and advancement: These factors are all interrelated and are positively related to motivation. Job promotions, higher responsibility, participation in central decision making and executive benefits are all signs of growth and advancement and add to dedication and commitment of employees.

3. Mc Gregor's Theory X and Theory Y

In the year 1960, Douglas McGregor, a management professor at the Massachusetts Institute of Technology, proposed two theories based on the hypothesis related to human behaviour in his book *The Human Side of Enterprise*. He believed that while motivating people, there are certain assumptions about human nature that should be taken into consideration. According to McGregor, there are two aspects of human behaviour at work which he described as Theory X (negative aspect) and Theory Y (positive aspect).

Theory X

According to McGregor, Theory X is based on the following assumptions:

- The average human being will avoid work whenever it is possible because of their inherent dislike of work.
- Most of the people are gullible and not very intelligent.
- Most people by nature, always resist change and have security as their priority.
- An average person doesn't like responsibility, lacks ambition, and prefers to be directed by others.
- Lastly, an average human being is self-centred and indifferent to organisational goals.

Simply put, Theory X assumed that the basic source of an employee's motivation is money after which he prefers security.

Based on these assumptions, the following proposition is put together:

1. It is the responsibility of the management to organise the elements of a productive enterprise (money, equipment, material, and people) in the interest of economic gain.
2. While talking about human beings, management includes directing the efforts of people, motivating them, controlling their actions, and modifying their actions and behaviour based on the organisational needs.
3. It is essential for the management to reward, persuade, punish, and control people. It is because, without their active intervention, these people would become passive and even resist the organisational needs.
4. As it is assumed in this theory that people dislike work, it is necessary to coerce, control, direct, and threaten them with punishment to get things done from them for the accomplishment of the organisational goals.

As the above-mentioned assumptions are negative in nature, it can be said that Theory X developed by McGregor is a traditional or conventional approach to motivation. The management feels external

control is more appropriate to deal with irresponsible, unreliable, and immature people. McGregor believes that an organisation that closely supervises and controls its subordinates, and has highly centralised authority is one which is built upon the notions of Theory X. Besides, in these kinds of organisations there is autocratic leadership, and the employees, if any, will have very less say in the decisions affecting them. The management motivates people by promising them greater pay and through the threat of punishment. Simply put, an organisation following Theory X will have an impersonal climate as it uses **carrot and stick approach** to motivation.

Theory Y

The assumptions on which Theory X was formulated had some faulty misconceptions about human nature. McGregor realised that there are some needs that were not considered in Theory X, such as ego satisfaction, social needs, and self-fulfilment of individual workers. Therefore, to meet these left-out needs, McGregor developed a counter approach, known as Theory Y, which proposes that:

1. It is the responsibility of the management to organise the elements of a productive enterprise in the interest of social as well as economic gains.
2. The theory also states that people are not passive or restricted to the needs of the organisation by nature. Their nature changes to this because of experience.
3. Characteristics like readiness to direct behaviour towards the organisational goals, motivation, potential for development, etc., are already present in the people. The management has to just make it possible for these people to recognise these characteristics in themselves.
4. Besides, it is important for the management to arrange the condition and methods of operations of the organisation so that the employees can achieve their personal goals by directing their efforts towards the goals of the organisation.

The assumptions on which Theory Y is based are as follows:

- First of all, it is assumed that if the working conditions are favourable, then it can be as natural as play and rest. Average human being has no inherent dislike towards work. If the work is meaningful to a person, then it can be a source of satisfaction and there is a high possibility that it is performed voluntarily.
- If an individual is committed to work, then he/she will exercise self-control and self-direction to accomplish the work and organisational objectives. In simple terms, the threat of punishment or external control is not the only means of motivating an individual to complete the work and accomplish organisational goals.
- Besides, if an objective is associated with some reward, then the employee will have a high commitment toward the accomplishment of those objectives.
For example, a person will be more committed to an organisational objective or work which accomplishes his self-development needs and satisfies his ego. Also, once an individual has selected his goal, he will continue with the work without any control or close supervision.
- If an average human being gets proper working conditions, then they will not step back from their responsibility. They will not only take the responsibility but will also work towards fulfilling it. Simply put, lack of ambition, avoidance of responsibility, and emphasis on security arise because of experience, not because of an individual's inherent dislike of work.
- It also assumed that imagination, creativity, and ingenuity are found in high amounts in human beings.
- People have unlimited potential but, under modern industrial life conditions, their intellectual potential is not fully utilised.

With the above explanation and assumptions, it can be seen that the modern and dynamic nature of human beings is represented through Theory Y. This theory is based on assumptions that are closer to reality. An organisation following Theory Y has decentralised authority, a two-way communication system, job enrichment, and participative leadership. The theory focuses on responsible jobs and self-

control. With the help of the assumptions of Theory Y, there can be a more cooperative relationship between the workers and their managers. In simple terms, with Theory Y, the management of an organisation tries to establish a working environment in which an individual's personal needs and goals can relate to the organisational goals.

If we talk about which theory is best, Theory X or Theory Y, most people prefer Theory Y as it is more productive and desirable. However, Theory Y may not be best for all types of organisational situations. There may be some situations of crisis in which Theory X is more appropriate, but they may also be some situations (routine and formalised) in which it is less appropriate. In under-developed countries like India, Theory X is considered to be more useful at lower levels of the organisation.

Conclusion:

With the above explanation, it can be concluded that neither Theory X nor Theory Y is best in all situations. Therefore, a mix of both theories should be used. In simple terms, an organisation should use the approach of motivation which is best suitable for a specific situation. Thus, the best approach to motivation is the contingency approach.

4.VROOM'S EXPECTANCY MODEL

The expectancy model is based upon the belief that motivation is determined by the nature of the reward people expect to get as a result of their job performance. The underlying assumption is that a man is a rational being and will try to maximize his perceived value of such rewards. People are highly motivated if they believe that a certain type of behaviour will lead to a certain type of outcome and their extent of personal preference for that type of outcome.

According to this model of motivation, a person's level of effort (motivation) depends upon:

- **Expectancy:** A worker must be confident that his efforts will result in better productivity and that he has the ability to perform the task well.
- **Instrumentality:** The worker must be confident that such high performance will be instrumental in getting desired rewards.
- **Valence:** The worker must value these rewards as desired and satisfactory. Hence motivation is related to all these three factors as:

$$M = \text{Expectancy (E)} \times \text{Instrumentality (I)} \times \text{Valence (V)} \quad M = (E \times I \times V)$$

As the relationship suggests, the motivational force will be the highest when expectancy, instrumentality and valence are all high and the motivational value is greatly reduced when any one or more of expectancy, instrumentality or valence approaches the value of zero.

ADAM'S EQUITY THEORY

Adam's Equity Theory is a concept formulated by social psychologist **John Stacy Adams** that explores how individuals perceive fairness within their relationships, particularly in the context of the workplace. This theory examines the crucial role of balance and fairness in motivating individuals.

What is Adam's Equity Theory?

Adam's Equity Theory says that **individuals evaluate the inputs they contribute to a situation and compare them to the outcomes they receive in return**. Inputs encompass various factors such as time, effort, skills, and commitment, while outcomes encompass rewards like salary,

recognition, promotions, and job satisfaction. Individuals also engage in social comparisons, evaluating their inputs and outcomes about those of others in similar positions.

When individuals perceive a fair alignment between their **inputs** and **outcomes**, **equity** is achieved. In other words, they believe that the rewards and benefits they receive are commensurate with their contributions. This perception of equity generates positive emotions, fosters job satisfaction, and motivates individuals to sustain or increase their efforts.

However, when individuals perceive an inequity, two scenarios may arise:

1. **Underpayment inequity:** This occurs when individuals feel that their inputs outweigh their outcomes in comparison to others in similar roles. They experience a sense of being under-compensated or undervalued, leading to dissatisfaction and reduced motivation.
2. **Overpayment inequity:** Conversely, individuals may feel that their outcomes exceed their inputs relative to others. While this may initially appear favourable, it can evoke feelings of guilt, discomfort, and a sense of indebtedness.

To restore equity, individuals may engage in various behaviours. In the case of underpayment inequity, they may seek a salary increase, [promotion](#), or additional benefits to align their outcomes with their inputs. When experiencing overpayment inequity, individuals might increase their inputs, decrease their outcomes or find ways to justify the perceived imbalance. Organizations can benefit from embracing Adam's Equity Theory by fostering fairness in their reward systems, performance evaluations, and decision-making processes. Organizations can cultivate higher levels of [job satisfaction](#), motivation, and overall well-being by promoting a sense of equity among employees.

Merits of Adam's Equity Theory

These are some of the merits of Adam's Equity Theory:

- **Promotes Perceived Fairness:** Adam's Equity Theory underscores the significance of fairness in relationships. It recognizes that individuals naturally evaluate the fairness of inputs and outcomes. By addressing equity considerations, organizations can cultivate a sense of fairness among employees leading to increased job satisfaction and engagement.
- **Drives Motivation:** The theory suggests that individuals are motivated to maintain equity in their relationships. When people perceive an inequity, whether it is being underpaid or overpaid, it acts as a powerful motivator for behavioural change. Individuals strive to restore balance by seeking appropriate rewards for their contributions or adjusting their efforts to align with outcomes, thus promoting motivation and productivity.
- **Enhances Employee Retention and Loyalty:** A fair and equitable work environment attracts and retains talented employees. When individuals perceive fairness in the distribution of rewards, they develop a sense of loyalty and commitment to the organization. This, in turn, reduces turnover rates and increases employee retention, saving costs associated with recruitment and training.
- **Improves Interpersonal Relationships:** Adam's Equity Theory emphasizes the role of social comparisons in evaluating fairness. By fostering fairness in reward systems and organizational practices, it fosters positive relationships among employees. When individuals perceive fairness, it enhances [teamwork](#), collaboration, and overall harmonious work dynamics.
- **Upholds Organizational Justice:** The theory aligns with the concept of organizational justice, which emphasizes fair treatment of employees. By addressing equity concerns, organizations create an environment where employees feel valued, respected, and treated fairly. This promotes a positive organizational culture, reduces conflicts, and enhances overall employee well-being.
- **Boosts Performance:** When individuals perceive fairness and equity in their relationships, they are more likely to be satisfied with their work and motivated to perform at their best. This leads to improved individual and team performance, increased productivity, and ultimately organizational success.

Demerits of Adam's Equity Theory

These are some of the demerits of Adam's Equity Theory:

- **Limited Focus on Individual Needs:** Adam's Equity Theory primarily emphasizes the balance between inputs and outcomes, overlooking the unique needs and preferences of individuals. It assumes that all individuals strive for equity, disregarding the fact that some individuals may prioritize other factors like personal growth, job satisfaction, or work-life balance over strict equity considerations.
- **Subjectivity in Evaluating Inputs and Outcomes:** The theory assumes that individuals have a clear understanding of their inputs and outcomes, as well as those of others. However, subjective interpretations and biases can cloud these evaluations. People may have different perceptions of what constitutes a fair input or outcome, making it challenging to establish a universal measure of equity.
- **Ignores Individual Perception of Fairness:** Adam's Equity Theory does not sufficiently account for how individuals perceive fairness. It assumes that equity is solely based on the comparison of inputs and outcomes, neglecting the importance of factors such as effort, skills, and unique circumstances that individuals consider when evaluating fairness.
- **Inadequate Consideration of Organizational Context:** The theory tends to overlook the influence of organizational factors on perceptions of equity. Organizational policies, procedures, and hierarchical structures can impact the distribution of inputs and outcomes, making it difficult for individuals to achieve perceived equity even if they try to adjust their inputs or outcomes.
- **Disregard for Group and Collective Equity:** Adam's Equity Theory primarily focuses on individual perceptions of fairness, failing to address the importance of group or collective equity. In many organizational settings, people value fairness not only at an individual level but also in terms of how outcomes are distributed among teams or departments. Neglecting this aspect can lead to a limited understanding of fairness dynamics in complex group settings.
- **Limited Scope in Non-Work Relationships:** While the theory is primarily applied to work-related relationships, it may not fully capture fairness dynamics in non-work relationships. Different factors and dynamics may come into play when evaluating fairness in personal relationships, friendships, or community settings.

LEADERSHIP

Leadership is an integral part of management and plays a vital role in managerial operations. If there is any single factor that *differentiates* between successful and unsuccessful organizations, it could be considered as dynamic and effective leadership.

Leadership is not an attribute of business alone. In the army, in the government, in universities, in hospitals and anywhere else where people work in groups, the leadership function emerges. There must be somebody to guide that group. The group leader may also be an informal leader, one who emerges from the ranks of the group according to consensus of the members.

Leadership may be defined as the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement or group objectives. Most management writers agree that, "leadership is the process of influencing the activities of an individual or a group in efforts towards goal achievement in a given situation."

It is important to have the element of willingness in the above definition. This element differentiates successful and effective leaders from the "common run of the managers". Motivating and influencing people to move towards a common goal are all essential

elements of management but the "willingness" of the followers to be led, highlights a special quality that puts a leader high above others. Based on these elements of a leadership function, the leadership may be defined as: $L = F(f, g, w, s)$
Where leadership (L) is function (F) of f =
followers g = goal w = a measures of
willingness on the part of subordinates, and s =
a given situation.

FORMAL AND INFORMAL LEADERSHIP

Leadership can be formal or informal. *The* formal leadership occurs when a person is appointed or elected as an authority figure. For example, anyone who is appointed to the job of a manager also gave the authority to exercise formal leadership in relationship to his subordinates.

The informal leadership emerges when a person uses interpersonal influence in a group without designated authority or power these leaders emerge in certain situations because of their charm, intelligence, skills or others traits and to whom other people turn to for advice, direction and guidance.

LEADERSHIP CHARACTERISTICS

A leader has certain inherent qualities and traits which assist him in playing a directing role and wielding commanding influence over others. Some of these traits according to Jago are:

1. Energy, drive Appearance, preventability
2. A Sense of cooperativeness
3. Enthusiasm
4. Personality (height & weight)
5. Initiative
6. Intelligence
7. Judgment
8. Self-confidence
9. Sociability
10. Will power and flexibility
11. Emotional Stability
12. Knowledge of Human relations.

These traits are not universal in nature, nor do all the leaders have all these traits. Not all these traits work all the time. While some of these characteristics differentiate successful managers and leaders from unsuccessful ones, it is the behaviour of the leaders either as a result of these characteristics or otherwise, which is more tangible and obvious and less abstract in nature.

LEADERSHIP ROLES

Mintzberg and other researchers have identified nine roles that can be classified as a part of leadership function of management.

1. **Figurehead:** Leaders, particularly high ranking managers, spend some part of their time engaging in ceremonial activities or acting as a figure head. Four specific behaviors fir the figure head role of leader
 - a. Entertaining clients or customers as a official representative of the organization

- b. Making oneself available to outsiders as a representative of the organization
 - c. Serving as an official representative of the organization at gatherings outside the organization.
 - d. Escorting official visitors.
2. **Spokesperson:** When a manager act as a spokesperson, the emphasis is to answering letters or inquiries and formally reporting to individuals and groups outside the manager's direct organizational unit. As a spokesperson the managerial leader keep people informed about the activities, plans, capabilities and possibilities.
3. **Negotiator:** Part of almost any manager's job description is trying to make deals with others for needed resources.
Researchers have identified three specific negotiating activities.
- a. *Bargaining with other superiors for funds, facilities, equipments or other forms of support*
 - b. Bargaining with others units in the organization for the use of staff, facilities, equipments or other forms of support.
 - c. Bargaining with suppliers and vendors fro service, schedule and delivery times.
4. **Coach and motivator:** An effective leader takes the time to coach and motivate team members. This role includes four specific behaviors.
- a. Informally recognize team member's achievement
 - b. Providing team members with feedback concerning ineffective performance.
 - c. Ensuring team members are informed of steps that can improve their performance.
 - d. Implementing rewards and punishments to encourage and sustain good performance.
5. **Team builder:** A key aspect of a leader's role is to build an effective team. Activities contributing to this role include;
- a. Ensuring that team members are recognized for their accomplishment such as through letters of appreciation
 - b. Initiating activities that contribute to group morale, such as giving parties and sponsoring sports teams.
 - c. Holding periodic staff meetings to encourage team members to talk about their accomplishments, problems and concerns.
6. **Team player:** Related to the team builder role is that of the team player. Three behavior of team players are.
- a. Displaying appropriate personal conduct
 - b. Cooperating with other units in the organization
 - c. Displaying loyalty to superiors by supporting their plans and decisions.
7. **Technical problem solver:** It is particularly important for supervisors and middle managers to help team members solve technical problems. Two activities contributing to this role are
- a. Serving as a technical expert or adviser.
 - b. Performing individual contributor tasks on a regular basis, such as making sales calls or repairing machinery.
8. **Entrepreneur:** Although not self employed, managers who work in large organizations have some responsibility for suggesting innovative ideas or furthering the business aspects of the firm. Three entrepreneurial leadership roles are
- a. Reading trade publications and professional journals to keep up with what is happening in the industry and profession
 - b. Talking with customers or others in the organization to keep aware of changing needs and requirements.

- c. Getting involved in situation outside the unit that could suggest ways to improve the units' performance, such as visiting other firms, attending professional meeting or trade shows and participating in educational programs.
9. **Strategic planner:** Top level managers engage in strategic planning, usually assisted by input from others through out the organization. Specific activities involved in this role
- a. Setting a vision and direction for the organization
 - b. Helping the firm
 - c. Deal with the external environment
 - d. Helping to develop organizational policies.

THEORIES OF LEADERSHIP

Over the last 80 years, a number of different theories and approaches to studying leadership have been developed. Prior to 1945, the most common approach to the study of leadership concentrated on leadership traits. It was thought that leaders possessed and exhibited some unique set of qualities that distinguished them from their peers.

1. Trait Theory

The Trait Theory rests on the traditional approach which describes leadership in terms of certain personal and special characteristics which are not acquired by knowledge and training but are, considered inherited. This theory emphasizes that ***"leaders are born and not made"*** and that leadership is a function of these inborn traits. Some of these inborn traits are considered to be intelligence, understanding, perception, high motivation, socioeconomic status, initiative, maturity, need for self-actualization, self-assurance and understanding of interpersonal human relations.

It was further believed that training individuals to assume leadership roles was not possible and such training would be helpful only to those who had these inborn leadership traits to start with.

The Trait Theory of leadership has suffered from lack of conclusiveness and over simplifications. As Eugene E. Jennings concluded, "fifty years of study have failed to produce one personality trait or a set of qualities that can be used to discriminate leaders and nonleaders." The old assumption that leaders are born has never been substantiated in several decades of research.

Also the theory ignores the situational characteristics which may result in the emergence of a leader. *Some of the other weaknesses and failures of trait theory are:*

1. All the traits are not identical with regard to the essential characteristics of a leader.
2. Some traits can be acquired by training and may not be inherited.
3. It does not identify the traits that are most important and those that are least important in identifying a successful leader.
4. The traits required to "attain" leadership may not be the same that are required to "sustain" leadership.
5. It fails to explain the many leadership failures in spite of the required traits.

6. It ignores the environmental factors which may differ from situation to situation.
7. It is difficult to define traits in absolute terms. Each trait can be explained in variety of terms.
8. The extent and influence of traits would also depend upon the level of leadership in an organization.

If tall people were more inclined to be leaders then how could such short people as Napoleon (or) the most respected Prime Minister of India, Lal Bahadur Shastri have risen to a high leadership position? Accordingly, inconsistencies in the trait theory of leadership give rise to a logical criticism against its validity.

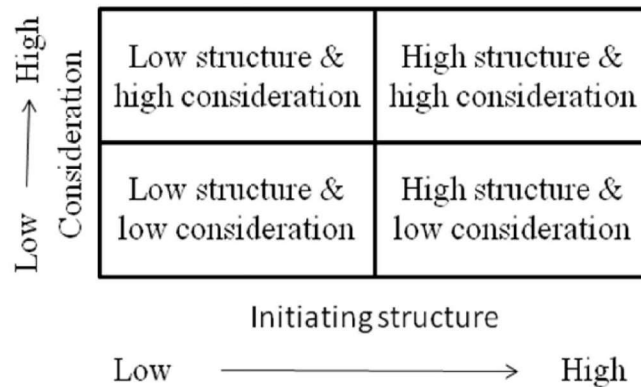
2. Behaviour Theory

This theory studies leadership by looking at leaders in terms of what they "do". This is in contrast to trait theory which seeks to explain leadership in terms of who the leaders "are". Thus according to behaviour theory, leadership is shown by a person's acts more than by his traits. The leadership effectiveness is determined in terms of leadersubordinate interaction and outcome.

Research studies conducted by Katz, Maccoby and Morse, suggested that leadership behaviour be defined along employee-centered dimension and production-centered dimension complementing each other so that the employee's performance and productivity is enhanced.

Further in-depth investigations into this approach have been conducted at Ohio State University. These studies isolate two particular factors affecting the leadership dimension. These are:

Consideration: It refers to the extent to which there is a rapport between the leader and the group, a mutual warmth and trust, a concern for the needs of the members of the work group, an attitude that encourages participative management, two-way communication and respect for the feedback of the followers.



Initiating Structure. It refers to the extent to which a leader is task oriented and his ability and concern in utilizing resources and personnel at optimum level. It involves creating a work environment so that the work of the group is organized, coordinated, sequential and organizationally relevant so that people know exactly what is to be done and how it is to be done.

An important discovery made by the Ohio studies was that the leader does not necessarily have to rate high both on consideration as well as structure element. He could, be high on one and low on the other and still lead the group successfully.

Contingency Theory

Fiedler's Contingency Theory of Leadership was proposed by Fred Fiedler in the 1960s. The theory employs the Least Preferred Co-worker (LPC) scale to categorize leaders either as task-motivated or people-motivated. The theory then appraises the favorableness of the situation and applies the leader-member relations, task structure, and position power to choose the right leadership style.

Concept of Fiedler's Contingency Theory

Fiedler's Contingency Theory rests on the foundation that leadership productivity is a cumulative function of the predisposition that a leader brings with him and the nature of the situation at his or her disposal. The theory introduces several key components:

1. Leadership Style: According to Fiedler, there are two main types of leadership; that is, substantive and affiliative.

- **Task-oriented Leaders:** Dual attention is best focused on the objectives which are to be achieved. These are preoccupation with the manner, method, and product in a given enterprise.

- **Relationship-oriented Leaders:** They give attention to the interconnections between the teammates as well as the dynamics of the entire team. They focus on needs that have to do with organizational collaboration and cooperation.

2. Least Preferred Co-Worker (LPC) Scale: The LPC Scale is one of the indices used for scoring a leader's preferred approach. Managers or leaders are requested to recall the person they most disliked working with the previous year and to rate them on a set of bipolar rating adjectives, for example friendly-unfriendly, cooperative-uncooperative. Business managers who give a more positive evaluation of their least-liked subordinates are labeled as being relationship-oriented. If some of the participants described their least preferred co-worker in negative terms, then they were considered task-oriented.

3. Situational Favorableness (Situational Control): Fiedler identifies three dimensions of situational favourableness that determine the effectiveness of [leadership styles](#):

- **Leader-Member Relations:** It includes the level of beliefs that members have with their leader in terms of his/her ability to lead as well as warrants their confidence, trust, and respect.
- **Task Structure:** It represents the degree to which the tasks are prescribed and outlined.
- **Position Power:** It involves formal power to influence the subordinates' tenure based on appreciation or removal from the organizational setting.

4. Matching [Leadership Style](#) to the Situation: According to the theory, task-oriented leaders are most effective when the level of control is high or low, that is the situation is either very favorable or very unfavorable. The control being in the intermediate level, the relationship-oriented leaders perform better than others in moderately favorable conditions.

Features of Fiedler's Contingency Theory

The basis of the theory states that leadership styles depend on the situations that are found in the organization. Here are the primary features of the theory:

- **Least Preferred Co-worker (LPC) Scale:** The LPC scale is a measuring device applied to diagnose a leader's style. The leaders of the four organizations were asked to complete a least favorite co-worker scale in which they provided a rating for a series of bipolar adjectives (e.g., friendly-unfriendly, cooperative-uncooperative). LPC is scored high when people relate more to the interpersonal aspect, and when scored low, people focus mainly on the task aspect.
- **Situational Variables:** The theory focuses on three situational characteristics: Leader-Member Relations, Task Structure, and Position Power that jointly define the relative permissiveness/harshness of the leader's working conditions.
- **Match Between Style and Situation:** According to Fiedler, task-oriented leaders may work best where the environmental rating is either very positive or very negative. Hence, moderately positive conditions provide the highest level of advantage to relationship-oriented leaders.
- **Situational Control:** The element of situational control is very important in this theory. It relates to the idea of how much the leader can influence the group's results. This happens when; The organizational relationship is harmonious for the leader and the other members are closely supervised, The formal tasks assigned are clear and familiar to the leader and The leader has a high degree of formal authority over the other members.
- **Leadership Effectiveness:** Fiedler was of the view that situational contingencies should match the leader's favored style of approach rather than a leader trying to alter his or her approach to fit the situation.

Application of Fiedler's Contingency Theory

To apply Fiedler's Contingency Theory, an organization or leader can follow these steps:

- **Assess the Leader's Style:** Go through the LPC scale to figure out if the leader is task-motivated or people-motivated.
- **Evaluate Situational Favorableness:** To determine this situation's favorableness, take into account the leader-member relations, the task structure, and the position power.

- **Match Leader Style with Situation:** There is a need to match the leader's behavior to the right situational condition. For example, place the task-oriented in either of the highly favorable conditions, and the relationship-oriented in the mid-favorable contexts.
- **Modify the Situation if Necessary:** If there is a mismatch, changes can be made to the situational variables to enhance the leader's style. It could be changing task relationships, enhancing leader-member relationships, or modifying the power of the leader.

Limitations of Fiedler's Contingency Theory

While Fiedler's Contingency Theory has significantly contributed to the understanding of leadership dynamics, it is not without its criticisms and limitations:

- **Rigidity of Leadership Styles:** The theory presupposes that the leader's style is unalterable, and therefore the person remains the same over time. This perspective leaves no room for the leaders to grow and change their behavior based on the changing circumstances.
- **Measurement of LPC:** The LPC scale has been issue-critiqued for subjectivity and ambiguity due to the questions posed. Thus, a confusing approach to LPC scores is used to quantify the leadership styles of administration, which can cause vagueness in measuring a leader's qualities.
- **Complexity of Situational Variables:** To make it even more comprehensible the theory categorizes these situational variables into three broad classifications. There can be a lot of subtle factors that make up the picture which is impossible to categorize and often times hardly measurable.
- **Static Approach to Leadership:** From this analysis, one can conclude that Fiedler's approach has deficiencies in how it treats the character of leadership. Another major concern is that the theory fails to consider the role of the leader in the organization, and how that role and the situations surrounding it can change with time.
- **Limited Empirical Support:** In this case, some scholars have established that the theory has received some criticism and that it is not very concrete in its validity. Some of the aspects of the theory are well supported while others have not shown strong empirical validity.
- **Cultural Considerations:** The theory was developed and tested in a Western environment and its applicability in other cultures where leadership behavior as well as dynamics of organizations might differ is questionable.

LEADERSHIP STYLES

The leadership styles can be classified according to the philosophy of the leaders. What the leader does determines how well he leads. A style of leadership is a "relatively enduring set of behaviours which is a characteristic of the Individual, regardless of the situation." Some of the more significant leadership styles are discussed as follows:

1. Autocratic or Dictatorial Leadership

Autocratic leaders keep the decision-making authority and control in their own hands and assume full responsibility for all actions. Also, they structure the entire work situation in their own way and expect the workers to follow -their orders and tolerate no deviation from their orders.

The autocratic leadership style ranges from tough and highly dictatorial to paternalistic, depending upon whether the leader's motivational approach is threat and punishment or appreciation and rewards.

Advantages

- a) Autocratic leadership is useful when the subordinates are new on the job and have had no experience either in the managerial decision making process or performing without active supervision.
- b) It can increase efficiency and even morale when appropriate and get quicker results, especially in a crisis or emergency when the decision must be taken immediately.
- c) The paternalistic leadership is useful when the subordinates are not interested in seeking responsibility or when they feel insecure at the job or when they work better under clear and detailed directives.
- d) It is useful when the chain of command and the division of work is clear and understood by all and there is little room for error in the final accomplishment.

Disadvantages

- a) One way communication without feedback leads to misunderstanding and communications breakdown.
- b) An autocratic leader makes his own decisions which can be very dangerous in this age of technological and sociological complexity.
- c) Since it inhibits the subordinate's freedom, it fails to develop his commitment to the goals and objectives of the organization.

2. Participative or Democratic Leadership

In this type of leadership, the subordinates are consulted and their feedback is taken into the decision making process. The leader's job is primarily of a moderator, even though he makes the final decision and he alone is responsible for the results. The management *recognizes* that the subordinates are equipped with talents and abilities and that they are capable of bringing new ideas and new methodologies to work setting.

The feasibility and usefulness of the participative decision making style is dependent on the following factors:

- a) Since participative decision making process is time consuming, there should be no urgency to the decision.
- b) The cost of participation of subordinates in the decision making should not be more than the benefits derived from the decision.
- c) *The* input from the subordinates should be free from any fear of repercussions in case such input is in conflict with the views held by the management.
- d) The participation of subordinates should not be of such a degree as to be perceived as a threat to the formal authority of management.
- e) Subordinates should be sufficiently responsible so that there is no leakage of confidential information to outside elements.

Advantages

- a) Active participation in the managerial operations by labour assures rising productivity and satisfaction.
- b) Workers develop a greater sense of self-esteem due to importance given to their ideas and their contributions.
- c) The leadership induces confidence, cooperation and loyalty among workers.
- d) It results in higher employee morale.

Disadvantages

- a) The democratic leadership requires some favourable conditions in that the labour must be literate, informed and organized. This is not always possible.
- b) This approach assumes that all workers are genuinely interested in the organization and that their individual goals are successfully fused with the organizational goals. This assumption may not always be valid.
- c) Some group members may feel alienated if their ideas are not accepted for action. This may create a feeling of frustration and ill-will.
- d) Some managers may be uncomfortable with this approach because they may fear an erosion of their power base and their control over labour.

3. Laissez-faire or Free-reign Leadership

In this type of leadership, the leader is just a figure-head and does not give any direction but delegates the authority to subordinates so that they must plan, motivate, control and otherwise be responsible for their own actions.

The leader participates very little and instead of leading and directing, he becomes just one of the members. This type of leadership is highly effective when the group members are highly intelligent and are fully aware of their roles and responsibilities and have the knowledge and skills to accomplish these tasks without direct supervision.

Advantages

- a) It creates an environment of freedom, individuality as well as team spirit.
- b) It is highly creative with a free and informal work environment.
- c) This approach is very useful where people are highly motivated and achievement oriented.

Disadvantages

- a) It may result in disorganized activities which may lead to inefficiency and chaos.
- b) Insecurity and frustration may develop due to lack of specific decision making authority and guidance.
- c) The team spirit may suffer due to possible presence of some uncooperative members.
- d) Some members may put their own interests above the group and team interests.

PERSONAL CHARACTERISTICS OF LEADERS

Leadership is an intangible quality and its effectiveness can best be judged by the behaviour and attitudes of followers. Even though, personal backgrounds and personalities differ widely, some of the factors such as education and socioeconomic status are poor indicators of judgments of successful leaders.

1. ***Ability to inspire others:*** This ability may be due to an internal “charisma” which is an inborn trait and may be a learnable factor.

2. ***Problem solving skills:*** An effective leader has developed the patience and ability to look at the problem from various angles and get down to the cause of the problem and tries to solve the problem from its roots rather than the symptoms of the problem.
3. ***Emotional maturity:*** Emotional stability and maturity is a major ingredient for effective leadership. It pertains to good adjustment to life, calm, cool and calculated reaction to undesirable situations and obstacles and normal acceptance of success as well as failure. Such leaders are self-confident, rational and are open hearted towards differences in opinions and opposing viewpoints.
4. ***Ability to understand human behaviour:*** A leader must understand the needs, desires and behaviour of their subordinates and show respect for such desires. He is emotionally supportive and is careful enough to avoid ego threatening behaviour.
5. ***Verbal assertiveness:*** A leader must be an effective orator and must be confident of his views and opinions. He must communicate his views honestly and in a straight forward manner free of consequences.
6. ***Willingness to take risks:*** Routine work, no matter how well-done, never makes a leader. Successful leaders always charter the unknown. They must accept and seek new challenges. However, the risks must be calculated ones and outcomes of actions be reasonably predicted. Should these risks result in failure, a leader must take full blame and responsibility and not shift blame on others, even though they may be operative factors.
7. ***Dedication to organizational goals:*** A leader must demonstrate his dedication and commitment to the organization's mission, goals and objectives by hard work and self-sacrifice. He must make sure that his followers fully understand the organizational objectives and are equally dedicated and willing to work for these objectives.
8. ***Skill in the art of compromise:*** Settling differences is a vital part of leadership and genuine differences must be solved by compromise and consensus. This will induce faith in the fairness of the leader. He must be willing to give in where necessary and must be able to take criticism with grace.

MANAGERIAL INTERPERSONAL STYLES

The art of getting employees together on a common platform and extracting the best out of them refers to effective organization management.

Management plays an important role in strengthening the bond amongst the employees and making them work together as a single unit. It is the management's responsibility to ensure that employees are satisfied with their job responsibilities and eventually deliver their level best.

The management must understand its employees well and strive hard to fulfill their expectations for a stress free ambience at the workplace.

What is Management Style ?

Every leader has a unique style of handling the employees (Juniors/Team). The various ways of dealing with the subordinates at the workplace is called as management style.

The superiors must decide on the future course of action as per the existing culture and conditions at the workplace. The nature of employees and their mindsets also affect the management style of working.

Different Management Styles

1. Autocratic Style of Working

- In such a style of working, the superiors do not take into consideration the ideas and suggestions of the subordinates.
- The managers, leaders and superiors have the sole responsibility of taking decisions without bothering much about the subordinates.
- The employees are totally dependent on their bosses and do not have the liberty to take decisions on their own.
- The subordinates in such a style of working simply adhere to the guidelines and policies formulated by their bosses. **They do not have a say in management's decisions.**
- Whatever the superiors feel is right for the organization eventually becomes the company's policies. ▪ Employees **lack motivation in autocratic style of working.**

2. Paternalistic Style of Working

- In paternalistic style of working, the leaders decide what is best for the employees as well as the organization.
- Policies are devised to benefit the employees and the organization.
- The suggestions and feedback of the subordinates are taken into consideration before deciding something.
- In such a style of working, employees feel attached and loyal towards their organization. ▪ Employees stay motivated and enjoy their work rather than treating it as a burden.

3. Democratic Style of Working

- In such a style of working, superiors welcome the feedback of the subordinates.
- Employees are invited on an open forum to discuss the pros and cons of plans and ideas.
- Democratic style of working ensures effective and healthy communication between the management and the employees.
- The superiors listen to what the employees have to say before finalizing on something.

4. Laissez-Faire Style of Working

- In such a style of working, managers are **employed just for the sake of it and do not contribute much to the organization.**
- The employees take decisions and manage work on their own.
- Individuals who have the dream of making it big in the organization and desire to do something innovative every time outshine others who attend office for fun.
- Employees are **not dependent on the managers** and know what is right or wrong for them.

5. Management by Walking Around Style of Working

- In the above style of working, managers treat themselves as an essential part of the team and are efficient listeners.

- The **superiors interact with the employees more often** to find out their concerns and suggestions.
- In such a style of working, the **leader is more of a mentor to its employees** and guides them whenever needed.
- The managers don't lock themselves in cabins; instead walk around to find out what is happening around them.

Johari Window Model

History

It is necessary to improve self-awareness and personal development among individuals when they are in a group. The „Johari“ window model is a convenient method used to achieve this task of understanding and enhancing communication between the members in a group. American psychologists Joseph Luft and Harry Ingham developed this model in 1955. The idea was derived as the upshot of the group dynamics in University of California and was later improved by Joseph Luft. The name „Johari“ came from joining their first two names. This model is also denoted as feedback/disclosure model of self-awareness. **Introduction**

The Johari window model is used to enhance the individual's perception on others. This model is based on two ideas- trust can be acquired by revealing information about you to others and learning yourselves from their feedbacks. Each person is represented by the Johari model through four quadrants or window pane. Each four window panes signifies personal information, feelings, motivation and whether that information is known or unknown to oneself or others in four viewpoints.

The Johari Window Model



The Johari Window Model

The method of conveying and accepting feedback is interpreted in this model. A Johari is represented as a common window with four panes. Two of these panes represent self and the other two represent the part unknown to self but to others. The information transfers from one pane to the other as the result of mutual trust which can be achieved through socializing and the feedback got from other members of the group.

1. Open/self-area or arena – Here the information about the person his attitudes, behaviour, emotions, feelings, skills and views will be known by the person as well as by others. This is mainly the area where all the communications occur and the larger the arena becomes the more effectual and dynamic the relationship will be. „Feedback solicitation“ is a process which occurs by understanding and listening to the feedback from another person. Through this way the open area can be increased horizontally decreasing the blind spot. The size of the arena can also be increased downwards and thus by reducing the hidden and unknown areas through revealing one's feelings to other person.

2. **Blind self or blind spot** – Information about yourselves that others know in a group but you will be unaware of it. Others may interpret yourselves differently than you expect. The blind spot is reduced for an efficient communication through seeking feedback from others.

3. **Hidden area** – Information that is known to you but will be kept unknown from others. This can be any personal information which you feel reluctant to reveal. This includes feelings, past experiences, fears, secrets etc. we keep some of our feelings and information as private as it affects the relationships and thus the hidden area must be reduced by moving the information to the open areas.

4. **Unknown area** – The Information which are unaware to yourselves as well as others. This includes the information, feelings, capabilities, talents etc. This can be due to traumatic past experiences or events which can be unknown for a lifetime. The person will be unaware till he discovers his hidden qualities and capabilities or through observation of others. Open communication is also an effective way to decrease the unknown area and thus to communicate effectively.

Transactional Analysis

Definition: The **Transactional Analysis** refers to the psychoanalytic process wherein the interpersonal behaviors are studied. In other words, a social psychological model that talks about the personal growth and personal change, i.e., identifying the ego states of each individual to understand their behaviors and altering them to solve the emotional problems.

This model was originally developed by Dr Eric Berne, who during his observation found that his patients behaved in a way as if several different people were inside them. This forced him to study the personality and dynamics of self and its relationship with others which helped in determining the kinds of behaviors that an individual shows in different real time situations.

Now, this study has become a well-established approach and is being widely used in several fields such as psychotherapy, counseling, education, organizational development, etc. The transactional analysis gives birth to several models that help in explaining the relationship formed between the individuals as a result of their interactions. It mainly involves:

Key Concepts of Transactional Analysis

Transactional Analysis has its base on the Ego States or the Parent-Adult-Child (PAC) model.

1). Ego State or the Parent-Adult-Child (PAC) Model

Let's understand the situation. Emily is married and is often demanding in her relationship. She is also known to throw a tantrum when things don't go her way. Emily's partner cannot understand her behavior and has quietly put up with her tantrums. Over time, their relationship turns strained.

Emily here does not operate her thinking as an Adult, displays behaviors learned in her childhood to make things go her way. Let's understand the complexity of human behavior by knowing the PAC model.

a) Parent Ego State

There are moments when you behave in your current state just the way your Parents would do.

The Parent Ego-State is about the behaviors and feelings that were copied from your parents or from your early caregivers.

In the case of Emily, she would probably be copying her dominant behavior and using it without consideration towards her partner.

Parents, when in their role, are quite critical in their behavior towards the child. **They give us a set of instructions which may often sound like -**

“Don't do this...”

“Always do this...”

Their non-verbal communication may tend to be protective (gestures) or nurturing (hugs). A person in this Ego-State as an adult may tend to be highly critical, judgmental, often deciding for others, protective, nurturing, etc.

Adult Ego-State

When a person is in the Adult Ego-State, he/she displays behaviors that are **directly related to the here-and-now situation**.

The individual is free to choose their response without being influenced by any other Ego-State. He/she will look for solutions in the most effective and rational manner without being too emotional about a situation.

A person in the Adult Ego-State is often straightforward in their approach, is interested in the conversation without being judgmental, and will know how to use logic in conflicting situations.

A person in this Ego-State tends to question different sides to a situation such as the what and why, where, and know what he/she sees versus what opinions they hold.

c) Child Ego-State

A person in this Ego-State displays behaviors, feelings or may think about situations while being influenced by their thoughts as replayed in childhood. *Emily's sulking would be influenced by her Child Ego-State wherein her reaction is influenced by emotions that are driven through past behavior.* If you had to ask Emily, “Does this situation resonate with something in your childhood?” Emily would have answered, “Yes, every time I wanted my mother's attention, I used to throw my toys and sulk.”

A person in this Ego-State may display rebellion, delight, whining, sulking, panic, fear, or even a lot of laughter. A person is never consciously aware of their Ego-States. Every person re-experiences a part of the Parent Ego-State or the Child Ego-State to base their communication in the present situation.

Had Emily to use her Adult Ego-State, she could have thought, “Oh! I must not get angry but work on finding a solution.

What is truly making me angry though?”

Eric Berne outlines the presence of each Ego-State in daily life. A person will always find the use of traffic rules for instance as highly beneficial in life. These are derived from the Parent Ego-State. The Child Ego-State is beneficial to keep one's creativity and intuitive skills active. An Adult Ego-State helps one to make decisions based in the present moment to resolve problems with greater accuracy without displaying any influenced behaviors from other Ego States.

Definition of Ego-States by Eric Berne:

A consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behavior.

2). Life Positions

Eric Berne highlighted that a person's life and its results are pre-decided based on the first 5 years of a person's life. You may wonder how can a person base their life story on something that happened way back in growing-up years? Life Positions is thus an interesting theory that brings attention to our psychological patterns of thinking, feeling, and behaving. Our decisions are based on the responses we receive from parents or parental figures. These form convictions about the self and the world. A child tends to make this decision early on based on messages which may be verbal or non-verbal that are received during the early years.

However, Life Positions are not permanent and can be altered through counseling or therapy, helping a person free themselves from self-limiting beliefs to embrace a new life story for themselves.

The Life Convictions formed are as follows:

Berne combined these to form 4

Life Positions as follows:

a) I'm Ok, you're Ok

This is often defined as a winning Life Script. Here, a child is comfortable with self and the world. He/she knows they are lovable and will grow up to trust others, have long-lasting meaningful relationships. They have a good attitude and give and receive trust.

b) I'm not Ok, you're Ok

A child here often considers themselves on the losing end. They firmly believe in this and create life stories that bring more misery. An individual feels the need to please others while feeling victimized. They often show more support to other people's strength instead of their own.

c) I'm Ok, you're not Ok

An infant grows up thinking he/she is above the others. Such a child becomes an adult focused on his own „wants“ while stepping over others. This adult may tend to project their problems on others, and play the blame-game. A person like this always makes others feel inferior while feeling „okay“ about themselves.

d) I'm not OK, you're not OK

When a child decides this Life Position, the child has an internal struggle with self and the world as well. They end up creating a life of misery while not believing in self and taking decisions that put them in the spot of being a victim. A person feels frustrated and hopeless. Such a person may withdraw or even injure themselves.

These positions represent a specific stance taken by an individual that is all about how he/she perceives self and others.

The Philosophy of Transactional Analysis mentions:

People are OK.

Everyone has the capacity to think.

People decide their own destiny, and these decisions can be changed.

3) Life Scripts

Transactional Analysis outlines each person has already written their life story or a script based on many things such as the Life Positions. Berne highlights that this begins from the day one is born. Every individual has a beginning, a middle and an end - just the script you'd notice in a movie. *Here, you are the Director and the scriptwriter and you define your ending without your conscious knowledge.*

First developed by Eric Berne and then worked upon by Claude Steiner, a Life Script is a plan that is influenced by the people one grows up with.

A child observes and prepares this Life Plan based on external influences as well as what happens internally. A parent gives messages to a child such as, *“The world is not safe.”*

A child grows up thinking, *“I shouldn't trust anybody.”* It's important to note how two children may interpret the same messages through their own understanding.

An infant or a child interprets certain parental messages in their own way. Being ignored by a mother in the early age may lead to the infant growing up to distrust women or people in general. A person may decide, *“I am a loser”* after being put down frequently by his class teacher.

Learning Transactional Analysis works to change your core limiting beliefs to modify and create a winning Life Script.
Transactions and Strokes

Eric Berne referred to transactions as the „basic unit of social discourse.

Transactions are of many types.

For example, you greet a colleague with a „hello“ and get a „how are you“ as a response.

When you continue a conversation, you receive a series of transactions. Transactions can be complementary, crossed, ulterior, and angular ulterior. They can occur between different Ego-states.

An individual can observe their communication which includes verbal, non-verbal gestures and body language to identify problems in their transactions. A Transactional Analyst is able to rectify and modify a client's approach to communication to create better results in life.

Berne defined Strokes as a „unit of recognition.“ You exchange a stroke when you say a friendly greeting and receive one in response. However, a person who does not receive a stroke in return may feel deprived as mentioned by Berne. A person's *hunger* for Strokes begins at an early age. *For example, a baby longs to be held and in physical contact with their parents. However, a baby deprived of the same will grow up to experience emotional difficulties and problems.*

Strokes are defined as:

Verbal or non-verbal

Positive or negative

Conditional or unconditional

A simple example would be the constant need of sharing updates and selfies on social media. A person expects „Likes“ which are nothing but seeking positive strokes from their friends and family. A child may often be made to experience he/she does not need strokes creating a hunger for strokes within.

However, strokes are available in plenty, and it's advisable to indulge in self-stroking in moderate ways to feel better about yourself.

4) Games

If you've felt like a victim in life and find yourself saying, „Why does this happen to me?“, welcome to the psychological Games that we play with ourselves and the world. Transactional Analysis outlines a collection of Games that people play.

These are often out of unconscious behavior.

Games are defined as an ongoing series of ulterior transactions that lead to a predictable outcome.

For example, a person may think he is not good at communication. He applies for many jobs, gets selected, but he often declines the interview process. A friend says, „You should join classes to improve communication and get over your fear.“ He says, „Oh, no, I don't have the time.“ The friend says, „You can manage your time better.“ He says, „Yes, but I have to manage my house.“ The person has managed to avoid all the friend's suggestions.

This game is labelled as „Yes, But...” A Game analysis helps to understand the Games people play.

TA outlines Games to have certain features -

These are repetitive - a person display same patterns and creates same results

They are played without the Adult awareness

A person always ends up experiencing racket feelings

There is an exchange of ulterior transactions

They always include feelings of being surprised or complete confusion

Examples of Games People Play:

I'm only trying to help you - a person offers help but desires to control behavior.

GATE-GTMT

MANAGING MOTIVATION IN SMALL AND LARGE ORGANISATIONS

Managing motivation in small and large organisations

Managing motivation is essential for improving **employee performance, job satisfaction, productivity, and organisational success**. However, motivational strategies differ based on the **size, structure, resources, and culture** of the organisation

1. Meaning of Motivation

Motivation refers to the **internal drive or desire** that energises employees to work toward organisational goals. It involves satisfying both **extrinsic needs** (salary, rewards) and **intrinsic needs** (recognition, growth, purpose).

2. Why Motivation Matters

- Enhances productivity
- Reduces absenteeism and turnover
- Increases job satisfaction
- Builds positive work culture
- Encourages innovation and involvement
- Strengthens organisational performance

3. Key Differences Between Small and Large Organisations

Aspect	Small Organisation	Large Organisation
Structure	Flat, informal	Hierarchical, formal
Resources	Limited	Abundant
Communication	Direct, personal	Indirect, formal
Decision-making	Quick, flexible	Slow, layered
Employee roles	Multi-tasking	Specialised

Because these differences exist, the **approach to motivation also differs**.

4. Motivating Employees in Small Organisations

Small organisations (start-ups, small businesses, family firms) usually have **fewer employees, limited budgets, and close interpersonal relationships**.

4.1 Characteristics Affecting Motivation

- Informal work environment
- Direct interaction with owner/leader
- Faster communication
- Limited career paths
- Financial constraints
- Strong sense of community

4.2 Strategies for Managing Motivation in Small Organisations

A. Personalised Leadership

- Leaders know employees personally
- Recognise individual strengths and challenges
- Offer emotional support and mentoring

B. Flexibility and Autonomy

- Allow flexible working hours
- Let employees handle multiple tasks
- Encourage creativity and ownership

C. Recognition and Appreciation

- Public praise
- Personal thank-you messages from the founder
- Celebrating small wins (monthly achievements)

D. Involving Employees in Decisions

- Include employees in strategic discussions
- Ask for opinions on product/service improvements
- Builds a sense of belonging

E. Non-monetary Rewards

- Flexible hours
- Work-from-home opportunities
- Extra leave
- Skill development support

F. Creating a Family-like Culture

- Birthday celebrations
- Team outings
- Strong interpersonal bonds

G. Cross-Training and Skill Development

- Employees learn multiple functions
- Reduces monotony
- Improves growth opportunities despite limited hierarchy

H. Performance-Based Incentives (Budget-Friendly)

- Small bonuses
- Gift vouchers
- Commission-based incentives
- Profit-sharing (even on a small scale)

5. Motivating Employees in Large Organisations

Large organisations (MNCs, corporations) have **complex structures, more rules, and larger employee numbers.**

5.1 Characteristics Affecting Motivation

- Formal communication
- Many departments and layers
- Strong HR systems
- Better financial resources
- Clear career paths
- Diverse workforce

5.2 Strategies for Managing Motivation in Large Organisations

A. Structured Reward Systems

- Competitive salaries
- Annual increments
- Performance bonuses
- Stock options
- Health and insurance benefits

B. Career Development and Promotion Systems

- Training programs
- Leadership development
- Clear performance metrics
- Internal job postings

C. Employee Engagement Programs

- Annual surveys
- Employee feedback platforms
- Town hall meetings
- Cross-functional teams

D. Work-Life Balance Initiatives

- Wellness programs
- Paid leaves
- Childcare support
- Mental health support

E. Strong Organizational Culture

- Vision and mission communicated clearly
- Cultural training
- Diversity and inclusion programs

F. Recognition Programs

- “Employee of the Month/Year” awards
- Spot awards

- Peer-to-peer recognition platforms

G. Technology-Driven Motivation

- HR portals
- Gamification of performance
- Digital learning platforms
- Online reward systems

H. Team Building Across Departments

- Departmental activities
- CSR programs
- Company-wide events

6. Comparative Analysis: Small vs Large Organisations

Motivation Area	Small Org Approach	Large Org Approach
Recognition	Personal, frequent	Formal, structured
Rewards	Mostly non-monetary	Monetary + non-monetary
Growth	Limited but multi-skilled	Broad career ladder
Communication	Direct, informal	Systematic, mediated
Culture	Family-like	Professional, structured
Flexibility	High	Moderate
Decision-making	Quick involvement	Slower, limited involvement

7. Challenges in Managing Motivation

Challenges for Small Organisations

- Limited financial resources
- Fewer promotions
- Risk of burnout due to multitasking
- Dependence on owner's leadership style

Challenges for Large Organisations

- Bureaucracy and slow decisions
- Employees feel "just a number"
- Communication gaps
- Managing diverse needs and expectations

8. Modern Trends in Employee Motivation

1. Remote and Hybrid Work

More autonomy and flexibility increase motivation.

2. Purpose-Driven Work

Employees care about social impact and organisational values.

3. Digital Motivation Tools

Gamified tasks, analytics, instant feedback systems.

4. Personalised Learning Paths

Customised skill development boosts commitment.

5. Employee Wellbeing Focus

Mental health, physical wellness, stress management.

9. Conclusion

Motivation is essential for organisational success, but the **methods differ greatly** between small and large organisations.

- Small organisations rely on **personalised, flexible, family-like** motivation strategies.
- Large organisations depend on **formal systems, structured rewards, growth options, and corporate culture**.

An effective manager understands these differences and uses the **right approach based on organisational size, resources, and employee expectations**.

UNIT – IV

Personality – Determinants and impact on work behaviour. Perception and Learning Theories – Attitudes and job satisfaction-impact on performance. Group Dynamics: types, stages, teams vs groups; Power, Politics and conflict – resolution strategies

PERSONALITY

Personality is a concept that we use continuously in our day-to-day routine, when dealing with people. We talk about people as having a good personality or a bad personality or arrogant and aggressive personality. People tend to have a general notion that personality refers to a personal appearance with charming smile, or outlook. But psychologists view the concept as dynamic in nature concerned with growth and development of a person's whole psychological system. Personality can be defined as the consistent psychological patterns within an individual that affect the way they interact with others and the situations they encounter.

Personality is defined as relatively stable and enduring characteristics that determine our thoughts, feelings and behavior. Personality is a complex phenomenon and there are various perspectives of personality construct. One common and simple definition of Personality is: It is the consistent psychological patterns within an individual that affect the way they interact with others and the situations they encounter.

Personality had been defined by Salvatore Maddi as follows:

“Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressure of the moment.”

Organizationally, a manager must understand that all subordinates are not alike and that each subordinates are not alike and that each subordinate is unique and may or may not respond to the same stimuli, such as pay raise or reprimands. We are interested in such aspects of personality that induce people to behave in a manner as required by social pressures or biological pressures.

MAJOR DETERMINANTS OF PERSONALITY

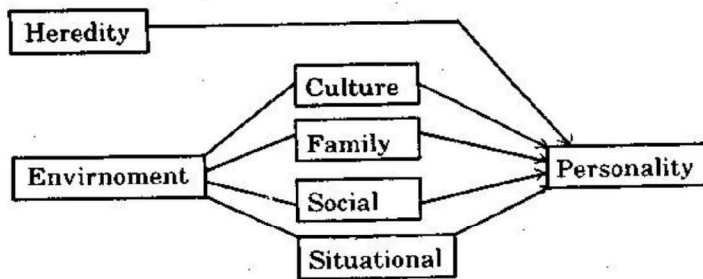
There are two broad categories of factors which influence the formation and development of personality. These are heredity factors and environmental factors.

1. Heredity

The notion of heredity characteristics as contributing towards personality structure is deeply grained in our minds.

Sayings such as “like father, like son”, when referring to characteristics has some validity.

Another aspect of influence of heredity factors on personality as proposed by Maier, is the impact of person's endocrine glands.



2. Environment

- **Culture:** One of the environmental influences on personality is that of culture within which a person has been brought up. Individuals born into a particular culture are exposed to existing values, beliefs, and norms of that culture concerning an acceptable form of behaviour. Such cultures would also define the processes by which these behaviours are reinforced.

Culture has been defined by Hoebel as “the sum total of learned behaviour traits which are manifested and shared by the members of the society.”

- **Family:** The immediate family plays an especially important part in the early personality development. The nature of such influences depends upon the socioeconomic level of the family, family size, birth order, race, religion, parent’s educational level, geographic location and so on.
- **Social:** Social influences relate to a person’s interaction with other people throughout his life, starting with playmates during childhood. While the interaction with environment in the earlier years has a more lasting influence on patterns of behaviour and personality, the social contacts and group belonging in later years continue to have considerable impact on the person’s life. As it is said correctly, “A man is known by the company he keeps.”
- **Situation:** It is often said that “Life is nothing but a collection of experiences.” Each individual’s life is unique in terms of events and experiences that he goes through. These events and experiences can serve as important determinants of personality.

DETERMINANTS OF PERSONALITY AND THEIR IMPACT ON WORK BEHAVIOUR

Personality is the **set of psychological traits, patterns of behaviour, and emotional characteristics** that make individuals unique. At the workplace, personality determines **how employees think, feel, and act**. Several factors—called **determinants of personality**—shape the way employees behave at work.

1. Heredity (Genetic Factors)

Meaning

Heredity includes all **genetic and biological characteristics** inherited from parents—temperament, intelligence, physical traits, and biological rhythms.

Impact on Work Behaviour

- Influences **basic temperament** (calm, aggressive, shy).
- Affects **stress tolerance**—some employees naturally stay composed under pressure.
- Determines **natural energy levels** which influence work speed and stamina.
- Impacts **cognitive abilities** (problem-solving, analytical thinking).

Example

An employee with a naturally calm temperament handles customer complaints more effectively.

2. Environment (Family, Upbringing, Education, Culture, Social Learning)**Meaning**

Environment involves all external factors influencing a person's development—home atmosphere, education, culture, peer groups, and life experiences.

Impact on Work Behaviour

- Shapes employee **attitudes, values, ethics, discipline**.
- Influences **communication style** and interpersonal behaviour.
- Affects **confidence, motivation, and decision-making**.
- Determines adaptability to work culture and teamwork.
- Employees from supportive environments show higher positivity and cooperation.

Example

An employee raised with strong discipline and responsibility becomes reliable at work.

3. Situation (Work Environment, Roles, Job Demands)**Meaning**

Situational factors are the **immediate circumstances** that influence behaviour at a particular time—for example targets, deadlines, workload, crisis, team dynamics.

Impact on Work Behaviour

- Employees modify behaviour based on the situation.
- Stressful situations may cause irritability or aggression.
- Role expectations shape behaviour (e.g., managers become more assertive).
- New or unfamiliar situations may cause nervousness or hesitation.
- Situations also influence leadership style and decision-making.

Example

An employee may behave more confidently when given leadership responsibility.

4. Cultural Factors**Meaning**

Culture includes shared **beliefs, norms, customs, traditions, and values** of the society or workplace.

Impact on Work Behaviour

- Influences communication—direct vs. indirect style.
- Determines work attitudes like punctuality, teamwork, hierarchy, respect.
- Cultural differences may impact conflicts or cooperation.

- Shapes leadership approach (authoritative vs. participative).

Example

Employees from collectivist cultures work well in teams, valuing harmony and cooperation.

5. Social Factors (Family, Peer Groups, Social Roles)**Meaning**

Includes the social relationships and groups that influence personality—friends, colleagues, family, supervisors, community.

Impact on Work Behaviour

- Peers influence work habits, discipline, and morale.
- Social support improves motivation and reduces stress.
- Encourages cooperative behaviour and teamwork.
- Social roles (manager, subordinate) shape expected behaviour.

Example

A supportive peer group increases an employee's motivation and involvement.

6. Biological & Physiological Factors**Meaning**

Includes brain structure, hormonal balance, nervous system functioning, and physical health.

Impact on Work Behaviour

- Hormonal changes affect mood, anger, stress response.
- Physical health influences productivity, stamina, and patience.
- Brain functioning affects memory, creativity, attention, and accuracy.

Example

A physically healthy employee stays more active, focused, and productive.

7. Psychological Factors (Attitudes, Perception, Emotions, Motivation)**Meaning**

These are internal psychological processes that shape personality.

Impact on Work Behaviour

- Positive attitudes improve teamwork and customer relations.
- Perception affects how employees interpret instructions and feedback.
- Emotional stability influences conflict handling and patience.
- Motivation level determines commitment, initiative, and performance.

Example

A highly motivated employee voluntarily takes responsibility and shows initiative.

OVERALL IMPACT OF PERSONALITY ON WORK BEHAVIOUR

Personality directly influences:

1. Job Performance

- Conscientious, disciplined workers perform better.
- Creative personalities excel in problem-solving roles.

2. Communication & Teamwork

- Extroverts collaborate easily; introverts prefer independent work.

3. Leadership Style

- Confident, socially skilled individuals often become effective leaders.

4. Adaptability

- Open-minded employees accept change and learn faster.

5. Conflict Handling

- Emotionally stable people solve conflicts calmly.

6. Work Ethics

- Responsible personalities show honesty, punctuality, and discipline.

7. Stress Management

- Personality determines how employees react to pressure and deadlines.

PERCEPTION

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to you. This input of meaningful information results in decisions and actions. It is a result of a complex interaction of various senses such as feeling, seeing, hearing, thinking and comparing with known aspects of life in order to make some sense of the world around us. The quality or accuracy of a person's perception is an important factor in determining the quality of the decision and action.

"Perception refers to interpretation of sensory data. In other words, sensation involves detecting the presence of a stimulus whereas perception involves understanding what the stimulus means." Perception can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Perception is not just what one sees with eyes. Perception is process through which short-run changes are made in behaviour in response to inputs from work environment.

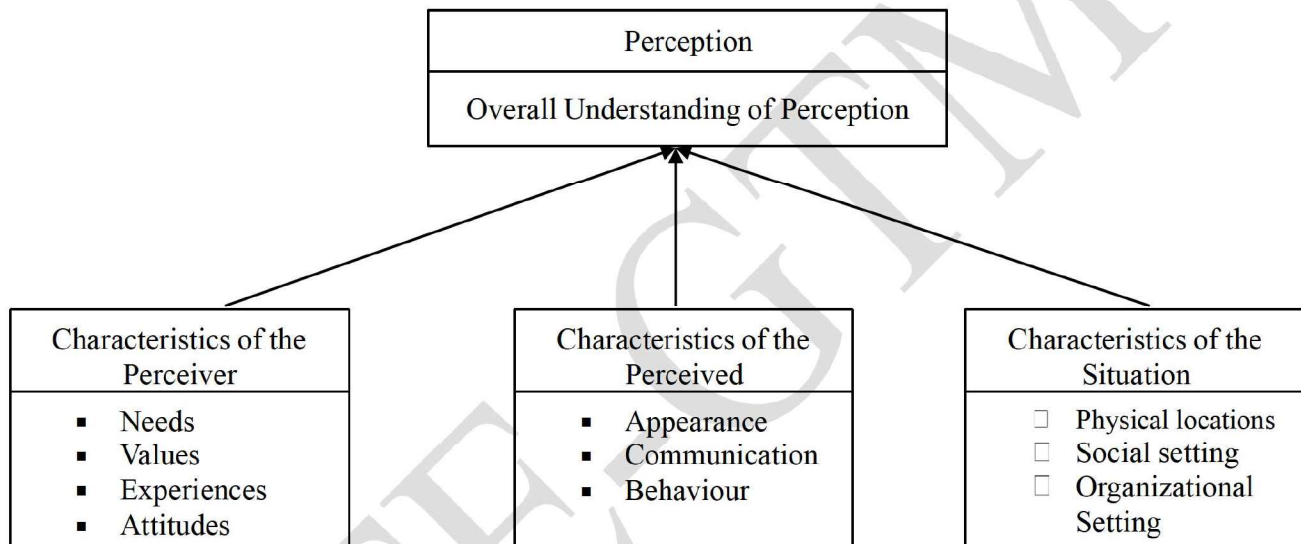
Perception is primarily an individual process so that different people may perceive an identical situation differently.

“All the glitters are not gold” and “things are not what they seem”, are all reflections of various perceptions about the same situation. People behave on the basis of what they perceive reality to be and not necessarily as what reality is.

MAJOR INFLUENCES ON THE PERCEPTION PROCESS

1. The characteristics of the perceiver.
2. The characteristics of the perceived.
3. The characteristics of the situation.

Major influences on the perception process

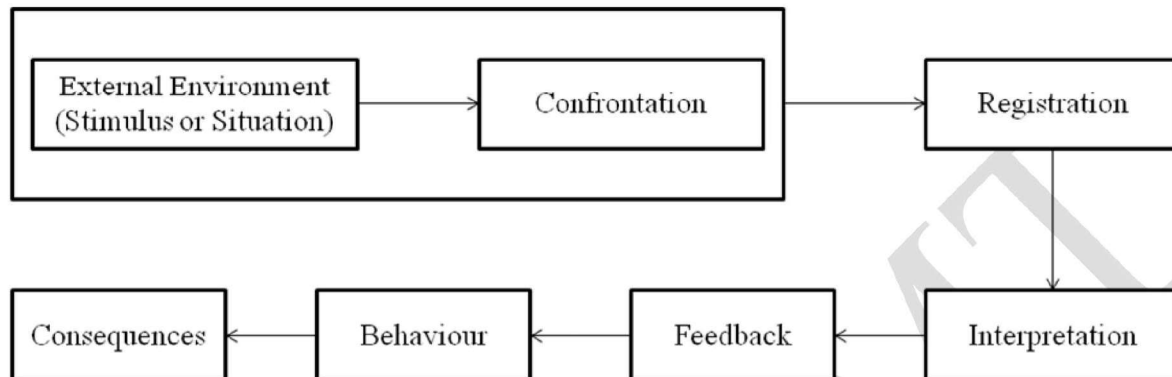


The characteristics of the perceiver include such factors as needs, values, experience and attitudes. The characteristics of the perceived include the appearance, communication and personal behaviour and the characteristics of the situation include physical location, social setting and organizational setting.

PERCEPTUAL GROUPING

Perceptual grouping identifies our tendency to group several individual stimuli into a meaningful and recognizable pattern. This tendency is very basic in nature and largely seems to be inborn. Some of the factors underlying this grouping are:

- ✓ **Continuity:** Continuity relates to the tendency to perceive objects as continuous patterns.
- ✓ **Closure:** Closure is the tendency to perceive objects as a whole, even when some parts of the objects are missing. We tend to close the gaps to make a familiar whole.
- ✓ **Proximity:** The principles of proximity states that a group of objects or people who are physically close to each other may be perceived as related to each other so that they stand out as one unit.
- ✓ **Similarity:** The principle of similarity states that the greater the similarity among the objects or people, the greater the tendency to perceive them as a common group.

PROCESS OF PERCEPTION

The first sub process of perception, stimulus or situation, refer to an individual's confrontation with an internal or external stimulus. An individual may experience an immediate sensual stimulation or the confrontation may take place with the entire physical and socio cultural environment.

The second sub process of perception, registration involves an individual taking note of the stimulus received from the environment or recording it in his mind.

The next sub process, interpretation is the most important cognitive aspect of perception. Interpretation is affected by the psychological process of an individual. The aspect of learning, motivation and personality largely affect an individual interpretation of a situation.

Another important sub process is feedback. For Example, A sales executive submits his monthly sales report to the manager. The expression on the manager's face serves as a feedback to the sales executive and conveys the message that he is pleased by his performance or not.

The sub process registration, interpretation and feedback that occurs within a person in response to a stimulus (from external environment situation) results in a certain behaviour on the part of the individual and finally leads to certain consequences. The behaviour may be overt(open/public) or covert(concealed\secret).

PERCEPTUAL SELECTIVITY

Perceptual selectivity refers to the tendency to select certain objects from the environment for attention such that these objects are consistent with our existing beliefs, values and needs. Various external and internal factors influence our process of stimuli selection.

1. External Factors

External factors relates to the characteristics of objects or people which activate our senses and thus get our attention. Some of these external factors are:

- Size: The larger the size of the object, the more likely that it will be noticed. We are most likely to notice things that stand out because of their size relative to other things in that area.
- Intensity: Intensity refers to brighter, louder and more colorful objects as compared to other objects around. If all objects are very bright, then the intensity of brightness does not necessarily activate our senses.

- c) Contrast: If an object in some way contrasts with its surroundings, it is more noticeable.
- d) Repetition: A repeated message is more likely to be perceived than a single message. Work instructions that are repeated tend to be received better.
- e) Movement: Moving objects are more likely to be perceived than stationary objects. Movement increases our awareness of the object before we become aware of the stationary surroundings.
- f) Novelty and familiarity: This principle states that either the familiar or the novel factor can serve as an attention better. New objects in a familiar setting or familiar objects in a new setting will draw attention.
- g) Order: According to Secord and Backman, the order in which the objects or stimuli are presented is an important factor in influencing selective attention.

2. Internal or Personal Factors

The internal factors relate to the perceiver and include such factors as learning and motivation. These factors are explained as follows:

- a) Learning & perception: Learning is an important factor in developing perceptual sets. A perceptual set is basically what a person expects from the stimuli on the basis of his learning and experience relative to same or similar stimuli. This is also known as cognitive awareness by which the mind organizes information and forms images and compares them with previous exposures to similar stimuli.
- b) Motivation & perception: Motivation also plays an important role in influencing the process of perception.

LEARNING

Learning can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience. There are two primary elements in this definition that must both be present in order to identify the process of learning.

First is the element that the change must be relatively permanent. This means that after “learning” our behaviour must be different, either better or worse as compared to our behaviour prior to this experience of learning. The second aspect of the definition is that this change must occur due to some kind of experience or practice. This learning is not caused by biological maturation.

It must be understood that the learning itself is not observable, but only the change in behaviour is observable which is the direct result of the process of learning. This changes in behaviour must be differentiated from changes in behaviour because of other causes. The causes of such changes include aging, such as being stronger or improvement in memory in the early formative years, instinctive response tendencies such as a timid person being brave at the time of a crisis and such temporary factors as fatigue or use of drugs.

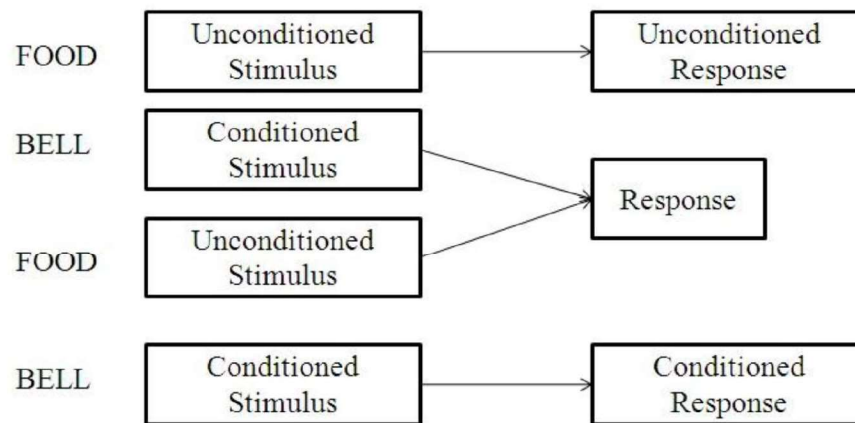
THEORIES OF LEARNING

1. Behavioural Learning
2. Cognitive Learning
3. Social Learning

1. Behavioural Learning

- *Classical Conditioning*

The most well-known experiments on classical conditioning were undoubtedly conducted by I.P. Pavlov with dogs, and he established a Stimulus-Response (S-R) connection. This means that certain responses can be predicted which continuously result from certain induced stimuli.



Pavlov's Experiment: Pavlov conducted his experiment in three stages.

Stage I: When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. The meat is unconditional stimulus and salivation is unconditional response.

Stage II: In this stage, the dog was not given a piece of meat but only exposed to a sound of ringing bell; the dog did not salivate to the mere sound of a ringing bell.

Stage III: Pavlov decided to link both the presentation of meat and the ringing of a bell one after the other with an interval of 5 minutes. After repeatedly hearing the bell before getting the meat, the dog began to salivate as soon the bell rang. There is an association or link between meat and ringing a bell. After repeating the association between meat and ringing a bell, the dog started salivating merely at the sound of the bell, even if no food was offered. The dog is now conditioned to respond to a sound of a bell and started salivating. This is called classical conditioning process.

Classical conditioning introduces a simple cause-and-effect relationship between one stimulus and one response. It also makes the response reflexive or involuntary after the stimulus-response relationship has been established. Since, classical conditioning relates to involuntary responses, it does not explain situations where people rationally and objectively choose a course of action.

- ***Operant Conditioning***

Operant conditioned principle is proposed by B.F. Skinner, an American Psychologist. It is a type of conditioning in which desired voluntary behavior leads to a reward or prevent a punishment. Operant conditioning principle emphasizes strongly that the behavior of an individual is a function of its consequences. If the consequences are pleasant, the behavior associated with such consequences will be repeated again and again. If the consequences are unpleasant, the behavior will be in extinct. The rationale behind this theory is that people learn to behave in order to get something they want or to avoid something they don't want. Operant condition is learned process. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behavior. The proper reinforcement strengthens a behavior and increases the likelihood that it will be repeated.

Skinner's Experiment: Skinner developed an apparatus to conduct a series of learning experiment using rats. He named that apparatus as Skinner's Box which has certain features such as a lever, bowl, light, water container etc. A highly

deprived rat is placed in the box. Once a rat nudges or touches or hits the lever attached in the corner of the box, a piece of food pellet is dropped in the bowl. By trial and error, the rat learns that hitting the lever is followed by getting a food pellet in the bowl. Skinner coined the term operant response to any behavioral act such as pressing or hitting or nudging the lever that has some effect on the environment. Thus in a typical experiment with a skinner box, hitting or pressing the lever is an operant response, and the increased rate of lever hitting or pressing that occurs when the response is followed by a pellet of food exemplifies operant conditioning.

Operant conditioning induces a voluntary change in behaviour and learning occurs as a “consequence” of such change. It is also known as reinforcement theory and it suggests that behaviour is a function of its consequences. The consequences of a given behaviour would determine whether the same behaviour is likely to occur in the future or not. From an organizational point of view, any stimulus from the work environment will elicit a response. The consequence of such a response will determine the nature of the future response.

2. Cognitive Learning

While both the classical conditioning and operant conditioning result in a Stimulus Response (S-R) situation that is primarily cause and effect phenomenon, cognitive learning deviates from this model in that, learning is considered as the outcome of deliberate thinking about the problem or situation both intuitively and based upon known facts and responding in an objective and goal oriented manner. Cognition, in fact, is the act of knowing an item of information and this knowledge affects the behaviour of the person so that the information provides cognitive cues towards the expected goal.

The theory of cognitive learning is based upon experiments conducted by Tolman. Using rats in his laboratory, he showed that they learned to run through a complicated maze towards their goal of food. It was observed that rats developed expectations at every choice point in the maze. Thus, they learned to expect that certain cognitive cues related to the choice point could ultimately lead to food. The learning took place when the relationship between the cues and expectancy was strengthened because the cues led to expected goals. In an organizational setting, based on Tolman's ideas, some training programmes were designed to strengthen the relationship between cognitive cues such as supervision, job procedures and worker expectations such as monetary and other rewards. It was believed that the worker would learn to be more productive by building a relationship between following directions and procedures and expectancy of monetary rewards for these efforts.

3. Social Learning

Social learning integrates the cognitive and operant approaches to learning. It recognizes that learning does not take place only because of environmental stimuli or of individual determinism but is a blend of both views. It also emphasizes that people acquire new behaviours by observing or imitating others in a social setting. In addition, learning can also be gained by discipline and self control and an inner desire to acquire knowledge or skills irrespective of the external rewards or consequences.

Learning by observing others is also known as vicarious learning or modeling, in which another person acts as a role model, whose behaviour we tend to imitate. In addition to observing others as role models, human beings have the capacity of self regulation. By simply thinking about their behaviour, they can change their behaviour towards betterment and in accordance with the norms of social and organizational living.

ATTITUDE

A study attributed to Harvard University found that when a person gets a job or a promotion, 85% of the time it is because of his attitude, and only 15% of the time because of intelligence and knowledge of specific facts and figures. It is surprising that almost 100% of education dollars go to teach facts and figures, which account for only 15% of success in life.

William James of Harvard University said, “The greatest discovery of my generation is that human beings can alter their lives by altering their attitudes of mind.”

Attitude is the most important word in English language. It applies to every sphere of life, including one's personal and professional life. Can an executive be a good executive without a good attitude? Can a student be a good student without a good attitude? Can parents, teachers, salespersons, employers, or employees be good in their roles without a good attitude?

The foundation of success, regardless of your chosen field, is attitude. If attitude is such a critical factor in success, shouldn't you examine your attitude will affect your goals?

Have you ever wondered why some individuals, organizations, or countries are more successful than others? It is not a secret! They are successful because they think and act more effectively. They do so by investing in their most valuable asset – people.

FACTORS THAT DETERMINE YOUR ATTITUDE

Let me ask you: Are we born with attitudes or do we develop them as we mature? What are the factors that form our attitudes? If you have a negative outlook on life because of your environment, can you change your attitude?

Most of our attitudes were shaped during our formative years. While we born with tendencies toward temperaments, there are three factors that largely determine our attitude formation. These are the triple E's of attitude:

1. Environment
2. Experience
3. Education

Environment

Environment consists of the following:

- Home: positive or negative influences
- School: peer pressure
- Work: supportive or over-critical supervisor
- Media: television, newspapers, magazines, radio, movies
- Cultural background
- Religious background
- Traditional and beliefs
- Social environment
- Political environment

All these environments create a culture. Every place-be it a home, organization, or a country-has a culture. *"In a positive environment, a marginal performer's output goes up. In a negative environment, a good performer's output goes down."*

Experiences

Our behavior changes according to our experiences with various people. If we have a positive experience with a person, our attitude towards him is likely to be positive and conversely negative experiences tend to make us cautious. Experiences and events become reference points in our lives; we draw conclusions which serve as guidelines for the future.

Education

Education refers to both formal and informal education. We are drowning in information but starving for knowledge and wisdom. Strategically applied, knowledge translates into wisdom which in turn translates into success. The role of the educator is vital. A teacher affects eternity. The ripple effect is immeasurable. Education ought to teach us not only how to make a living but also how to live.

THE BENEFITS OF A POSITIVE ATTITUDE

There are many advantages to having a positive attitude. The advantages are easy to see. But what is easy to see is also easy to miss!

A positive attitude benefits for you:

- Makes for a pleasing personality
- Is energizing
- Increases you enjoyment of life ▪ Inspires others around you
- Helps you become a contributing member of society and an asset to your country

A positive attitude benefits for the organization:

- Increases productivity
- Fosters teamwork
- Solves problems
- Improves quality
- Makes for a congenial atmosphere
- Breeds loyalty
- Increases profits
- Fosters better relationships with employers, employees and customers ▪ Reduces stress

8 STEPS TO ATTITUDE CHANGE

If you want to build and maintain a positive attitude, you need to consciously practice the following steps:

Step 1: Change Focus, Look for the Positive

Step 2: Make a Habit of Doing it Now

Step 3: Develop an Attitude of Gratitude

Step 4: Get into a Continuous Education Program

Step 5: Build a Positive Self – Esteem

Step 6: Stay Away from Negative Influences

Step 7: Learn to Like the Things That Need to be Done

Step 8: Start Your Day with Something Positive

How attitudes impact organizational performance

It's clear that employee attitudes are a significant drivers of organizational and individual performance, the following ways an employee attitudes shape workplace outcomes.

Job satisfaction and productivity

One of the most direct links between employee attitudes and organizational performance is job satisfaction. Employees who are satisfied with their roles are more likely to be motivated, productive, and committed to their work. High levels of job satisfaction often lead to greater engagement, which boosts productivity and enhances performance.

In contrast, dissatisfied employees are more likely to be disengaged, exhibit low effort, and show signs of burnout. This can result in lower productivity levels and a decline in the quality of work. For instance, an employee who feels that their efforts are not appreciated or rewarded may lose motivation, leading to lower performance and potentially impacting team dynamics.

Employee commitment and organizational loyalty

Another crucial attitude that affects organizational performance is organizational commitment. Employees who are committed to their organization are more likely to go the extra mile, take initiative, and contribute to the company's success. Positive attitudes towards the organization foster a sense of belonging and loyalty, which translates into better performance and reduced turnover.

On the other hand, employees who lack commitment may display behaviors like absenteeism, tardiness, or even leaving the organization altogether. High turnover rates are costly for organizations, leading to recruitment challenges, training expenses, and disruption in team dynamics. Thus, fostering positive attitudes toward the organization is vital for retaining top talent and maintaining a stable, high-performing workforce.

Workplace culture and collaboration

Attitudes also play a significant role in shaping workplace culture. A culture of trust, respect, and collaboration thrives when employees have positive attitudes toward one another and their work. Positive attitudes lead to open communication, better collaboration, and more effective teamwork, all of which contribute to a productive and innovative work environment.

In contrast, a negative attitude toward work or colleagues can lead to toxic behaviors such as gossip, conflict, and competition. This kind of environment hinders collaboration and diminishes overall organizational performance. Therefore, cultivating a positive attitude at all levels of the organization is essential for fostering a healthy, productive workplace culture.

Conclusion

Employee attitudes are a powerful force that shapes both individual behavior and organizational outcomes. The affective, cognitive, and behavioral components of attitudes influence everything from job satisfaction to commitment and workplace relationships. By understanding the impact of attitudes on performance and behavior, organizations can better foster a positive, productive, and loyal workforce. The Behavioral Intentions Model further illustrates the complexity of predicting behavior, showing how attitudes, norms, and intentions intersect to shape actions. Ultimately, organizations that actively work to cultivate positive employee attitudes will see improvements in productivity, commitment, and overall success.

GROUP DYNAMICS

In general, a number of people together at a given place and given time can be considered as a group.

According to Marvin Shaw, "A group is two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other person." There are two key elements in this definition which are essential.

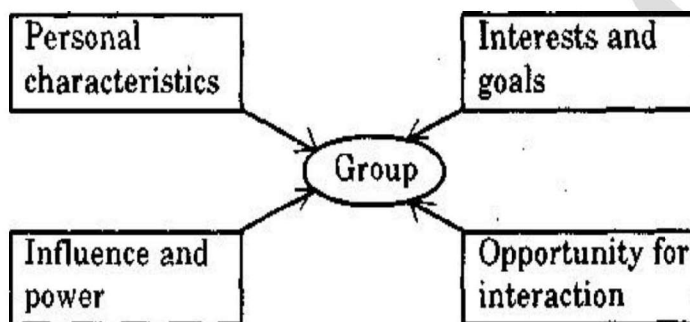
First is the "interaction" among group members.

The second element is the influence of one group member on each other group member.

While individuals in the group are primarily required to direct their efforts towards common organizational goals, there may be situations where individuals within the group are more interested in the achievement of their personal goals, thus making the organizational goals secondary.

REASONS FOR GROUP FORMATION

There are many factors that influence the formation of the group, the most important being the individual need satisfaction. This means that the members expect affiliation with the group to satisfy a need. This need is primarily a social need for love, affection and friendship which is the third level need in Maslow's model of hierarchical needs.



- a) Personal characteristics: People are more likely to form groups with others who share similar beliefs, values and attitudes. As the saying goes, "birds of feather fly together", so the group form around common political and cultural philosophies, ethnic and religious affiliations and such factors as age, sex, intelligence or similar interests and hobbies.
- b) Interests and goals: Interests and goals that are common and require cooperation with others for achievement of such goals are a powerful force behind such group formation. Individuals with common goals tend to work together. Some goals cannot simply be achieved by individuals alone and they require group cooperative physical activity.
- c) Opportunity for interaction: When people are provided with an opportunity to interact, they may discover that they have a lot in common, thus necessitating the formation of a group. In an organizational setting management generally tries to create a physical as well as psychological environment to induce interaction.
- d) Influence and power: There is a saying in India that, "while a single one is just a one, two single ones make it an eleven." We all know that there is strength in unity. Henry Fayol's last of the fourteen principles of effective administration is "Esprit de Corps", which means the "power of togetherness." There is another saying supporting the same sentiment as, "united we stand, divided we fall."

TYPES OF GROUPS

From an organizational behaviour point of view, there are basically two types of groups.

1. Formal Groups

A group is formal when it is purposely designed to accomplish an organizational objective or task. A formal group can be a command group or a functional group which is relatively permanent and is composed of managers and their subordinates who meet regularly to discuss general and specific ideas to improve product or service.

2. Informal Groups

Whereas formal groups are established by organizations to achieve some specific objectives, the informal groups are formed by the members of such groups by themselves. They emerge naturally in response to the common interests of organizational members. They are formed spontaneously, without any formal designation, and with common interests such as self-defense, work assistance and social interaction.

The informal work groups are based upon socio-psychological support and reasoning and depend upon member's interaction, communication, personal likings and dislikings and social contacts within as well as outside the organization.

The leadership of the informal group develops from within rather than a formal election. Some of the other aspects of informal groups are as follows:

- a) Group norms: Parallel to performance and other standards established by the formal organizational structure, the informal groups have their own norms as rules of conduct and a standard of behaviour which is expected of all members. These norms may be established in consultation with the management, so that the group goals do not conflict with the organizational goals.
- b) Group roles: There is an unwritten assignment within the group as to which task will be done by whom and under what conditions. Some job roles are assigned by the management by matching the job description with the person's qualifications and some other roles develop within the group.
- c) Group goals: The goal of the informal group, whether it be profitability which conflicts with the organizational goals or customer service which is in accord, heavily influences productivity. It is necessary to integrate the group goals with the organizational goals for the purpose of improvement and success.
- d) Leadership: The informal leader emerges from the group either because of his personal charisma, his social status or his technical expertise. He is not formally elected but is accepted in the minds and hearts of the workers. These leaders influence the behaviour of others and remain leaders as long as they are sincere to the group interests.
- e) Group cohesiveness: Cohesiveness refers to the degree and strength of interpersonal attraction among members of the group. High degree of cohesion is highly motivating in achieving the group goals. Members help each other and support each other. The degree of cohesiveness depends upon the commonness of the perceived group goal, the size of the group and the ability of the group leader to facilitate cohesion.

TEAM

A team is a group of people coming together to collaborate. This collaboration is to reach a shared goal or task for which they hold themselves mutually accountable. A group of people is not necessarily a team. A team is a group of people with a high degree of interdependence geared towards the achievement of a common goal or completion of a task.

Team members are deeply committed to each other's personal growth and success. That commitment usually transcends the team. That is, a team has a synergistic effect "one plus one equals a lot more than two." A team has three major benefits for the organization:

1. It maximizes the organization's human resources.
2. There is a superior output against all odds.
3. There is continuous improvement.

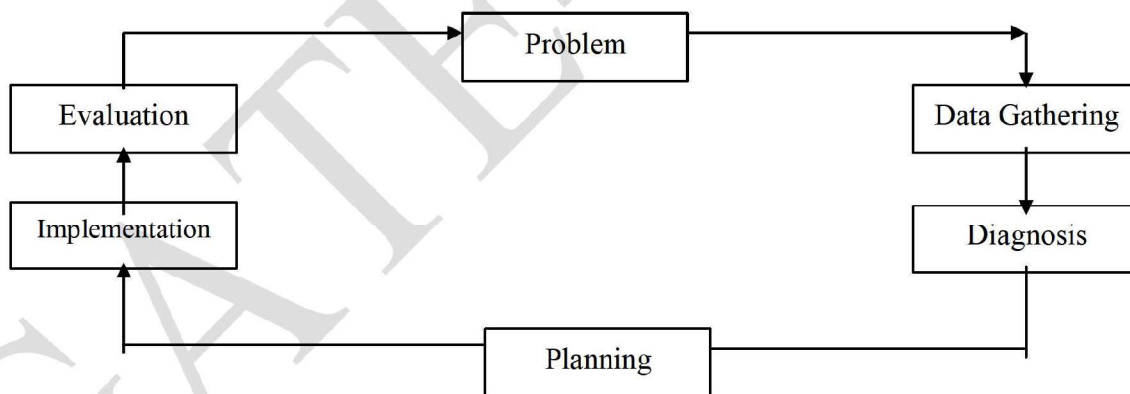
COMMON TEAM ELEMENTS

- a) A team goal
- b) Productive participation of all members
- c) Communication
- d) Trust
- e) A sense of belonging
- f) Diversity
- g) Creativity & risk taking
- h) Evaluation
- i) Change compatibility
- j) Participatory leadership

Team Work: Team work depends on the performance of every single member on the team.

TEAM BUILDING (stages)

Team building is an attentive assists the work group in becoming adept by learning how to identify diagnose and solve it's own problems. It directly focuses on the identification of problems relating to task performance lays down complete plans for their elimination. It is an effective technique by which members of a organization group diagnose how thy work together and plan charges that will improve their effectiveness.



The goal of time building is to perfect the operation of individual as a team. Team building attempts to improve effectiveness of work groups by allowing the group members to concrete on:

- ✓ Setting goals on priorities for organizational goals
- ✓ Analyzing or allocating the way the work is performed
- ✓ Examining the way the group is working
- ✓ Examining the relationship among the people doing the work

In team building employees belonging to some work group gather and discuss problems relating to their task performance. The section starts with identifying the current problems such as inefficient procedures, ineffective policies, use of faulty equipments and role ambiguities etc.

Members of team building contribute information concerning their individual perception of issues, problem and task relationships. Assessments regarding the impact of these tactics are done in the final (or) concluding sessions.

Advantages:

- ❖ It improves the organization problem-solving ability and decision making skills.
- ❖ It results in effective interpersonal relationships
- ❖ It provides a useful way for the group to examine the interpersonal issues
- ❖ It provides a useful platform for the employees to involve in their organization development programme. ❖ It increases the probability of occurrence of collaborative behaviour

Disadvantages:

- ❖ It focuses only on workgroups, and fails to consider the other organizational variables as technology and structure.
- ❖ It becomes a complicated exercise especially when new groups are formed as it creates confusion in roles and relationships and new members may often pay attention to the task of the team rather than the relationships among the team members.

TEAM ROLES

Margerison and McCann have identified key potential team roles for different team members. One member can play more than one team role. There are nine team roles:

1. Creator : Initiates creative ideas
2. Promoter : Champions ideas after they are initiated
3. Assessor : Offers insightful analysis of options
4. Organizer : Provides structure
5. Producer : Provides direction and follow-through
6. Controller : Examined details and enforces roles
7. Maintainer : Fights external battles
8. Adviser : Encourages the search for more information
9. Linker : Coordinates and integrates

An important discovery made by the Ohio studies was that the leader does not necessarily have to rate high both on consideration as well as structure element. He could, be high on one and low on the other and still lead the group successfully.

TEAMS VS GROUPS

Difference Between Group and Team Group Vs Team

Nowadays, group or team concept is adopted by the organization, to accomplish various client projects. When two or more individuals are classed together either by the organization or out of social needs, it is known as a **group**. On the other hand, a **team** is the collection of people, who are linked together to achieve a common objective.

Most of the work in a business entity is performed in groups. Although the individual personality of an employee is important, their effectiveness depends on the teams in which they are working collectively to achieve any objective. In a particular team, there can be several groups in which the group members individually help their leader to accomplish the goals. Below you can see the difference between group and team in an organization, explained in tabular form.

BASIS FOR COMPARISON	GROUP	TEAM
Meaning	A collection of individuals who work together in completing a task.	A group of persons having collective identity joined together, to accomplish a goal.
Leadership	Only one leader	More than one
Members	Independent	Interdependent
Process	Discuss, Decide and Delegate.	Discuss, Decide and Do.
Work Products	Individual	Collective
Focus on	Accomplishing individual goals.	Accomplishing team goals.
Accountability	Individually	Either individually or mutually

Definition of Group

A group is an assemblage of persons who work, interact and cooperate with one another in achieving a common goal in a specified time. The identity of the group members is taken individually. The members share information and resources with other group members.

In an organisation, the groups are made on the basis of common interests, beliefs, experience in common fields and principles, so that they can easily coordinate with each other. There are two kinds of groups:

- **Formal Group:** These groups are created by the management of the organisation for performing a specific task.
- **Informal Group:** The formation of these groups is done naturally in an organisation, to satisfy the social or psychological human needs.

For example: Ethnic groups, trade unions, friendship circles, airline flight crew, etc.

Definition of Team

A group of people who are joined for achieving a common goal within a stipulated period, having collective accountability is known as the team. The agenda of the team is “one for all and all for one”. Apart from sharing information, the team members also share the responsibility of the team task. The team is always responsible for the outcome (i.e. Result of the collective efforts of the team members).

The team members have a mutual understanding with other members. They work jointly to maximise the strengths and minimise the weakness by complementing each other. The most important feature of a team is “synergy” i.e. the team can achieve much more as the members can achieve individually. The three key features of team functioning are:

- Cohesion
- Confrontation
- Collaboration

For example: Cricket team, team for accomplishing a project, team of doctors, management team etc.

Key Differences Between Group and Team

The difference between group and team in the workplace can be drawn clearly on the following grounds:

1. There is only one head in a group. A team can have more than one head.
2. The group members do not share responsibility, but team members share the responsibility.
3. The group focuses on achieving the individual goals. Conversely, the team members focus on achieving the team goals.
4. The group produces individual work products. As opposed to, the team who produces collective work products.
5. The process of a group is to discuss the problem, then decide and finally delegate the tasks to individual members. On the other hand, a team discusses the problem, then decide the way of solving it and finally do it collectively.
6. The group members are independent. Unlike a group, the team members are interdependent.

Similarities

- Two or more than two persons.
- Interaction of members.
- Face to face relationship.
- Focus on the achievement of an objective.
- Leader
- Sharing of information and resources

Conclusion

A team is qualitatively different from a group. A team plays a very vital role in the life of the members. The team members as it motivates the members for working creatively and actively participating in the team tasks. Moreover, a team stimulates the members to work for/with one another in an achieving an objective.

The Group is also not less; the group also helps the members in developing a sense of conformity between the members and respect the group values. It increases their resistance to change. Above all, the power of a group is always more than an individual.

CONFLICT MANAGEMENT

Except in very few situations where the conflict can lead to competition and creativity so that in such situations the conflict can be encouraged, in all other cases where conflict is destructive in nature, it should be resolved as soon after it has developed as possible, but all efforts should be made to prevent it from developing.

PREVENTING CONFLICT

Some of the preventive measures that the management can take, according to schain are:

- a) **Goal structure:** Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognized.
- b) **Reward system:** The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group effort and reflect the degree of interdependence among units where necessary.

- c) **Trust and communication:** The greater the trust among the members of unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other's problems and help each other when necessary.
- d) **Coordination:** Co-ordination is the next steps to communication properly coordinated activities reduce conflict. Wherever there are problems in coordination, a special liaison office should be established to assist such coordination.

RESOLVING BEHAVIOURAL CONFLICT

Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict.

- a) **Ignoring the conflict:** In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager's point of view, it may be specially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager's time to get involved and try to solve it.

It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course.

- b) **Smoothing:** Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with interval conflict may try to "count his blessing" and forget about the conflict.

If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and appealing them for cooperation. The supervisor does not ignore or withdraw from the conflict nor does he try to address and solve the conflict but expresses hope that "everything will work out for the best of all."

- c) **Compromising:** A compromise is the conflict is reached by balancing the demands of the conflicting parties and bargaining in a give and take position to reach a solution. Each party gives up some thing and also gains something. The technique of conflict resolution is very common in negotiations between the labor unions and management.
- d) **Forcing:** As webber puts it, "the simplest conceivable resolution is the elimination of the other party – to force opponents to flee and give up the fight – or slays them". This is a technique of domination where the dominator has the power and authority to enforce his won views over the opposing conflicting party.

This technique is potentially effective in situations such as a president of a company firing a manager because he always ends up in one party being a loser and the other party being a clear winner.

- e) **Problem solving:** This technique involves "confronting the conflict" in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be differences of opinions which must be resolved through discussions and respect for differing view points. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings.

Resolving structural based conflicts

The structural based conflict is built around organizational environment and can be solved or prevented by redesigning organizational structure and work-flow. A general strategy would be to move towards as much decentralization as possible so that most of the disputes can be settled at the lower levels in the organization, as well do so faster.

The conflict between different departments may be reduced by establishing liaison. Liaison officers are those who are neutral in their outlook and are sympathetic to both parties and kind of "speak the language" of both groups. They do not have a vested interest in any of these groups. Since one of the major causes of conflict is lack of proper knowledge and facts about how other people think and act, it may be a good idea to let the individuals work with different groups so that they tend to know each other better and understand each other better.

Stimulating conflict

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages involvement and innovation.

- *Appoint managers who support change.* Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints.
- *Encourage competition.* Competition, if managed properly can enhance conflict which would be beneficial to the organization
- *Manipulate scarcity.* Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilize such resources.
- *Play on status differences.* Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members can cause a conflict requiring senior members to work harder to prove that they are better than the junior staff members.

TYPES OF CONFLICT SITUATIONS

Since conflict has both positive and negative connotations and consequences, it must be looked and managed for useful purposes. The management must survey the situation to decide whether to stimulate conflict or to resolve it. There are five basic types of conflicts.

1. **Conflict within the individual:** The conflict within the individual is usually value related, where the role playing expected of the individual does not conform with the values and beliefs held by the individual.
2. **Interpersonal conflicts:** Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognized conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources.
3. **Conflict between the individual and the group:** As we have discussed before, all formal groups as well as informal groups have established certain norms of behaviour and operational standards which all members are expected to adhere to. The individual may want to remain within the group for social needs but may disagree with the group methods.
4. **Inter group conflict:** An organization is an interlocking network of groups, departments, sections or work teams. These conflicts are not so much personal in nature, as they are due to factors inherent in the organizational structure.
5. **Inter – organizational conflict:** The conflict also occurs between organizations which in some way are dependent on each other. This conflict may be between buyer organizations and the supplier organizations about quantity, quality and delivery times of raw materials and other policy issues, between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them.

THE CAUSES OF CONFLICT

1. **Communicational aspect of conflict:** Poor communication, though not reflecting substantive differences can have powerful effect in causing conflict. Misunderstood or partial information during the process of communication can make a difference between the success and the failure of a task and such failure for which the responsibility becomes difficult to trace can cause conflict between the sender of the communication and the receiver of the communication.
2. **Behavioural aspect of conflict:** These conflicts arise out of human thoughts and feelings, emotions and attitude, values and perceptions and reflect some basic traits of a personality. Thus some people's values or perceptions of situations are particularly likely to generate conflict with others.
3. **Structural aspects of conflict:** These conflicts arise due to issues related to the structural design of the organization as a whole as well as its sub-units. Some of the structurally related factors are:
 - a. Size of the organization
 - b. Line-Staff distinction
 - c. Participation
 - d. Role ambiguity
 - e. Design of work-flow
 - f. Scarcity of resources

POWER & POLITICS

Power and politics are the words that have negative connotations in the American society. We are uncomfortable with the concept of power. Our perception of power is that it manipulates people and this idea does not go well with us. It is meant to extract compliance and enforce obedience and this conflict with our democratic culture of freedom and rights.

Politics is closely related with power, for only powerful people can play politics and get away with it. Whenever we say “there is a lot of politics in this college or organization” we mean that decisions are made on the basis of the point of view of the powerful rather than what is just and fair.

Power differs from authority, in that authority is the right of decision and command and it is legitimate, approved by the organizational structure and is freely accepted by all.

Power is defined as the “possibility of imposing one’s will on the behaviour of others.” The essence of power is control over the behaviour of others. Power is also a reflection of influence that one person may have over others. If you are able to convince another person to agree to your views or change his or her own opinion on a given issue, you have exercised influence over the other person and thus power has been used.

SOURCES OF POWER IN ORGANIZATION

A person in an organizational setting can have power from two sources. These are interpersonal sources and organizationally based structural sources.

1. Interpersonal Sources of Power

These sources of power focus on the interpersonal relationships between manager and the subordinates. French and Raven have identified five general bases of power that are based upon interpersonal relationships.

- a) **Legitimate Power:** This is the power that is vested in the leadership to take certain actions. Legitimate power is similar to formal authority so that it can be created, granted, changed or withdrawn by the formal organizations.
- b) **Reward Power:** A second base of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power. These rewards can be extrinsic in nature with tangible values.
- c) **Coercive Power:** On the other end of the reward power is the coercive power that is the ability to influence punishment. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. The more sanctions a manager is able to bear upon others, the stronger is his coercive power.
- d) **Expert Power:** It is more of a personal power, rather than organizational power and is the ability to control another person’s behaviour through the possession of knowledge and expertise that the other person needs and does not possess himself.
- e) **Referent Power:** It is also known as charismatic power and is based upon the attraction exerted by one individual over another. It is more of a personal nature rather than a positional nature in the sense that this power is not designated or acquired because of a position but because of personal “charisma” so that the “followers” would like to associate themselves with the “leaders”.

2. Structural & Situational Sources of Power

The five bases of power that we have discussed relate to interpersonal power that the managers have over their subordinates. In addition, there is another dimension of power. This dimension involves structural and situational sources within the organization.

- a) **Knowledge as power:** All organizations use information to operate. Thus individuals or groups who possess knowledge critical to the attainment of organizational goals and objectives have power. The correct utilization of information is very important for effective organizational operations.
- b) **Resources as powers:** Resources are the backbone of organizations. They simply cannot survive without the adequate availability of all the necessary resources. These resources include capital, personnel, equipment, raw materials, customers and so on. Any person who can provide resources that are critical to the organization acquires such power.
- c) **Decision making as power:** The authority to make decisions or the ability to influence the decision makers is both the sources of power. The decision making power does not necessarily rest with the final decision maker. Even though the decision maker acts, the real power may be with those who strongly influence the decision maker.
- d) **Link with others as power:** Individuals and groups can acquire power by increasing their contacts with others, especially those who already have the power. They can have a lot of influence over others because of their “connections” with the right people.

ORGANIZATIONAL POLITICS

Politics has been defined by Pfeffer as “those activities taken within organizations to acquire, develop and use power and other resources to obtain one’s preferred outcomes in a situation in which there is uncertainty or dissensus about choices.”

“If power is a force, a store of potential influence through which events can be affected, politics involves those activities or behaviours through which power is developed and used in organizational settings. Power is a property of the system at rest; politics is the study of power in action. An individual, subunit or department may have power within an organizational context at some period of time; politics involves the exercise of power to get something accomplished, as well as those activities which are undertaken to expand the power already possessed or the scope over which it can be exercised.”

It is clear that political behaviour is designed and initiated to overcome opposition or resistance. If there is no opposition, there is no need for politics. Opposition and resistance are bound to occur in all organizations because of severe competition for scarce resources.

Miles has identified five major reasons that have strong influence on political orientation of organizations. These are:

1. **Scarcity of resources:** As discussed before, any person or subunit that has control over allocation of scarce resources wields power, and political influence plays an important part in how these resources will be distributed to various departments, rather than rational needs.
2. **Non-programmed decisions:** Non-programmed decisions involve unique problems that cannot be solved by known and structured methods and procedures. These unique problems involve many factors and variables that are ambiguous in nature leaving room for political maneuvering by those who have the knowledge and techniques to successfully confront and solve such complex problems.
3. **Ambiguous goals:** When the goals of an organization are clearly define and each member of the organization is aware of these goals and is also aware of his role in contributing towards achievement of such goals then there are limited grounds for political influences.

4. **Technology and environment:** Organizational effectiveness is largely a function of the organization's ability to appropriately respond to external environment that is highly dynamic and generally unpredictable as well as adequately adapt to complex technological developments.
5. **Organizational change:** Whenever there are changes in the organizational structure or rearrangement of organizational policies, people in powerful positions have the opportunity to play political games. These changes may include restructuring of a division or creating a new division, personnel changes, introducing a new product line – these are all invitations to political processes when various individuals and groups try to control the given situation.

MANAGING POLITICAL BEHAVIOUR

Though it is virtually impossible to eliminate political behaviour in organizations, it is possible to contain it in such a manner as to limit its dysfunctional consequences. Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, dampen cooperative spirit and much time and energy is spent planning attacks and counter-attacks that are detrimental to organizational health.

Some of the steps that can be taken for purposes of constraining political activity are summarized as follows:

1. **Positive role model:** It is said corruption begins at the top. The lower level people will be corrupt and play politics only when such tactics are accepted or ignored by the top management. Thus if a manager plays political games, he is conveying a message to his subordinates that such conduct is acceptable. Accordingly, the top management must provide a positive and ethical role model themselves and make it clear to subordinates that such political maneuvering will not be accepted that is detrimental to employee morale and organizational climate.
2. **Open communication:** Since political behaviour is a function of control over resources, information and lines of communication, open and honest communication is an effective technique in constraining the effects of political behaviour. If the lines of communication are open to all and the necessary information is available to all including the information regarding the availability and allocation of scarce resources, then it would not be necessary to engage in political behaviour in order to acquire or control these resources.
3. **Reduce uncertainty:** Politics seems to be more prevalent when overall purposes and organizational goals are ambiguous and when expectations of subordinates are not clear and when organizational changes are not made known to all. These elements of uncertainty can provide grounds for political play. Thus political behaviour can be limited if such uncertainty can be reduced or eliminated.
4. **Study the political phenomenon:** It is important that top management be aware of the psychology and philosophy of political behaviour. Simply being aware of the causes and techniques of political behaviour can minimize their political behaviour when it occurs but also in anticipating it and taking appropriate steps to avoid it from occurring.

UNIT – V

Organization Culture , Change and Development: organisational culture and climate- Meaning and functionality; Organisational Ethos and behaviour in a Global Context; Organisational Change: Process and Resistance Management; Role of managers a change agent; Organisational Development: Phrases and OD interventions; Stress and Burnout Management.

ORGANIZATIONAL CULTURE AND CLIMATE

Culture can be considered as a constellation of factors that are learned through our interaction with the environment during our developmental and growth years. The organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as “Corporate Culture”, and has a major impact on the performance of organizations and especially on the quality of work life experienced by the employees at all levels of the organizational hierarchy. The corporate culture “consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and inter-personal behaviours that prevail.

The word “Culture” has been derived metaphorically from the ideas of “Cultivation”, the process of tilling and developing land. When we talk about culture, we are typically referring the pattern of development reflected in a society’s system of knowledge, ideology, values, laws, social norms and day-to-day rituals.

The work culture is a continuation of general cultural and family upbringing where children are encouraged to “think for themselves”, and show a sense of assertion and independence. The organization is viewed as a family to which workers frequently make life long commitments as they see the organization as an extension of their own families.

ORIGINS OF ORGANIZATIONAL CULTURE

While culture has been a continuous development of values and attitudes over many generations, at least the organizational culture can be partially traced back to the values held by the founder of the organization. The organizational culture is influenced by the external environment and the interaction between the organization and the external environment. Work culture is also a function of the work and the mission and the goals of the organization. The importance of strong culture as a driving force for organizational success was emphasized by Peters and Waterman in their well received book, “In Search of Excellence”. They observed, without exception, the dominance and coherence of culture the stronger the culture and the more it was directed towards the market place, the less need was there for policy manuals, organization charts and detailed procedures and rules.

Let us see the cultural differences in a typical American Organization as compared to typical Japanese.

Typical American Organization:

- ✓ Usually short term employments, Layoffs are quite common. Lateral Job mobility is also common.
- ✓ Performance evaluation and promotion relatively fast.
- ✓ Career paths are very specialized. People tend to stay in the same area such as accounting and become experts in their area.
- ✓ Decisions are carried out by individual managers who are responsible for the outcome of such decisions.

- ✓ The control systems are very explicit via policies, rules and guidelines and people are expected to strictly follow these guidelines.
- ✓ The organization is concerned primarily with the worker's work life and his role in the organization.

Typical Japanese Organization:

- ✓ Fairly long-term, usually life time employment
- ✓ Rigorous evaluation and slow promotion
- ✓ People are primarily generalists and they become familiar with all areas of operations
- ✓ Collective decisions making is the norm
- ✓ Primary reliance on implicit control (self-control)
- ✓ People rely heavily on trust and goodwill
- ✓ Organization is concerned with the whole life of the worker, business as well personal and social

LEVELS OF CULTURE

According to Edgar Schein, organizational culture has three levels:

1. Observable Artifacts

These are the symbols of culture in the physical and social work environment and are most visible and accessible among the artifacts of culture.

- a) *Organizational Heroes*: As a reflection of the organization's philosophy, this dimension concerns the behaviour of organizational members, specially the behaviour of top management and their leadership styles. These leaders become the role models and a personification of an organization's culture.
- b) *Ceremonies and Rites*: Ceremonies and rites reflect such activities that are enacted repeatedly on important occasions; members of the organization who have achieved success are recognized and rewarded on such occasions.
- c) *Stories*: Lavinson and Rosenthal suggest that stories and myths about organization's heroes are powerful tools to reinforce cultural values throughout the organization and specially in orienting new employees. These stories and myths are often filtered through a "cultural network" and remind employees as to "why we do things in a certain way."
- d) *Cultural Symbols*: Symbols communicate organizational culture by unspoken message. Certain code of dress or a company logo can reflect its values and orientations.

2. Shared Values

Values are the second and deeper level of culture and are reflected in the way individuals actually behave. Value reflects a person's underlying belief as to what should be and what should not be. Values are those principles and qualities that shape our thinking and behaviour.

Values can be classified into "Instrumental Values" and "Terminal Values". Instrumental values define such enduring beliefs that certain behaviours are appropriate at all times irrespective of the objectives or outcomes.

Terminal values are beliefs that certain more tangible objectives are worth striving for and the objectives become more important than the appropriateness of the behaviour in achieving such objectives.

3. Common Assumptions

Assumptions are at the deepest and most fundamental level of cultural diagnosis. These are deeply held beliefs which are not objectively observable but manifest themselves in the behaviour of people so strongly that any violation of such beliefs would be unthinkable.

These common assumptions, though expressed at organizational level, can be traced to larger social and cultural values held by a particular society or country.

SUBCULTURE AND COUNTERCULTURES

While there is a typical and unique dominant culture within each organization, there is usually a subculture within a particular group or a department with its own pattern of values and philosophy which is not inconsistent with the values of the larger culture of the organization itself. It is important to include this subculture because these subcultures seem to be strong in groups with high performance expectation and special project groups within the organization. These subcultures coexist with and enhance the overall organization culture.

Countercultures have a pattern of values and beliefs that sharply contradict the dominant social norms, values and behaviour patterns. This counterculture tends to emerge when individuals of groups strongly feel that the existing organizational culture is too rigid and does not support this creativity or style of operation. This becomes specially evident during large scale organizational transformations such as merges and acquisitions which involves significant changes in the organizations philosophy or methods of operations.

The counterculture groups usually engage in three types of dissent:

1. Direct opposition to organization's dominant values
2. Opposition to the dominant culture's power structure
3. Opposition to the methods of interaction with the dominant culture

MANAGING ORGANIZATIONAL CULTURE

For any organization to grow and prosper, it is important that its mission and its philosophy be respected and adhered to by all members of the organization. Even when an organization has a strong and established culture, the dynamics of environment may require changes in it or the subcultures may have to be encouraged to support and enhance the organizational culture or countercultures may have to be controlled to minimize its harmful effects.

Since culture is an important aspect of organizational success, it is important that managers play a significant role in keeping values and behaviors of the organizational members under control. A leader's cultural strength is measured specially by his handling of crisis situations. Emotions are heightened during a crisis. Proper handling of a crisis sends a powerful message about culture.

Good managers are able to support and reinforce an existing strong culture by being strong role models and by handling situations that may result into cultural deviations with great diplomacy.

ETHICS AND ORGANIZATIONAL CULTURE

Ethical concept, though hard to define because of its intangible nature, establishes moral standards by which right and wrong, just and unjust can be differentiated. Even though ethical standards may, to some degree, differ from society to society, there are some common codes of conduct which emphasize ethical behaviour as against other codes of conduct which emphasize unethical behaviour.

Under these assumptions and evaluations, organizations can incorporate ethical behaviour of their members as an integral part of the organization culture.

Managers themselves must have high standards of ethical behaviour and must not tolerate deviations from ethical standards set by the organization. People usually get away with increasing business expenses or putting some personal expresses into behaviour is not really unethical, that it is in the best interests of the organization, that everybody is doing it and so on.

CONCEPT OF GLOBAL ORGANIZATIONAL CULTURE

Culture represents the national character and is a reflection of the institutional circles that people have built together. These institutions represent family, religion, literature, education and so on. A person and his culture are so interwoven with each other that it is difficult to distinguish the individual from his cultural context.

Because of these cultural differences, it is important that the management be aware that respect for differences in attitudes towards issues is necessary to achieve harmony among all workers. The values that reflect the organizational culture should support the global view because the expanding the diversity in the global cultural backgrounds and expressions.

S.H. Rhinesmith has suggested six specific guidelines that assist in creating a global culture within organizations. These are:

1. Create a clear and simple mission statement
2. Create systems that ensure an effective
3. Create "Matrix minds" among managers, that is, broaden manager's minds to allow them to think globally.
4. Develop global career paths
5. Use cultural differences as a major asset.
6. Implement worldwide education and team development programs.

ORGANIZATION CLIMATE

Even though organizational culture and organizational climate are sometimes used interchangeably, some important differences between these two concepts have been recognized. According to Bowditch and Buono "Organizational culture is concerned with the nature of beliefs and expectations about organizational life, while climate is an indicator of whether those beliefs and expectations are being fulfilled.

Richard M.Hodgetts has classified organizational climate into two major categories. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen from the surface and another part that is under water and is not visible part that can be observed or measured include the structure of hierarchy, goals and objectives of the organization, performance standards and evaluations, technological state of the operations and so on.

The second category contains factors that are not visible and quantifiable and include such subjective areas as supportiveness, employee's feelings and attitudes, values, morale, personal and social interaction with peers, subordinates and superiors and a sense of satisfaction with the job.

Overt Factors	Hierarchy Financial Resources Goals of Organization Skills and abilities of Personnel Technological State Performance Standards Efficiency Measurement
Covert Factors	Attitudes Feelings Values Norms Interaction Supportiveness Satisfaction

While some of the factors are easily measured by quantitative methods, others have to be assessed subjectively simply by asking employees relevant questions as to how they feel about certain factors relating to organizational climate.

“In this organization, promotions are given entirely on the basis of merit and contribution to the organization”, could elicit a response on the following scale:

- i. Strongly disagree
- ii. Moderately disagree
- iii. Neutral (no opinion)
- iv. Moderately agree
- v. Strongly agree

These responses can then be tabulated and conclusions can be drawn about how the employees feel about how the employees feel about the process of promotion.

Based upon the inputs so received from the employees, the organization can determine the type and state of existing climate and the changes that can be undertaken to achieve the desired climate.

ORGANIZATION ETHICS

An organization is formed when individuals from different backgrounds and varied interests come together on a common platform and work towards predefined goals and objectives. Employees are the assets of an organization and it is essential for them to maintain the decorum and ambience of the workplace

What is Organization Ethics

The way an organization should respond to external environment refers to organization ethics. Organization ethics includes various guidelines and principles which decide the way individuals should behave at the workplace. It also refers to the code of conduct of the individuals working in a particular organization.

Every organization runs to earn profits but how it makes money is more important. No organization should depend on unfair means to earn money. One must understand that money is not the only important thing; pride and honour are more important. An individual's first priority can be to make money but he should not stoop too low just to be able to do that. Children below fourteen years of age must not be employed to work in any organization. Childhood is the best phase of one's life and no child should be deprived of his childhood.

Equity refers to justice in rewarding performance. Here again, modern managers strongly feel that a person must get a reward proportionate to his input. In any case, deliberate exploitation is to be avoided and as far as possible "fairness" is to be maintained.

CHARACTERISTICS

Action goal orientation: Persons with high sense of adequacy have clear goals about their future and are directed by these goals. They usually do not think their goals in status terms (i.e., what they would like to be) but in activity terms (i.e., what they would like to do). For example, when a junior manager thinks that he would like to be the "Chief of Marketing" he is status-goal oriented; but when he thinks that he would like to be influenced the marketing policies of the company, he is action-goal oriented.

Pro-action: Proactive people do things on their own without having to be told by any one. Such initiative taking behaviour leads to a high level of activity and experimentation. As contrasted to these people are reactive persons or conformists who spend most of their lives in doing things that others expect them to do. Reactive people are other-directed, whereas proactive ones are inner-directed. A superior managerial ethos requires more of pro-action than reaction.

Internal resources: Managers with high sense of adequacy are aware of their internal 'strength' and are guided by these strengths. They are aware of their weaknesses but this awareness does not deter them from acting positively or to look for opportunities for continuous self-improvement. They are open to feedback and ready to learn from experience.

Problem-solving attitude: A superior ethos requires that managers view themselves as problem solvers, rather than problem-avoiders. These managers have a positive orientation to problem situations and do not want to run away from problems. They tend to approach problem situations with optimism because they have internal locus of control, i.e., a strong belief that they can change the environment through their own efforts.

Uniform Treatment of All Employees

One example of organizational ethics is the uniform treatment of all employees. Small business owners should treat all employees with the same respect, regardless of their race, religion, cultures or lifestyles. Everyone should also have equal chances for promotions. One way to promote uniform treatment in organizations is through sensitivity training. Some companies hold one-day seminars on various discrimination issues. They then invite outside experts in to discuss these topics. Similarly, small company managers must also avoid favoring one employee over others. This practice may also lead to lawsuits from disgruntled employees. It is also counterproductive. **Corporate Social Responsibility**

Small companies also have an obligation to protect the community. For example, the owner of a small chemical company needs to communicate certain dangers to the community when explosions or other disasters occur. The owner must also maintain certain safety standards for protecting nearby residents from leaks that affect the water or air quality.

There are state and federal laws that protect people from unethical environmental practices. Business owners who violate these laws may face stiff penalties. They may also be shut down.

Financial and Business Ethics

Business owners must run clean operations with respect to finances, investing and expanding their companies. For example, organizations must not bribe state legislators for tax credits or special privileges. Insider trading is also prohibited. Insider trading is when managers or executives illegally apprise investors or outside parties of privileged information affecting publicly traded stocks, according to the Securities and Exchange Commission.

The information helps some investors achieve greater returns on their investments at the expense of others. Executives in small companies must strive to help all shareholders earn better returns on their money. They must also avoid collusive arrangements with other companies to deliberately harm other competitors.

Taking Care of Employees

A small company's organizational ethics can also include taking care of employees with mental illnesses or substance abuse problems, such as drug and alcohol dependency. Ethical business owners help their employees overcome these types of problems when possible. They often put them through employee advisor programs, which involves getting them the treatment they need.

Employees may have issues that lead to these types of problems. Therefore, they deserve a chance to explain their situations and get the help they need.

ORGANIZATIONAL CHANGE

Change simply means the alteration of status quo. Even in most stable organization change is necessary just to keep the level of given stability. The economic and social environments so dynamic that without the change that would be adaptive to the changed environment, even the most successful organizations will be left behind, unable to survive in the new environment.

Recent surveys of some major organizations around the world have shown that all successful organizations are continuously interacting with the environment and making necessary changes in their structural design or philosophy or policies or strategies as the need be. The survey found that 44% of Japanese firm 59% of American firms, 60% of German firms and 71% of South Korean firms so surveyed had significantly changed their organizational structure within the period between 1989 and 1991.

According to Barney and Griffin, "the primary reason cited for organizational problems is the failure by managers to properly anticipate or respond to forces for change". These forces of change may be external *or* internal. External Forces

This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. "Accordingly, the organizations cannot change the environment but must change themselves to align with the environment.

The general environment which affects the organizations indirectly consists of economics, political, legal, socio- cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes in the direction and momentum of these forces.

Task related environment has direct influence on the health of the organizations and it consists of customers, competitors, suppliers, labour, and stockholders and so on. Customers have been known to change their loyalty for better quality product and better service. Accordingly, organizations cannot rest on status quo and must remain dynamic and be able to change quickly to adjust to changed environment.

1. Internal Forces

Internal forces for change could be reactive which would constitute a response to outside forces or these could be proactive which brings in change induced by management in anticipation of different and beneficial internal environment which could result because of this internal change

Shifts in socio-cultural values in the work force may require changes in the corporate culture and structure. Workers are becoming more educated, less conservative and more women are joining the work force.

The changes in the internal environment can come from shareholders, board of directors or employees and can affect the philosophy, strategy, decisions and other organizational activities.

The changes induced by the internal forces as a preparation to effectively meet the anticipated and potential organizational environmental changes is known as "planned change". The change that is undertaken in response to specific problems that arise is known as "reactive change".

THE CHANGE PROCESS

Once, the need for change and the goals of such a change are recognized and accepted, the management must introduce the change process in such a manner that such change is more or less permanent and the management does not shift back to the original and more familiar ways of doing things. The stages are:

1. Unfreezing the situation

The process of unfreezing simply makes the individuals or organizations aware and prepares them for the change. Lewin believes that the change should not come as a surprise to members of the organization. The management must pave the way by “unfreezing the situation”, so that members would be willing and ready to accept the change. This way if there is any resistance to change, it can be neutralized.

This can be achieved by making announcements, holding meetings and promoting the ideas throughout the organization via bulletin boards, personal contacts and group conferences.

2. Changing or moving the new condition

Once the unfreezing process has been completed and the members of the organization recognize the need for change and have been fully prepared to accept, such change, their behaviour patterns have to be redefined.

- a) **Compliance:** Compliance is achieved by strictly enforcing the reward and punishment strategy for good or bad behaviour. Fear of punishment, actual punishment or actual reward seems to change behaviour for the better.
- b) **Identification:** Identification occurs when members are psychologically impressed upon to identify themselves with some given role models whose behaviour they would like to adopt the try to become like them.
- c) **Internalization:** Internalization involves some internal changing of the individuals thought processes in order to adjust to a new environment. Members are left alone to adjust to a new environment. Members are left alone to look with in themselves and they are given freedom to learn and adopt new behaviour in order to succeed in the new set of circumstances.

3. Refreezing

Refreezing occurs when the new behaviour becomes a normal way of life. The new behaviour must replace the former behaviour completely for successful change to take place. Also, it should be permanent in nature. Accordingly, it must be continuously reinforced so that this new acquired behaviour does not diminish or extinguish.

TYPES OF CHANGE

There are various areas within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behaviour of members. The various types of changes that can have considerable impact on the organizational culture are

- **Strategic Change:** This is a change in the very mission of the organization. A single mission may have to be changed to multiple missions. For example, when British Airways acquired a major part of U.S. Air, the culture of the entire organization had to be modified to accommodate various aspects of American organizational culture into the British organizational culture.
- **Structural change:** Decentralized operations and participative management style have seen more recent trend in the organizational structure. Since these structural changes shift the authority and responsibility to generally lower level management, it has a major impact on an organization's social climate and members have to be prepared to develop a team spirit as well as acquire skills on the spot decisions at points of operations.
- **Process-oriented change:** These changes relate to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes.
- **People-oriented change:** Even though, any organizational change affects people in some firm, it is important that the behaviour and attitudes of the members be predictable and in accordance with the expectations of the organizations.

These changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organization as well as developing a sense of self-actualization among the member.

STEPS IN MANAGED CHANGE

The first step in the change process is to identify the need for change and the area of change as to whether it is strategic change, process-oriented change or employee-oriented change. The following general steps can be taken to implement managed.

- a. **Develop new goals and objectives:** The managers must identify as to what new outcomes they wish to achieve. This may be a modification of previous goals due to changed internal and external environment or it may be a new set of goals and objectives.
- b. **Select an agent for change:** The management must decide as to who will initiate and oversee this change. A manager may be assigned this duty or even outside specialists and consultants can be brought in to suggest the various methods to bring in the change and monitor the change process.
- c. **Diagnose the problem:** It is important to gather all pertinent data regarding the area or the problem where the change is needed. This data should be critically analyzed to pinpoint the key issues. Then the solutions can be focused on those key issues.
- d. **Select methodology:** Because of natural resistance to change it is very important to chart out a methodology for change which would be correct and acceptable to all. Member's emotions must be taken into consideration when devising such methodology.
- e. **Develop a plan:** This step involves putting together a plan as to what is to be done.
- f. **Strategy for implementation of the plan:** In this stage, the management must decide on the "when", "where", and "how" of the plan. This includes the right timing of putting the plan to work how the plan will be communicated to workers in order to have the least resistance and how the implementation will be monitored.
- g. **Implementation of the plan:** Once the right timing and right channels of communication have been established, the plan is put into action. It may be in the form of simple announcement or it may require briefing sessions or in-house seminars so as to gain acceptance of all the members and specially those who are going to be directly affected by the change.
- h. **Receive and evaluate feedback:** Evaluation consists of comparing actual results to the set goals. Feedback will confirm if these goals are being met so that if there is any deviation between the goals and the actual performance outcomes, then corrective measures can be taken.

RESISTANCE TO CHANGE

Change, no matter how beneficial, is generally resented and is always difficult to implement. Since "man follows the path of least resistance", it is earlier to employ known methods than to change to new methods where the outcomes may not be as certain. It is similar to difficulties experienced when moving to a new location or changing jobs or changing a school or a college.

A change will be easier to make and adjust to, if the potential rewards after the change are sufficiently attractive. No matter what the resistance, the change must occur continually in order to adjust to dynamic forces that are continuously at play.

FACTORS THAT INCREASE RESISTANCE TO CHANGE

Change is always difficult to make be it individual change or organizational change. Attachment to familiar habits, practices, places and people may have to given up.

1. **Insecurity:** One of the major reasons for resistance to change is uncertainty about the impact of change, especially on job security. The fear of the unknown always has a major impact on the decision of the individuals. Many people have lost their jobs when a plant became automated or an office became computerized.
2. **Lack of communication:** If the need for the change is not communicated to the workers in time and in an acceptable manner, then it can lead to resistance. A sense of participation in the change process by the employees reduces the extent of this resistance.
3. **Rapidity and extent of change:** If the changes are minor and involve routine operations then the resistance, if any would be minimal. However, if the changes are major such as reshuffling of staff, then the resistance will be highly visible. Similarly, slow changes in the processes result in lower resistance than sudden or rapid changes.
4. **The group resistance:** The individuals resist change because the group to which they belong resists it. The individuals usually comply with the group norms and codes and support the group attitudes. This type of resistance is commonly seen in union strikes when some individuals, even when they do not agree with the reasons for the strike, go along with it so as to fully support the group to which they belong.
5. **Emotional turmoil:** One of the major reasons for resistance centers on the emotional turmoil that a change may cause, especially if the past experiences with change have not been positive. This results in misunderstanding and lack of trust so that even when the change is well intended, its importance can be misinterpreted, leading to resistance.
6. **Loss of power and control:** There are times when a change will reduce the power base of an individual, group or unit and the prospect of such loss of power will create resistance, even though such change is considered good for the organizational as a whole.

MANAGING RESISTANCE TO CHANGE

If the changes are to be implemented successfully, they need full acceptance from employees. The easiest way to get this acceptance is the participation of employees in the change effort.

- **Participation and involvement:** The participation of employees in the process of change should be genuinely wanted by the employees so that they are enthusiastic about it. It should not be simply a mechanical act of calling upon many people to “participate”. Participation should be a part of and a result of the total treatment of the employee.
- **Communication and education:** If the employees do not have adequate information or if the information that they have is inaccurate, then it is necessary to educate them about the change, its process and its working. This education can be carried out through training classes, meetings and conferences. The reasons about the change must be communicated very clearly and without ambiguity at these meetings.
- **Leadership:** The greater the prestige and the credibility of the manager, who is acting as a change agent, the greater will be his influence upon the employees who will be involved in the change process.
- **Negotiation and agreement:** Negotiation and agreement technique is used when costs and benefits must be balanced for the benefit of all concerned parties. This is often used in bargaining with labour unions.

- ***Willingness for the sake of the group:*** Some individuals may be willing to accept change even if they are not totally satisfied with it, if the group that they belong to is willing to accept the change. This is especially true about the individuals who have a continuous psychological relationship with the group so that there is group "Cohesiveness" or group togetherness.
- ***Timing of change:*** Timing of introduction of change can have a considerable impact on the resistance. There is always a right time and a wrong time for introducing something new. The right time, obviously will meet less resistance. Therefore, management must be very careful in choosing the time when the organizational climate is highly favorable to change, such as soon after a major improvement in working conditions.

ORGANIZATIONAL DEVELOPMENT (OD)

The organizations are complex systems comprising of many subsystems which must work together in harmony and synchronization. The fact that there are a number of variables that affect subsystems and that the subsystems themselves interact with each other makes the system even more complicated.

Harold Rush has defined organizational development as "a planned, managed and systematic process to change the culture, systems and behaviour of an organization in order to improve the organizations effectiveness involving its problems and achieving its objectives".

The basic concept underlining organizational development then, is to improve organizational efficiency by modifying human behaviour rather than technological innovations, because without the committed involvement of human element, all the technology has a limited meaning.

The organizational development can then summarily be defined as, "An effort (a) planned, (b) organization wide, (c) managed from the top, in order to (d) increase organizational effectiveness and health, through (e) planned intervention in the organization's "processes" using behavioural science knowledge.

OBJECTIVES OF OD PROGRAMS

Some of these objectives are based on Wendell French and are described as follows:

- ✓ To build and enhance interpersonal trust, communication, cooperation and support among all individuals and groups throughout the organization at all levels.
- ✓ To encourage an analytical approach to problem solving in a team spirit and open manner, where the problems and differences are confronted and resolved instead of problem-avoiding or decision-postponing approach or "sweeping problems under the rug", as they say it.
- ✓ To increase a sense of belonging to the organization. So that the organizational goals become the goals of the members of the organization.
- ✓ To assign decision-making and problem solving responsibilities to skilled and knowledgeable persons who are closer to the scene of operations and the sources of information, rather than to a person with a particular role or at a particular hierarchical level.
- ✓ To increase personal responsibility for planning, implementing the plans and be aware and responsible for the consequences.
- ✓ To help managers to manage according to the relevant objectives, rather than depending upon "past practices". The management should be goal oriented rather than process oriented.

BASIC OD ASSUMPTIONS

The organization development has a number of underlying assumptions which can be examined so as to determine how the OD programs can be utilized to the fullest potential. These assumptions are based upon French and Bell.

- Most individuals have drives towards personal growth and development. However, the work habits are more a response to work environment rather than personality traits.
- Highest productivity can be achieved when the individual goals are integrated with organizational goals.
- Cooperation is always more effective than conflict. Conflict tends to erode trust, prohibit collaboration and eventually limit the effectiveness of the organization.
- The suppression of feelings adversely affects problem solving, personal growth and satisfaction with one's work. Accordingly, free expression of feelings is an important ingredient for commitment to work.
- The growth of individual members is facilitated by relationships which are open, supportive and trusting.
- The difference between commitment and agreement must be fully understood.
- OD programs, if they are to succeed, must be reinforced by the organization's total human-resources system.

OD INTERVENTIONS

OD interventions are the building blocks which are the planned activities designed to improve the organization's functioning through participation of the organizational members. Some of the many OD interventions are:

- **Diagnostic activities:** This activity involves collection of all the information about the state of the organization. This can be done through the organization's operation records, observation of task activities, meeting with subordinates, interviews with workers and so on. This could establish the "health of the organization." This information is analyzed and the information as well as the analysis is communicated to members.
- **Methodologies employed:**
 - To improve the skills, abilities and knowledge of individuals and many involved task-related skills or skills in maintaining inter-personal skills.
 - To reorganize the structure of the organization so that it becomes more conducive to quality oriented and efficient operations.
 - To help the organization members to perceive the organizational environment better.
- **Team building:** Activities are designed to improve the effectiveness of the sub-unit. It is important to recognize groups work problems as early as possible so that solutions can be applied before the problem can do any damage. These may be task related problems or personality conflict and personality cult problems within the group. This group's work related issues can be streamlined by changing the way things are done, by redirecting the resources to be utilized and by re-examining the work processes.
- **Inter-group relationships:** Just as there are problems within the group, similarly, there are problems among interdependent groups. The activities of these groups must be synchronized and coordinated to achieve the organizational goals and the unhealthy Competition between the groups must be eliminated. Other problems may involve conflicts over overlapping responsibilities or confused lines of authority.

In general OD efforts are designed to bring changes in the conceptual environment of an organization as well as in the outlook of the organizational members. Each member begins to see himself as a resource to others and is willing to lend his support to his colleagues when it is needed. The conceptual environment brings about open and free expression of

feelings, emotions and perceptions. It also helps members to develop interpersonal competence including communication skills and an insight into themselves and others.

Organizational Development (OD) is a process of making an organization more efficient in achieving its desired goals. The purpose of OD interventions is to enhance productivity, performance or behaviors via a set of organized individual and team activities. Interventions may be introduced by a change agent as part of a development program or employed by a client following a process to check out the condition of the organization's health.

Organizational Development: Steps in OD Interventions

The following *eight steps in any OD intervention program* are in accordance with those in action research.

Step 1 Entry:

The requirement for change within a company becomes apparent. An issue is identified. Somebody, or a group of individuals within the organisation, search for a person who is skilled enough to examine the problem or facilitate change.

Step 2 Start-up:

The change agent gets into the scene. He works to describe issues surrounding the problem and tried to secure commitment to a change attempt.

Step 3 Assessment and Feedback:

The change agent collects details about the situation and provides decision makers as well as those having a stake in the change process feedback with regards to the information.

Step 4 Action Planning:

The change agent works jointly with management and other stake holders to formulate a corrective-action plan.

Step 5 Intervention:

The change agent helps in implementing the action plan and the change process is carried out. Step 6

Evaluation:

The change agent assists the management and other stakeholders to evaluate the change effort's progress. Step 7

Adoption:

Members of the company acknowledge ownership of the change, and the change is implemented throughout the organisation. Step 8 Separation:

The change agent prepares to leave the organization. As part of the process, the change agent works to disengage while making certain that development will proceed after his or her departure. This step is achievable due to the fact that the knowledge and skills of the change agent have been transferred to the organisation.

MANAGING STRESS

Stress is an exceedingly complex concept that does not lend itself to a simple definition. It can best be understood in terms of the internal and external conditions necessary for its arousal and the symptoms by which it is identified. Its identifiable symptoms are both psychological and physiological. Stress carries a negative connotation for some people, as though it were something to be avoided. This is unfortunate, because stress is a great asset in managing legitimate emergencies and achieving peak performance.

Stress can be caused by many things in life, pressures from work, the family, social commitments and other everyday events. The word stress is derived from the Latin term '**Stringers**' which means "to draw tight". Some define stress as the non-specific response of the body to any demands made on it. Stress is our physical, mental, and emotional response to the various demands, changes, and events in our life. It is an internal phenomenon and a mental attitude.

In some cases, stress motivates and encourages us to complete a task we find difficult so that we can take pride in ourselves and what we achieve.

Definitions:

According to J.C. Quick and J.D. Quick, “Stress, or the stress response, is the unconscious preparation to fight or flee a person experiences when faced with any demand”.

According to A. Mikhail, “Stress refers to psychological and physiological states that result when certain features of an individual’s environment challenge that person, creating an actual or perceived imbalance between demand and capability to adjust those results in a non-specific response”.

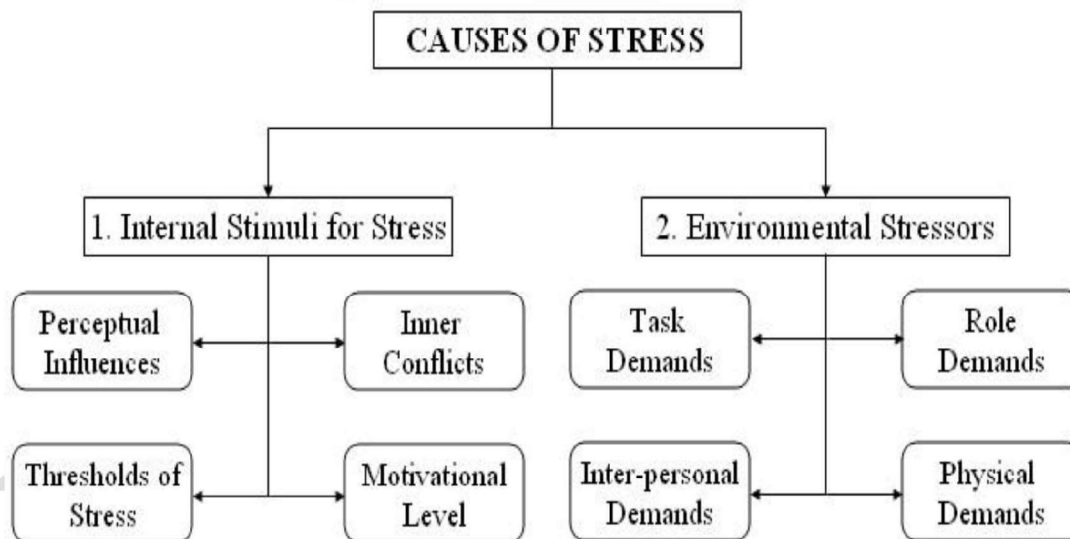
THE CAUSES OF STRESS

The causes of stress are found within the environment, the individual, and the interaction between the two. The stress experienced by a given individual is seldom traceable to a single source. Stress has become increasingly common in organizations, largely because individuals experience increased job complexity and increased economic pressures. In exploring the causes of stress it is important that a clear distinction be made between stress and the stressor (the source of the stress). It is confusing and technically incorrect to speak of a “stressful situation” as though anyone placed in that situation would experience stress. For purposes of analysis and understanding, stressors are divided into two classes:

- Those that lie within the individual, and
- Those that are a part of the external environment.

I. Internal Stimuli for Stress

The internal sources of stress are complex and difficult to isolate. There are four internal sources of stress. Each of these internal influences on stress is considered separately, although they function in continual interaction.



1. **Inner Conflicts:** For many people stress is a constant companion regardless of how favorable or unfavorable external conditions may be. Non-specific fears, anxiety and guilt feelings maintain the body in a state of readiness for emergency action on a continuing basis.
2. **Perceptual Influences:** Perception is influenced by a number of internal factors. Certainly people with inner conflicts sufficient to cause stress are more likely than self-confident people to perceive environmental conditions as threatening. Because the environment is presumed to be full of danger, evidences of danger are perceived everywhere. They are selectively perceived in exaggerated form.

3. **Thresholds of Stress:** The threshold of stress is not independent of the two factors just discussed. People who have few internal conflicts and a minimum of perceptual distortion can withstand external conflict and pressure that weakens personalities would find intolerable. People who have high thresholds for stress have high levels of resistance to it.
4. **Motivational Level:** People who are ambitious and highly motivated to achieve are more likely to experience stress than are those who are content with their career status. Persons whose self-expectations exceed their abilities and opportunities are especially stress prone.

II. Environmental Stressors

Environmental & internal conditions that lie beyond an individual's control are called environmental stressors. Such stressors can have a considerable impact on work performance and adjustment. We can organize environmental stressors into the following categories:

1. **Task Demands:** Task demands are factors related to a person's job. They include the design of the individual's job, working conditions, and the physical work layout. Changes and lack of control are two of the most stressful demands people face at work. Change leads to uncertainty, a lack of predictability in a person's daily tasks and activities and may be caused by job insecurity related to difficult economic times.
2. **Role Demands:** The social-psychological demands of the work environment may be every bit as stressful as task demands at work. Role demands relate to pressures placed on a person as a function of the particular role he or she plays in the organization. Role conflicts create expectations that may be hard to reconcile or satisfy.
 - a) **Inter-role Conflict:** It is caused by conflicting expectations related to two separate roles, such as employee and parent.
 - b) **Intra-role Conflict:** It is caused by conflicting expectations related to a single role, such as employee.
 - c) **Person-role Conflict:** Ethics violations are likely to cause person-role conflicts. Employees expected to behave in ways that violate personal values, beliefs or principles experience conflict.
3. **Inter-personal Demands:** These are pressures created by other employees. Lack of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social need.
 - a) **The Abrasive Person:** May be an able and talented employee, but one who creates emotional waves that others at work must accommodate.
 - b) **Sexual Harassment:** The vast majority of sexual harassment is directed at women in the workplace, creating a stressful working environment for the person being harassed, as well as for others.
 - c) **Leadership Styles:** Whether authoritarian or participative, create stress for different personality types. Employees who feel secure with firm, directive leadership may be anxious with an open, participative style. Those comfortable with participative leadership may feel restrained by a directive style.
4. **Physical Demands:** Non-work demands create stress for people, which carry over into the work environment or vice versa. Workers subject to family demands related to marriage, child rearing and parental care may create role conflicts or overloads that are difficult to manage. In addition to family demands, people have personal demands related to non-work organizational commitments such as churches and public service organizations.

MANAGING STRESS

Life is tough and getting tougher by the day! The stress of daily living, especially as the pressure to excel mounts, impacts everyone, not just on the work front but in every single area of an individual's life. In today's world of doing more with less, employees find themselves with more work, fewer resources, and less time. With a tight deadlines and a competitive work environment only the best performers are guaranteed continued employment.

All of these factors add up to a very stressful work environment. Ultimately employees take work home and worry about missing deadlines or performing inadequately and end up working longer hours.

Stress is an inevitable feature of work and personal life. As organizations and their employees have come to perceive the consequences of stress as serious, they have tried to manage it. Some of these efforts have sought to limit the amount of stress employees experience; most are directed at improving employees' coping ability. Both kinds of efforts may be conducted at the individual level and at the organizational level.

- 1. Individual Level:** An employee can take personal responsibility for reducing his or her stress level. At the individual level stress management usually focuses on becoming more able to cope with stress. Individual strategies that have proven effective include implementing time-management techniques, increasing physical exercise, relaxation training and expanding the social support network.
- A. Time Management:** A practical way to manage stress is to better control your use of time. Many people manage their time poorly. The well-organized employee can often accomplish twice as much as the person who is poorly organized. The basic principle beyond time management is to decide what tasks are most important, and then do those things first.
 - B. Non-Competitive Physical Exercise:** Employees can seek to improve their physical health by exercising regularly. Non-competitive physical exercise such as aerobics, walking, jogging, swimming and riding a bicycle has long been recommended by physicians as a way to deal with excessive stress levels.
 - C. Relaxation and Biofeedback:** Individuals can teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and biofeedback. People can also benefit from a variety of tactics that helps them slow down.
 - D. Development of Social Support Systems:** Having friends, family or work colleagues to talk to provide an outlet when stress levels become excessive. Developing a social support system to help with the routine stress of organizational life requires committing time to family and friends. Regularly laughing, crying or discussing problems, help people blow off steam before problems become intolerable.
 - E. Adjustment of Perceptions:** Effective stress management may require conscious adjustment of your thinking because perceptions of a stress or play a role in the way the stressor are experienced. A basic type of looking at the stressor is to view you as facing challenges rather than problems.
 - F. Learned Optimism:** Optimism and pessimism are two different thinking styles people use to explain the good and bad events in their lives to themselves. Pessimism is an explanatory style leading to depression, physical health problems and low levels of achievement.
 - G. Leisure Time Activities:** Leisure time activities provide employees and opportunity for rest and recovery from strenuous activities either at home or at work. Leisure is increasingly a luxury among working people. The key to the effective use of leisure time is enjoyment.
 - H. Diet:** Diet may play an indirect role in stress and stress management. Good dietary practices contribute to a person's overall health, making the person less vulnerable to distress.
 - I. Opening Up:** Everyone experiences a traumatic stressful or painful event in life at one time or another. One of the most therapeutic, curative responses to such an event is to confide in another person. Confession need not be through personal relationship with friends.

- 2. Organizational Level:** Management controls several of the factors that cause stress – particularly task and role demands, and organization structure. As such, they can be modified or changed. In some cases, organizations recognize that they can improve performance by reducing the amount of work-related stress employees' experience.
- A. Job Redesigning:** Redesigning jobs to give employees more responsibility, more meaningful work, more autonomy, and increased feedback can reduce stress because these factors give the employee greater control over work activities and lessen dependence on others. Job redesign to increase worker control is one strategy of preventive stress management.
- B. Goal Setting:** Organizational preventive stress management can also be achieved through goal-setting activities. These activities are designed to increase task motivation, while reducing the degree of role conflict and ambiguity to which people at work are subject.
- C. Role Negotiation:** Role negotiation begins with the definition of a specific role, called the focal role, within its organizational context. The person in the focal role then identifies the expectations understood for that role, and key organizational members specify their expectations of the person in the focal role.
- D. Organizational Communication:** Increasing formal organizational communication with employees reduces uncertainty by lessening role ambiguity and role conflict. Given the importance than perception play in moderating the stressresponse relationship, management can also use effective communications as a means to shape employee perceptions.
- E. Employee Wellness Programmers:** Organizations may sponsor wellness programmes, which are designed to promote employee health and well-being. Evidence suggests that wellness programme make economic sense. Employees have access to excess to exercise equipment and may participate in educational programmes.
- F. Social Support System at the Work Place:** Team building, is one way to develop supportive social relationship in the work place. However, team building is primarily task oriented, not socio-emotional in nature. Although employees may receive much of their socio-emotional support within the workplace is also necessary for psychological wellbeing.
- G. Organizational Culture:** The organization's culture can help employees manage stress by limiting stress, strengthening coping skills and providing shared values and beliefs. Such a culture recognizes that employees are human beings in need of rest, social support and a good laugh once in a while.