

Organization behavior

In a simple term organizational behavior refers to the behavior of persons in an organization. Everybody wants to understand others behavior. Understanding others behavior helps the person to influence them.

Definition

According to Fred Luthans "Organization behavior is understanding, predicting and controlling human behavior at work"

Nature and Scope of OB

- **Interdisciplinary approach**
OB integrates knowledge from various relevant disciplines such as psychology, sociology, anthropology, political science etc.
- **Action oriented**
The major objective of OB is to explain and predict human behavior at work. So everyone can say OB is action oriented
- **Balance to human and technical values**
OB consider both human and organizational effectiveness.
- **Science and art**
OB has Systematic body of knowledge based on observation and experience, so we can say OB is a science. Like Science it is also considered as an art. It is only because of application of this knowledge and skill for the success.
- **Inexact science**
Like chemistry, physics and biology OB is not an exact science. It is only because of , OB is concerned or related with the behaviour of human being.
- **Contingency approach**
OB is exactly a situation based concept
- **System approach**
OB has a systematic vision as it takes into account all the variables affecting organizational functioning

- **Existence of multiple levels**

Behavior occurs at different levels such as in individual, group and in organization.

- **Behavioural approach**

OB is concerned with predicting, understanding and controlling of human behavior at work.

- **Concerned with environment**

- **Normative science**

Models of OB

- **Autocratic**

The basis of this model is power with managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss.

- **Custodial**

The basis of this model is economic resources with managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization.

- **Supportive**

The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation

- **Collegial**

The basis of this model is Partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self discipline.

Historical evolution of OB

The history of OB is rooted in the behavioural approach to management, the belief that specific attention to workers' helps to create greater satisfaction and productivity. A common theme of behavioural approach is a need to focus on people.

Then Industrial Revolution in the late eighteenth century creates a great impact in the existence of OB. After industrial revolution organizations began to understand that productivity and employee satisfaction is highly related.

The following studies gave a reasonable impact in the field of organization behavior.

- Scientific management
- Hawthorne studies
- Humana relation movement
 - Motivational theories like Need hierarchy theory, X and Y theory, ERG theory, Motivational hygiene theory.
 - Leadership theories like trait theories, Behavioural theories and contingency theories.

Scientific management study

F.W Taylor is considered as the father of scientific management. Taylor realized that the attitude of workers towards their work was not enthusiastic. The workers were interested in doing as little as possible, just sufficient to maintain the job.

Taylor observed the things very closely and formed opinion thereon. He realized that management was not aware of scientific techniques of management. Taylor believed that the main objective of management should be to secure maximum prosperity for the employer and employee and therefore have a common basic interest. But this is not reflected in practice. He saw inefficiency and labour unrest everywhere. The workers were not working hard.

He conducted detailed enquiry and with keen observation. He finally realized that much of the waste and inefficiency is due to lack of order and system in the methods of management. The workers were not selected through scientific method nor they have trained. There was no planning for work. He conducted several experiments and he suggested the management to adopt a scientific approach in their work and make a use of scientific method for achieving results.

Hawthorne studies

Elton Mayo propounded a human relation and productivity theory or study, called Hawthorne studies. The aim of this study was to analyze the effects of work

environment, fatigue, rest, hours of work, hours in the working week, incentives, employees attitude, leadership etc, on the productivity. Mayo set out to measure the effect of changes in working condition and other physical factors on the productivity of workers.

The five studies undertaken in this respect are referred as:

- Experiment on illumination
- Relay assembly test room
- Mass interviewing programme
- Book wiring observation room
- Personal counseling

Human Relation Movement

- Motivational theories like Need hierarchy theory, X and Y theory, ERG theory, Motivational hygiene theory.
- Leadership theories like trait theories, Behavioural theories and contingency theories.

OB and other Disciplines

• Psychology

Psychology is science of behavior, which is nearly identical with behavioral science. It is a science of behavior. Psychologists are engaged to analyze human mind and behavior. Valuable contributions are made by psychologists to the field of OB. Psychologists concern themselves with studying and attempting to understand individual behavior. Many of the theories dealing with personality, attitude, learning, motivation and stress have been applied in the field of OB to understand work related phenomena such as job satisfaction, commitment, absenteeism etc.

• Sociology

Sociology is the study of people in relation to their fellow human beings. An organization consist of group of people and the success of working of an organization largely depends on the group behavior. Sociologists, studying the Structure and function of small group within a society.

- **Anthropology**

Anthropology is a science of man. It is the study of humankind, from its beginning millions of years ago to the present day. With the help of this discipline we will be able to understand differences in fundamental values, attitudes and behavior among people inhabiting in different parts of the world and within different organization.

- **Political science**

The contributions of political scientists are also remarkable to the field of organizational behavior. Political science is the study of the behavior of individuals and groups within the political environment.

- **Economics**

Economics has assisted students of OB in understanding how competition for scarce resources both within and between organizations leads these organizations to increase their commitment to efficiency and productivity.

- **Engineering**

Industrial engineering area has contributed a great deal in the area of man-machine relationship through time and motion study, work measurement, work flow analysis job design and compensation management. Each of these areas has some impact on OB.

- **Medicines**

Medicines is one of the newest fields which is now being related to OB. Issues like work related stress tension and depressions are common to both the area of medicine and OB.

- **Semantics**

Semantics helps in the study of communication within the organization. Adequate and effective communication is very important for organizational effectiveness.

Individual Behaviour

Human behavior is a complex phenomenon. It is very difficult to define individual behavior in concrete terms. According to Psychologist Kurt Levin, people are influenced by a number of diversified factors, both genetic and environmental and the influence of these

factors determines the pattern of behavior.

Factors causing individual behavior

We can divide the factors of individual behavior in to three.

- Inherited characteristics
- Learned characteristics
- Other factors

Inherited characteristics- an individual start his life with certain characteristics. It includes

- **Physical characteristics**

Such as height, skin combination, shape, size vision, stamina etc

- **Intelligence**

It is also known that intelligence can improved.

- **Sex**

The sex of an individual male or female is yet another characteristics.

- **Age**

Young people are expected to be more energetic, innovative and risk taking. old people are supposed to be conservative. Hence age will certainly affect behavior.

- **Religion**

It is specially related with morale, ethics and code of conduct.

Learned characteristics- learning is a process of making relatively permanent change in behavior resulting from interactions with the environment. The following are the learned characteristics that affect individual behavior.

- **Personality**

Personality is a set of traits, characteristics, habit patterns and conditioned responses to certain inputs.

- **Perception**

It is the result of a complex interaction of various senses such as feeling, seeing, hearing etc. different people see and sense in different way.

- **Attitude**

It always remains inside a person. In organizational context, employees have attitudes related to job security, prestige of the department and working conditions etc.

○ **Motivation**

Motivation is process of stimulating and inspiring people to work most effectively. It also affect individual behavior.

○ **Learning**

learning is a process of making relatively permanent change in behavior resulting from interactions with the environment.

○ **Values**

A value is a set of assumptions regarding the facts, possibilities and provides the individual with a sound picture of self.

Other factors

○ **Environmental factors-**

Physical environmental factors like noise, heating, lighting, ventilation etc and social environment such as interaction among employees within the organization are also affect the individual behavior.

○ **Creativity**

Background experience, personal traits and cognitive abilities

Personality

The term Personality is derived from the Latin word 'persona' which means 'to speak through'. It widely means that how people influence others through their external appearances more precisely.

Generally Personality means sum or set of traits, characteristics and conditioned responses to certain inputs or stimuli.

Definition

According to E.R Hilgard, R.C Atkinson "Personality may be understood as the characteristics patterns of behavior and modes of thinking that determine a person's adjustment to the environment."

Determinants of Individual Personality

Biological factors

- Physical features
Physical characteristics like height, weight etc
- Brain
- Intelligence

- Heredity
- Physical stature, facial attractiveness, sex, temperament etc

Cultural factors

Accepted norms of social behavior are known as culture. Personality attributes like independence, aggression, competition and co-operation are the outcomes of cultural interactions.

Family and social factors

Family and social factors have considerable influence on personality development. These factors have their own impact through socialization and identification processes.

- **Socialization process-** it involves a process by which a person acquires wide range of behavior potentialities that are open to him, starting at birth, from mother, later from other members of family and social group.
- **Identification process-** this process occurs when a person tries to identify himself with some person whom he feels ideal or model in the family.

Socialization process and identification process are influenced by

- home environment
- family members
- social groups
- parental influences

Situational factors

Situation further influences the effects of heredity and environment on personality. An individual's personality, while generally stable and consistent, does change in different situations.

Personality Traits

Personality traits are stable features that describe an individual's behavior. Traits are distinguishing qualities or characteristics of a person. There are two different views as to whether all traits exist in all people.

- **Ideographic** -The ideographic view of personality trait emphasizes that each person has a unique psychological structure or traits and that some traits are possessed by only one person. So that it is impossible to compare one person to another.

- **Nomothetic** – The nomothetic view emphasizes comparability among individual but sees people as unique in their combination of traits. The belief is that people differ only in the amount of each trait. It is this which constitutes their uniqueness.

Perception

Perception refers to the way we try to understand the world around us. We gather information through our five sensory organs, but perception adds meaning to these sensory inputs. Perception is the process by which we organize and interpret our sensory impressions in order to give meaning to the environment. As pointed out, a situation may be the same but the interpretation of that situation by two individual may be different. Perception vary from person to person. Different people perceive differently about the same situation.

Perceptual process

- **Receiving Stimuli** – A stimulus is any unit of output of any of the senses. sensory reception is taking place through human organs such as eye, nose, skin, ear, mouth. They receive the sensory inputs.
- **Selection of stimuli** – After receiving the stimuli from the environment, some are to be selected for further processing. External and internal factors are taken into consideration while selecting a stimuli.
- **Organization of stimuli** – The stimuli received from the environment must be organized so as to assign some meaning to them.
- **Interpretation of stimuli** – After the data have been received and organized, the perceiver interprets or assigns meaning to the information.

Factors influencing Perception

Internal Factors

- **Learning-** Learning has considerable influence in perception. People tend to perceive what they want to perceive

- **Habit-** Individual perceive objects, situations and conditions differently according to their habits.
- **Motivation and interest** – Motivational factors increase the individual's sensitivity to those stimuli which he considers as relevant to the satisfaction of his needs in view of his past experience with them.
- **Organizational role and specialization** – The Specialty of a person that casts him in a particular organizational role pre disposes him to select certain stimuli and to disregard others.
- **Needs** – People at different level of needs and desires perceive the same thing differently.
- **Age difference** – The generation gaps contribute different perception.
- **Interest** – the perception of perceiver influenced by the interest of his own.
- **Ambivalence** – it means missed feeling about a situation.
- **Experience** – Successful experience will enhance and boost the perceptive ability.
- **Personality**
- **Economic and Social Background**
- **Belief**

External factors

- **Nature-** Nature of object (visual or auditory)
- **Location** – attraction of location
- **Intensity**
- **Size**
- **Contrast** – Uniqueness
- **Movement**
- **Repetition**
- **Familiarity**

Learning

Learning is a process of making relatively permanent change in behavior resulting from interactions with the environment.

Definition

E.R Hilgrad Defines learning as “a permanent change in behaviour that occurs as a result of prior experience”

Features of learning

- It involves a change in behavior
- The change must be permanent
- Learning is reflected in behavior
- It occurs throughout one’s life

Steps in Learning process

- **Input** – there should be a stimulus which is clear to the learner.
- **Response** – the stimulus result in responses. Responses may be physical forms or may be in terms of attitude, familiarity, perception.
- **Motivation** – there must be a motivation before there can be any learning. Motivation is something that moves a person to action.
- **Reinforcement** – it is the fundamental condition of learning. Reinforcement in learning is some type of reward.

Theories of Learning

Conditioning theory

Conditioning is based on the principle of learning through association. It is based on the theme that one situation is substituted for another to elicit behavior. Conditioning has two main theories namely classical conditioning and operant conditioning

- **classical conditioning**

Classical conditioning states that behavior which is learned by repetitive association between a stimulus and a response. Ivan Pavlov, a Russian Psychologist conducted an experiment on a dog to demonstrate the classical conditioning process.

In the experiments, when Pavlov presented a piece of meat to the dog, he noticed a great deal of salivation. On the other hand, when he rings a bell the dog had not produced saliva.

In the next step, Pavlov accompanied meat with ringing of the bell. dog salivated. This experiment repeated several times. After that, he rang the bell without presenting the meat. The dog salivated this time.

According to Pavlov, there are four elements in classical conditioning such as

- Un conditioning Stimulus (US) – Food
- Un Conditioning Response (UR) – Saliva produced when food presented.
- Conditioned Stimulus (CS) – ringing bell
- Conditioned Responses (CR) – Saliva produced when ringing bell without presenting food.

Conclusion

According to Pavlov, IF there is a Repeated conditioned Stimulus or input there will be a Conditioned response or output.

- **Operant Conditioning**

operant can be defined as behavior that products effects. B.F Skinner was one of the eminent Harvard Psychologist who introduced this theory. As per this theory, people produce responses that are rewarded and will not produce responses that are either not rewarded or punished. Operant conditioning is a voluntary behavior. It is determined, maintained and controlled by its consequences. Behavior is likely to repeat if the consequence is favourable and not likely to be repeated if consequences are unfavourable. Thus relationship between behavior and consequences is the essence of operant conditioning.

Cognitive theory of Learning

Cognition refers to an individual’s ideas, thoughts, knowledge, and interpretations and under sting about himself and his environment.

This theory was developed by Tolmon. This theory assumes that the organism learns the meaning of various objects and events learned responses depend upon the meaning assigned to stimuli. Cognitive theorists argue that the learner forms a cognitive structure in memory, which preserves and organizes information about the various events that occurs in a learning station.

Tolmon tested this theory through controlled experiments using rat in the laboratory. He trained a rat to turn right in a

'T' maze in order to obtain food. Then he started the rat from opposite part of the maze. According to conditioning theory, the rat should have turned right because of past conditioning. But the rat instead, turned towards the where food has been placed.

Conclusion

According to Tolmon, if there is a repeated conditioned input it fairly does not happen conditioned output or response. It is only based on the logical or cognitive sense of the learner.

Social Learning theory

Social learning theory stresses upon the ability of an individual to learn by observing model- parents, teachers, peers, motion pictures, T.V artists, bosses and others. Many pattern of behavior are learned by watching the behavior of others and observes its consequences for them.

Basic social learning concepts

- People can learn through observation (observational learning)
- Intrinsic Reinforcement (mental states are important to learning) – intrinsic reinforcement as a form of internal reward, such as pride, satisfaction etc.
- Learning does not necessarily lead to a change in behavior.

Motivation

Motivation simply means a process of stimulating or inspiring employees or workers to perform well in order to achieve objectives of the organization.

Definition –

According to Edwin B Flippo "Motivation is the process of attempting to influence others to do their work through the possibility of gain or reward."

Features of motivation

- Continuous process
- Psychological phenomenon
- Dynamic
- Based motives
- Related with individual
- Goal oriented
- Complex process
- Positive or negative

Importance of motivation

- Effective utilization of human resources
- Make employees quality oriented
- Good human relation
- Basis of good cooperation
- Better image
- Less absenteeism
- Improve skills and knowledge
- Induce to work effectively

Theories of motivation

- Maslow's need hierarchy theory
- Herzberg's two factor theory
- McClelland's achievement theory
- McGregor's theory X and Theory Y
- ERG theory

Maslow's need hierarchy theory

Abraham Maslow propounded this theory. Maslow's theory is based certain **assumptions**. They are

- Wants of human beings are unlimited
- Unsatisfied need acts as a motivator
- As soon as one want is satisfied, another want came in its place.
- The needs are arranged in order of importance. It is arranged in a hierarchy.

Maslow's need hierarchy theory divided human needs in to five levels.

- **Physiological needs**- basic needs(need for food, water)
- **Safety needs**- once physiological needs are met, another set of needs arises. These needs are termed as safety needs.it includes protection from physical harm, job security.
- **Social needs**- these need arise when physiological & safety needs are satisfied. These needs include need for affection, friendship etc.**Esteem needs**- esteem need classified in to two , self-esteem & public esteem. Self-esteem esteem in the eyes of self. Public esteem include recognition, appreciation.
- **Self-actualization needs**- after satisfying the above four need, then self-actualization need arise. It is the highest priority needs of a person.

Herzberg's two factor theory

This theory is propounded by Frederick Herzberg. Two factor theory of motivation is the result of detailed study about the behavior of employees in an industry situated in pitts burgh area. According to Herzberg, satisfaction and dissatisfaction are not opposite poles of factors. Satisfaction is affected by motivational factors dissatisfaction is affected by hygiene factors.

Motivation factors- their presence creates a highly motivating situation, but its absence does not cause dissatisfaction. Such factors include

- Achievement
- Recognition
- Promotion
- Personnel growth
- Responsibility

Hygiene factors

The presence of these factors did not motivate them but the absence causes dissatisfaction. It includes,

- Policy & administration
- Technical supervision
- Interpersonal relation with superior
- Interpersonal relation with subordinates
- Interpersonal relation with colleagues
- Salary
- Job security
- Personal life
- Working condition
- Status

To achieve motivation, manager should cope up with both satisfiers & dissatisfies. Hygiene factors must be improved.

Achievement Motivation theory

This theory is introduced by McClelland. According to him, there are three important human needs

- Need for affiliation(social needs)
- Need for power
- Need for achievement
- Moderate risks
- Sudden feedback
- Accomplishment

McGregor's theory X and Theory Y

McGregor propounded two theories of motivation regarding the human behavior in management philosophy on the theme of dual nature of human being. These theories are known as "X" theory and "Y" theory.

X theory

According to this theory, employees may attach the job or work with negative attitude. Most of the employees dislike the work and they have only little creativity.

Assumptions of X theory are:

- Average person dislike the work
- They will avoid work as possible
- Strict controlling is essential for getting results
- They have only little ambition
- They lack creative ability
- They like to follow traditional approach.
- Self-centered workers

According to this theory workers are passive. So management will motivate them by pushing for performing the work. The manager must follow a strict approach against them. Leader should act as an autocrat.

Y theory

According to this theory, employees may attach the job or work with positive attitude. Most of the employees like the work and they are active in their own work.

Assumptions of X theory are:

- Average person like the work
- They like to take more & more work as possible
- Strict controlling is not essential for getting results
- They should have their own ambition
- They have creative ability
- They like to follow modern methods or approach.
- Organization-centered workers

According to this theory workers are active. So management will motivate them by giving more freedom for performing the work. The manger can follow laissez faire leadership style.

ERG theory

This theory is propounded by Alderfer. This theory is closely related to Maslow's need hierarchy theory. Instead of using 5 level needs, Alderfer used 3 level need. They are:

- E- Existence(physiological & security needs)
- R- Relatedness(social need)
- G-Growth (esteem& self-actualization needs)

Equity Theory

The theory propounded by J.Stacy Adam. This theory is also known as social comparison theory, or the inequity theory. Equity theory of work motivation is based on the social exchange process.

Equity is the perception of fairness involved in reward given. A fair or equitable situation is one in which people with similar inputs experience similar outcomes. Employees will compare their rewards with the reward received by others for their efforts. If employees feel that an inequity exists, there will be a mismatch between the employees performance and organization goal.

Vroom's Expectancy model

According to Vroom, people will be motivated to do things to achieve some goals. This is based on the idea that they expect that certain action on their part will help them to achieve goal. Elements of expectancy model.

- **Valence**- job related goals –second level outcome eg ; promotion
- **Instrumentality** – first level outcome eg excellent performance(it leads to promotion)
- **Expectancy** – belief that an effort will lead to the completion of task. Eg working for excellent performance.

Reinforcement theory

It was propounded by BF Skinner. Reinforcement theory is the process of shaping behavior by controlling the consequences of behavior. In reinforcement theory a combination of rewards and punishments are used to reinforce the desired behavior and avoid unwanted

behavior. The manager uses the following methods for controlling the behavior of employees.

- Positive Reinforcement- positive response when employees show positive behavior.
- Negative reinforcement
- Punishment
- Extinction

Financial and non financial motivation

Financial motivation

There are variety of payment systems that a business could use to motivate its employees.

- ❖ **Time Based Salaries**- payment according to the time
- ❖ **Piece related wage** –payment according to the number of products they make.
- ❖ **Bonus** –Additional payment during festival seasons
- ❖ **Commission** – according sale made by employees
- ❖ **Fringe benefits** – it is also known as perks. It is additional benefit paid by the organization. Eg free car, insurance, food and accommodation.
- ❖ **Performance related pay or Incentives**- payment for higher performance.
- ❖ **Profit sharing** –giving proportion of the company's profit
- ❖ **Share ownership** –giving shares in the company

Non-financial motivation

- ❖ **Job Rotation** – Job rotation is a system in which employees move around different jobs in the business in order to avoid the boring.
- ❖ **Job Enrichment** – Means giving workers more interesting, challenging and complex tasks.
- ❖ **Job Enlargement**- means giving more tasks or responsibility.
- ❖ **Team Working** – Group working
- ❖ **Empowerment** – it is like a delegation. It is the process of giving some power for decision making to employees.

Need For Incentives programs for motivation

- Incentive programmes improve performance
- Incentive programmes engage participants
- Attract quality employees
- Emotional appeal
- Improves moral of employees
- Motivating tool
- Sense of belongingness

Group

Group is basically a collection of two or more persons. A group is a combination of persons, which they interact together for achieving the common objectives.

Definition

According to Edgar H. Schien “a group may be defined as a social phenomenon in which two or more persons decides to interact with one another, share common ideology and perceive themselves as a group”.

Features of a group

- Small aggregation of person
- Common interest
- Interaction
- Perceived collective identity

Classification of groups

- **Formal group** – A formal group is a clear cut work group designed by organization. Management creates such group for achieving the organizational goal. It clearly specifies organization structure.
- **Informal Group** – An informal group is said to be group that is neither structured nor organizationally determined. It is formed by social contact of employees in the organization.
- **Command group** – A group consists of the individuals who report directly to a given manager is called a command group. Eg A finance manager and his subordinates form a group.
- **Task group** – A task group is generally formed for working together to complete a job or task.

➤ **Interest group** – interest group are formed by those working together to attain a specific objective with which each of them is concerned.

➤ **Friendship group** – It is groups formed by creating friendship at the workplace.

➤ **Reference group** – A reference group is a group, which is referred by an individual as a standard for self-evaluation. Reference group provides two functions to the individual.

- Social comparison
- And social validation

➤ **Primary and Secondary Groups**

Primary group is a group in which they interact, share, and communicate each other well. There should be mutual understanding, commitment and co-operation among them. Whereas secondary group is a task oriented group which does not give much attention on interaction.

Stages of group development

Stage 1 Forming (Orientation)–

It is the beginning stage of group development. In the beginning, team is just formed and members see each other for the first time. They study the team objective and tasks. Individual members should clearly understand their roles and understand the requirement of the team.

❖ Stage 2 Storming (Dissatisfaction)

As time progresses, the team may face conflicts. Project groups obtains more stability. But interpersonal conflicts may prevent the effective work.

❖ Stage 3 Norming (Resolution) –

in the norming stage, interpersonal relations are characterized by cohesion or mutual understanding. After problems get worked out, the team becomes stronger. Team members understand each other and know how the team operates.

❖ Stage 4 Performing (Production)

in this stage team members' roles become flexible and functional, team focus on tasks. Team members clearly understand their duties, tasks and possess competences.

❖ **Stage 5 Adjourning (Termination)-**

the final stage of group development is adjourning. It involves the termination of task behaviors and disconnection of relationships.

Group behavior

A group's behavior cannot be predicted from the behavior of individual outside the group situation. This is because each member of the group affects the behavior of other member and in turn is affected by them. Every member contributes something toward the accomplishment of the common goal. It is not all essential that these contributions are necessary equal but they are vital to the entire goal achievement.

While working in a group the individual may lose some of his personality and characteristics. In order to understand group behavior the factors such as group norms, group cohesion, group effectiveness and group dynamics should be analyzed.

Group Dynamics

Dynamics is originated from Greek word which means 'force'. Group dynamics is a social process by which people interact face to face in small group. It is the study of the forces operating within a group.

Definition

Keith Davis and John W. Newstrom defined group dynamics as "the social process by which people interact face to face in small group".

Keith Davis defines group dynamics as "the study of the forces operating within a group."

Causes or reasons for group formation

- **Security**- members feel more sense of security.
- **Esteem**- Groups can fulfill social needs.
- **Affiliation** -help to share something common.
- **Power** – Strength in numbers will helps to achieve any goal.
- **Identity** – personal identity
- **Huddling**- they conduct regular get together within the group.

- **Task function** – They can work with enthusiasm.
- **Goal achievement**

Group norms

Group norms simply mean group culture. Group norms are a set of belief, feelings and attitudes commonly shared by group members. Norms are rules of behavior or proper ways of action which are accepted by group members.

Group cohesiveness

The term cohesion simply means 'solidarity'. Group cohesiveness is the degree of attachment of the members to their group. To say more clearly group cohesiveness is stated as the attraction of members to the group.

Features of a cohesive group

- The number of members is small
- Frequent interaction among members
- Loyalty
- Common interest
- They can overcome outside threat easily
- Sense of belongingness
- Group has a history of past success.
- They share attitudes and values

Factors affecting cohesiveness

- ❖ **Interaction** – interaction among members will create more cohesion.
- ❖ **Threat** – Outside threat can easily overcome through mutual co-operation. Outside threat leads to cohesion among them
- ❖ **Co-operation** – co-ordination among members creates a sense of belongingness, so it leads to high cohesion.
- ❖ **Attitude and values** – sharing attitude and values within the group establishes a cohesion among members.
- ❖ **Degree of dependence**- if the members in the group is more dependent each other it creates cohesion and vice versa.
- ❖ **Achievement of goal** – it will create highly confidence among them and leads to cohesion.

- ❖ **Status of group** – success stories of group improves degree of attachment among them.
- ❖ **Size of the group** – a cohesive group contains only small number of members.
- ❖ **Leadership** – effectiveness of group depend on the leadership capability of the leader.
- ❖ **Group decision making**– collective and group decision making is a feature of cohesive group.
- ❖ **Competition** – competition within the group decreases the cohesiveness and vice versa.
- ❖ **Management demand and pressures**-pressures from management creates high degree of dependence among members.
- ❖ **Severity in initiation**

Group Performance

Some argues that group performance is very slow and inefficient. But if the group comprises members who trust one another and have learned to work well together, it can work more quickly and efficiently than any member alone because it can more rapidly gather and process the information necessary for a decision.

It is true however that the members have no mutual trust and confidence; the group performance will be slower and less efficient than an individual.

Group effectiveness

Group effectiveness depends on the ability of its members to work together cooperatively and productively. Too much knowledge and too many different skills are required for any person to accomplish all the tasks. So mutual understanding between the employees is essential for the accomplishment these tasks. This mutual trust and confidence create a work group among them. Group effectiveness is critically important for the success of the organization.

Factors Responsible for group effectiveness

- **Goals** – All groups should have their own goal.

- **Participation** – Active participation of members is necessary for the effectiveness.
- **Feeling** – Group members should get appropriate platform to express their feelings.
- **Diagnosis of group problems** – When problem arises, its causes are to be addressed, rather than symptoms.
- **Leadership** – Effective leadership and influence of leader is essential.
- **Decision** – Once a decision is made, it should be fully supported by the group.
- **Trust** – Members should be able to express negative reaction without fearing punishment.
- **Creativity**- group must seek new and better way to do things.

Guidelines for improving group effectiveness

- Learn about the group and how they operate
- Discuss group functioning each time the group meets.
- Ask the group for feedback
- Take group member's feedback seriously
- Keep the focus on the group
- Keep group small
- Give adequate time for planning
- Allow enough time to accomplish its goals and tasks
- Joint responsibility

Stress Management

Meaning of stress

Stress is a mental tension or physiological reaction of an employee in the organization. It is the dynamic condition or feeling of an individual concerned with his job.

The stress contains two elements such as constraints and demand. The constraints prevent us from doing what we desire. Demand refers to the loss of something desired.

Types of stress

- ✓ **Mental stress** – Mental stress is a disturbance or disruption of the logical and rational way of thinking. Cognitive thinking is affected by mental stress.
- ✓ **Emotional stress** – Mental stress leads to emotional stress. It is the product of mental pressure and mental tension. Eg Worrying, Lack of concentration etc
- ✓ **Physical Stress** – Mental and emotional symptoms directly affect the physical aspect of an individual. It is the physical reaction of the body to the causes of stress and other symptoms. Eg breathing problem, heart attack etc.
- ✓ **Eustress** – Eustress is a positive stress that arises when motivation is needed. It is a stress which provides immediate strength. Eg A gymnast experiences eustress before a competition.
- ✓ **Distress** – Distress is a stress which arises due to frequent alteration or readjustment of job or work. Distress may be two types namely Acute stress and Chronic stress.
- ✓ **Acute Stress** – Acute stress is the type of stress that comes immediately with a change in routine or job. It is an intense stress which arrives and disappears quickly.
- ✓ **Chronic stress** – This type of stress arises due to frequent or continuous change in job or routine. It may affect the body for a long period.
- ✓ **Hyper Stress** – Hyper stress is a stress which arises due to work overload. It occurs when an individual is pushed beyond what he can handle.
- ✓ **Hypo stress** – Hypo stress is the opposite of hyper stress. It arises when individual is bored and unchallenged.

- ✓ **Job stress** – It is a harmful physical and emotional response that occurs when the requirements of the job do not match the capabilities, resources, or needs of the worker.

Causes of job stress

- **High work load** – High work load may leads to stress or mental tension.
- **Insufficient work** – Insufficient work may create boring among the workers and it might be lead to stress.
- **Ineffective management** – Lack of clear cut decision making and poor communication will create a mental detachment among the employees.
- **Work roles** – Too many position, too many responsibility etc may create job stress.
- **Career concern** – Frequent or continuous change in job.
- **Poor working relation** – Lack mutual trust, attachment, communication among employees may leads to job stress.
- **Insufficient experience and training** – Unknowing of work and lack of training may create job stress.
- **Blame culture** – Blame culture will create a mental tension among employees in the organization.
- **Multiple reporting** – Lack of Unity of command is also affect the job stress.
- **Poor information system** - poor information system is also affect work stress.
- **Poor working environment** – Lack of good working condition like infrastructures, ventilation etc. is also affect the job stress.

Consequences of job or work stress

- ❖ **Physiological Effects**– The impact of stress can be seen visibly in the body of workers. Stress affects metabolism, increase heartbeat, causes high blood pressure and headache. It reduces overall performance of the worker.

There is no direct relationship between work stress and physical problems because extraordinary factors also influence the stress level.

- ❖ **Psychological problems** – stress also the body as well as mind of an individual. It affects mental and physical health adversely. Physical problems due to stress are possible only through mental tension. Work stress directly affects the mind and mental pressure, which will create a number of psychological problems.
- ❖ **Behavioural impact** – The stress at work will have an ultimate impact on the behavior of the workers. If the person has not sound mind and body, he can't behave properly. Stressed people are not able to control themselves.

Stress management

Simply stress management is the process of managing stress or proper controlling of job stress. A manager or leader should take reasonable and proper steps in order to overcome job stress of his subordinates. Managing or controlling stress is not an easy job. Job stress may come in many different forms and affect human body. So a leader should take necessary arrangements for overcome these work related stresses.

Managing job stress

Here are some options for lowering stress on the job

- ❖ **Participation** – Employees should be encouraged to be a part of the decision making process. When they feel they are part of the decision, they are more likely to take responsibility.
- ❖ **Follow good management techniques** – Planning for activities, scheduling them in advance, collect feedback and keeping good records may help to lowering the job stress of the workers.
- ❖ **Short break after stressful event** – Provide a short gap or time break for workers when they feel unbalance in the work.

- ❖ **Take responsibility**- Employees should be encouraged to take responsibility for their own job and for their contribution to the success.
- ❖ **Set up employees recognition programs** – conduct programmes like “employee of the month,” best performer” and weekly or monthly informal get together etc. This will help to avoid job related problems of employees.
- ❖ **Give positive reinforcement** – Provide compliments to workers for their careful work habits.
- ❖ **Provide a sympathetic ear** – If there is someone who is willing to listen to the employee's concern and provide positive encouragement that will helps to make them happy when they work.
- ❖ **Meeting with supervisor** – Face to face interaction between employee and supervisor may reduce mental tension of that employee.
- ❖ **Manage time well** – If he is using his free time to get more work done, eventually show stress related symptoms. So employer should provide a flexible work schedule to them.
- ❖ **Unplug** – Unplug technologies and cellular phone in the work place.
- ❖ **Know when to quit** – One should know when to quit from job. A worker should quit only from the organization, when they cannot manage stress well. It is the last choice of an employee and organization as well.

Counseling

Counseling is to give advice or instruct a person regarding a particular problem in order to avoid the problem. Counseling a confidential dialogue and it is an intervention to deal with feelings. It can be used as a strategy to develop personal plans for life. Counseling helps to drive away fears and diminish anxiety, anger or frustration.

Types of counseling

- ❖ **Individual counseling**–Counseling to a particular person
- ❖ **Group counseling** – counseling to a group of people.
- ❖ **Family counseling** – counseling to a particular family group.
- ❖ **Couples counseling**- counseling given to spouses or couples.
- ❖ **Crisis counseling** – counseling given to the employees when they feel psychological emergencies or crisis.

LEADERSHIP

Leadership is the process of influencing the behavior of others to work enthusiastically in order to achieve the organizational objectives. It is the process of guiding, directing and influencing the people to do their best.

QUALITIES OF LEADERSHIP

- Personal qualities
- Managerial qualities

Personal qualities

- Intelligence
- Self confidence
- Foresight & vision
- Initiative
- Sound physique
- Dynamic
- Objectivity
- Empathy
- Responsibility
- Emotional stability
- Tact

Managerial qualities

- Technical knowledge
- Organizing ability
- Ability to deal with people

IMPORTANCE OF LEADERSHIP

- Motivating employees
- Better utilization of human resources
- Creation of confidence
- Promoting the spirit of coordination
- Build morale
- Directing group activity
- Develop good human relations
- Fulfill social responsibility

Functions of leadership

- Integration
- Motivation
- Communication
- Representative of subordinates
- Fraternity
- Team spirit
- Performance evaluation
- Initiation
- Shapes the character of the organization
- Manages internal conflicts

Leadership theories

The various theories of leadership mainly belong to the following category

- ❖ **Trait theory**
- ❖ **Behavioural theories**
- ❖ **Contingency theories**
- ❖ **New approaches**

Trait theory

Trait theory of leadership is based on the idea that people are born with certain character traits. Since certain traits are associated with leadership, it assumes that, if we could identify people with correct traits, we will be able to identify leaders.

Most of the time traits are considered to be naturally part of a person's personality from birth. From this standard point, leadership trait theory tends to assume that people are born as leaders.

Behavioural theories

- ❖ Study of IOWA university by Kurt Lewin
- ❖ Study of OHIO University
- ❖ Michigan university study
- ❖ The Managerial Grid

Study of IOWA university by Kurt Lewin

This theory developed at the IOWA University by Kurt Lewin focused on identifying the best leadership styles. They identified three leadership behavior or styles namely autocratic, democratic and laissez faire styles.

An **autocratic style** tends to centralize authority, give instructions to the subordinates as an autocrat.

On the other hand **democratic styles** tends to involve employees in decision making, delegates authority,

encourage participation, and uses feedback to train employees. It is again classified into consultative and participative.

However, **Laissez faire leaders** generally give complete freedom to employees or subordinates in decision making.

According to Kurt Lewin, Laissez faire is ineffective in any situation. He gives more emphasis on democratic style and partly supported autocratic style.

Study of OHIO University

This theory of behavioural leadership narrowed the styles into two :

- ❖ Initiating structure
- ❖ Consideration

Initiating structure refers to the extent to which leader is likely to define and structure employees' role. The primary concern of leaders with initiating structure is production oriented and goal oriented style.

Consideration defined as that the leader has job relationship characterized by mutual trust and respect for employees' ideas and feelings. The primary concern of leaders with consideration style is employee oriented and employees' welfare style.

According to this theory of leadership, leader with consideration style is better than the other. It is only because of that initiating structure style may create absenteeism, turnover, grievance etc.

The study of Michigan University

This behavioural theory of leadership was developed at the university of Michigan. The important dimensions of leadership studies at the university of Michigan are as follows:

They classified leaders' behavior as employee oriented and production oriented. **Employee oriented leaders** emphasized inter personal relations, consider employees' needs, accept feedback and suggestions.

On the other hand, **production oriented leaders** emphasized the technical aspects of the job, focused on accomplishing group tasks, and regards employees as a

means to end. The Michigan strongly favoured leaders who were employee oriented.

Managerial Grid

Managerial grid theory of leadership was developed by Robert Blake and Jane Mouton. The managerial grid is based on two behavioural dimensions.

- **Concern for people** – this is the degree which a leader considers the needs of team members, their interests, and areas of personal development.
- **Concern for production** – this is the degree to which a leader emphasizes concrete objectives, organization efficiency and high productivity.

On the basis of these two dimensions leadership can be divided into five styles.

- Impoverished
- Country club
- Produce or perish
- Middle of the road
- Team leader

Impoverished (Low People / Low production)

It is located at the lower left hand corner of the grid. It is characterized by low concern for both people and production. Managers use this style to avoid getting into trouble. This leader is mostly ineffective.

Country club leadership (High people/low production)

The country club style is located at the upper left hand corner of the grid point. It is characterized as a high concern for people and low concern for production. This leader is most concerned about the needs and feelings of members of his team. The primary aim of the country club style is to create a secure and comfortable atmosphere.

Produce or perish (Low people / High Production)

The produce or perish style is located at the lower right hand corner of the grid point. It is characterized as a high concern for production and a low concern for people.

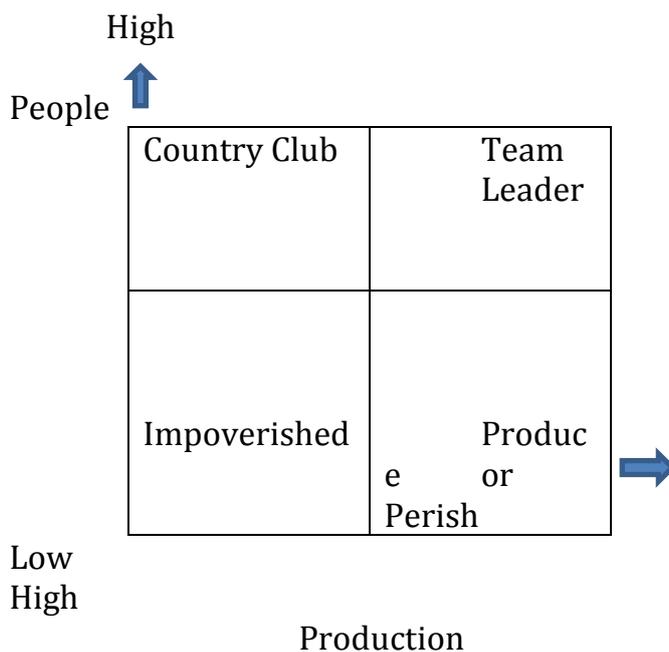
The primary objective of this style is to achieve high productivity in the organization.

Middle of the Road (Medium people/Medium production)

The middle of the road is located at the middle of the Grid. It is characterized by a balance between workers' needs and organization's productivity goal. The primary aim of middle of the road is to maintain employee morale and as well productivity.

Team leader (High People / High Production)

The team leader style is located at the upper right hand of the grid. It is characterized by a high concern for people and production. The primary objective of the team style is to establish cohesion and create a feeling of commitment among workers.



The Blake Muoton Managerial grid Contingency Theories

This theory suggests that leadership style of a particular leader should not be rigid. They should use different styles of leadership in different situation. Contingency theories are a class of behavioural theory that tells there is no best way of leading and a leadership style that is effective in some situation may not be successful other cases.

The following are the contingency theories

- Fiedler's Contingency Model
- Theory of Situational Leadership
- Leader - member exchange theory(LMX)
- Path Goal Theory
- Leader participation model

Fiedler's Contingency Model

This theory was developed by Fred E. Fiedler. He believes that leadership effectiveness depends on both leader's personality and situation. Certain leaders are effective in one situation but not in others.

The Theory says that there is no best way for managers to lead. Situations will create different leadership style requirements for a manger. Fiedler developed three devices to determine leader personality and the situation:

- Least Preferred Co-worker Scale
- Situational Favourableness
- Leader- situation match and mismatch

Least preferred co-worker scale (LPC)

The LPC Scale used to measure a leader's motivation: "Task Motivation" vs "relationship motivation". LPC is a questionnaire contains sixteen contrasting relation based questions. Each question has 8 marking points like excellent, good, poor etc. on the basis of these questionnaire workers can give a clear picture about his leader regarding the relationship. The main content of this theory is that it is only a personal opinion of workers.

Workers may give low or high LPC grade points to his leader. If a leader got high LPC grade point, then the leader is used relationship oriented style on the other hand, if a leader got low LPC it means the leader emphasizes on task not on relationship.

It does not mean that a leader with high LPC grade point is a good leader and a leader with low LPC grade point is a worst leader.

Situational Favourbleness

There are three factors that determine the favourable situation.

- **Leader member relation** – degree of mutual trust, commitment and understanding between leader and members.
- **Task Structure** – Clarity and verifiability of tasks or works
- **Leader position power** – Authority of leader

When there is good leader- member relation, a highly structured work and high leader position power, the situation is considered as “favourable situation”. When there is no good – member relation and low structured work, the situation is unfavourable and all other situation is considered as intermediate.

Leader – Situation Match and Mismatch

A match exists between a task-motivated leader and an either very favourable or very unfavourable situation. A relationship - motivated leader, on the other hand, matches an intermediate favourable situation.

Leaders can lead or influence most effectively when there is a match between his or her motivation type and the situation.

Theory of situational leadership

The theory of situational leadership was developed by Paul Hersey and Kenneth Blanchard (1977). The theory holds that managers must use different leadership styles depending on the situation. The model allows analyzing the needs of the situation and then using the most appropriate leadership style

They classified most of the activities of leaders into the following two distinct behavioural dimensions.

- **Task behavior**- the leader engages in one way communication with the workers by telling what each worker is to do. There is no chance for workers to give feedback to the leader. The leader tells what, who, when how to do the works.

- **Relationship behavior**- in this case, the leader and the workers engage in two way communication. Workers get sufficient opportunities for feedback, and the leader is able to offer support and guidance to the workers.

Hersey and Blanchard identified four different leadership styles such as:

- Directing/Telling
- Coaching /selling
- Supporting/participation
- Delegating

Directing or telling

High task and low relationship leadership behavior as directing or telling. This leadership style is used when the follower cannot do the job and is motivated. It follow when followers unable, willing and confident.

Coaching/ selling – high task and high relation leadership behavior is referred to as coaching. Leaders still defines the roles and tasks, but seek ideas and suggestions from the follower.

Supporting / Participating

Low Task and high relationship leadership behavior is referred to as supporting. The leader facilitates and takes part in decisions, but control is with the follower. This leadership is to be used when followers are able, unwilling to work and not confident.

Delegating

Finally, low task and low relationship leadership behavior is referred to as delegating. This style can be used when the followers are able, willing and confident.

 High Relationship	Participating style Share ideas Followers able Unwilling Not confident	Selling Style Explain decision Followers unable unwilling, not confident
	Delegating Style Turn over decision Followers able Willing, confident	Telling style Give instructions Followers unable Willing, confident
	Low	High

Task behaviour 

Leader member exchange theory

According to the LMX theory, followers or subordinates fall into two different categories. The first category is composed of a group considered to be the “In group”. These are individuals who have a special exchange relationship with the leader. They have greater access, influence and favour and are typically considered the trusted advisors, assistants of the leader.

The other category is composed of a group considered to be the “out group”. This group has a low level favour or mutual influence with the leader. The “out group” typically complies with the formal role expectations of the leader but lack the special relationship available to the “in group”.

Because of special relationship with the leader, “in group” followers have certain responsibilities and obligations beyond those required of others. They are expected to have a greater sense of commitment, deeper loyalty to the leader and share difficult administrative responsibilities. According to this theory, it is not necessary to treat all subordinates exactly the same.

The leader should have a deeper exchange relationship with those who have been entrusted with greater responsibility.

The LMX Process

- **Role taking** – Process of assessing the abilities of followers and offer them opportunities to show their capabilities
- **Role making** – in this process leader and member take part in an unstructured and informal negotiation.
- **Routinisation** – a pattern of ongoing social exchange between the leader and the member become established.

Path Goal Theory

This theory was developed by Robert House to make the leadership more effective. Goal plays a central role in leadership development. According to this theory, the main function of a leader is to clarify and set goals with subordinates, to help them to find the best path for achieving goals and remove the obstacles to their performance.

The manager’s job is viewed as coaching or guiding workers to choose the best paths for reaching their goals. Robert House identified four leadership behaviours: Achievement oriented, directive – oriented, participative oriented and supportive leadership styles.

- **Achievement oriented leadership** – the leader sets challenging goals for followers, expects them to perform at their highest level. This style is appropriate when the follower suffers from a lack of job challenge.
- **Directive leadership** – the leader lets followers know what is expected of them and tells them how to perform their tasks. This style is appropriate when the follower has to perform an uncertain job.
- **Participative leadership** – it involves leaders consulting with followers and asking for their suggestions before making a decision.

This style is appropriate when the follower is using improper procedures or is making poor decisions.

- **Supportive leadership** – the leader is friendly and approachable. This style is appropriate when the followers lack confidence.

Leader participation model

Vroom, Yetton and Jago developed leader participation model theory of leadership. The theory relates leadership behavior and participation to decision making. The model provides a set of sequential rules to determine the form and amount of participative decision making in different situations. It contains a set of questions, elements or conditions regarding the matter of decision making.

The following are the elements which determine member participation in decision making is required or not.

- Quality requirement of decision.
- Commitment requirement
- Leaders' information regarding decision
- Problem structure
- Subordinates information etc.

Recent approaches of leadership theories.

- **Attribution theory:**

attribution theory is based on followers' perception of the leadership role. This theory says that, every follower has some concept or perception about the leader. It may be some qualities or traits like self confidence, loyal, motivator etc. one should try to compare these traits or qualities with the traits of his boss. In some cases, it may match to the managers' trait and sometime not.

If expected qualities and possessed qualities are matched, then the manager can influence the followers and he is considered as a leader. If the expected qualities and possessed qualities are different, that leader cannot be influence the followers and there is no leadership.

- **Charismatic theory of leadership**

charismatic theory of leadership was introduced by Max Webber. Charisma is the main theme of this theory. According to Max Webber, charisma is a special quality gifted by God. Hence it is a special character or quality that contains some different and special traits.

The main four traits of a charismatic leader is , self confidence, communication ability, full of energy and positive reinforcement or attitude. According to Max Webber such leader can influence the followers because they have some special talents that can help to solve the problem faced by the people. Charismatic leaders inspire others and encourage them to their best. Employees and group wants to impress the charismatic leader, so they work hard and strive to succeed.

Charismatic leadership includes the following features:

- Followers trust the leader
- The followers feel affection in the leader and obey the leader willingly
- The followers feel an emotional involvement in the job

Transformational theory

Transformational theory is a combination of behavioural theory and charismatic theory. Behavioural theory mainly focus on work related matters or productivity oriented rather than relationship. While charismatic theory emphasis on influencing workers through mutual understanding and it gives more important on relationship rather than work. It aims at achieving goals through influencing the behavior of employees. It considers mutual understanding, commitment, and mutual trust etc. so one can say transformational leaders are the leaders those who give emphasis on both productivity and relationship.

Leader v/s manager

We know that manager is a person of controlling or administering a business,. Leader is a person who causes others to go with him, by guiding and showing the way.

The following are the difference between leader & manager.

Manager have subordinates & leaders have followers

Manager have subordinates and he act as a boss of them. He has full control over them. Whereas leaders have followers and they don't have subordinates. Following is always a voluntary activity.

Managers have autocratic style but leaders have charismatic style

Certainly managers follow an autocratic attitude towards the employees. He take all the decisions regarding the managerial activities. He act as an autocrat. But leaders have charismatic attitude. Subordinates follow him that is only because of his charisma in leading. They consider leader has role model of them.

Managers have work focus and leaders have people focus

Manages mainly try to exploit subordinates to complete works allotted to them, and sometimes they do not look at the feelings of employees. While, leaders give more importance to workers rather than the work. He gives emphasis to achieve goal through attaining welfare of employees.

Managers seek comfort and leaders seek risk

Of course, compared to leader managers have only nominal risk in their job, its only because of they do not give much stress on workers. They need only to get result through giving work to them. He follow the principle of getting things done through the efforts of others. But in the case of leader, they seek more risk. It's because of they deal with people.

Traits/qualities

In the case of traits, managers have only less creative mind compared with leaders. Whereas leaders have more creative ability and they want it to guide others.

Emphasis

Managers give more emphasis on controlling others. They command and instruct subordinates to achieve the goal of the organization.

He plan, organize, direct and control all the activities to attain their goal. While leaders give more emphasis or importance to self-control rather than make control over others.

Attitude towards goals

Managers adopt impersonal, almost passive attitude towards the goal of the organization, whereas leaders mainly adopt personal and active attitude towards the organizational goals.

Conception about work
Surely, leaders and managers have different attitude towards work. Managers approach the work as with careless and he should not have any much interest to attain the goal. But leader adopt an active approach towards the work and they try to improve the performance of employees.

Managers and leaders have different relation with employees

Managers approach the employees as a superior or a boss, and He focus only on work. Whereas leaders try to create a sense belongingness or homely attachment among the workers.

Self-identity of managers v/s past influence of leader

Moreover managers should have talent in their own area of management rather than experience. Self-identity is must for manger to get results. Whereas leaders should have experience in leading and influence of that experience certainly bring him on the peak.

Leadership styles

- **Autocratic style** (centralization of powers)
 - Strict autocrat
 - Manipulative autocrat
 - Benevolent autocrat
- **Free rein or laissez faire leadership** (complete freedom)
- **Participative** (average freedom)
- **Paternalistic** (fatherly approach)

Conflict management

Conflict is a part of the everyday life of an individual or an organization. Conflict may be understood as clash or disagreement between persons groups in an organization.

Conflict is also considered as a special kind of competition and as a break down, delay and difficulty in the decision making process.

Newstrom and Davis have defined conflict as “it is any situation in which two or more parties feel themselves on opposition. It is an interpersonal process that arises from disagreements over the goals or the methods to accomplish those goals.”

Nature of conflicts

- Disagreement in two or more aspects
- It arise due to deliberate interference of one party in an organization
- Conflict is a dynamic process
- It arises out of two perception
- It is different from competition
- Conflict occurs when as individual has no alternatives to select

Types or levels of conflicts

- Individual level conflict
- Inter Group Conflict
- Inter organization conflict

Intra organizational conflict**Individual level conflict**

Individual faces a conflict within himself when he perceives that organization is not satisfying his needs in accordance with his perceived standards. Individual conflict can be divided in to two types.

- Intra individual conflict
- Inter – personal conflict

Intra individual conflict

It refers to conflict within an individual. Intra – individual conflict arises from frustration, goal conflict and role conflict.

Conflict from frustration

Frustration occurs when a motivated drive blocked before a person reaches a desired goal. For example a thirsty person wants to get a glass of water. But there is a closed door to get water. The frustrated individual adopts any of the defense mechanism like aggression, withdrawal, function or continuous effort to break, resignation and compromise.

Goal conflict

It means the existence of two or more competing goals. Goal conflict may occurs when the attainment of one goal avoids the possibility of attaining another goal. Goal conflict may be of three types.

- **Approach – Approach conflict** – this conflicts arises when an individual is motivated to approach two or more positive goals. For example a young graduate receive appointment letter of two excellent jobs.
- **Approach –avoidance conflict** – here the individual is motivated to approach a goal which has both positive and negative characteristics. For example a person got a job as sales manager in a reputed firm in a bad location.
- **Avoidance – avoidance conflicts** – here a person is faced with two negative goal and he may not choose either of them and may simply leave the situation. For example a worker dislikes his present job seeking another job is less attractive.

Role conflict–

Sometimes an individual needs to play several roles simultaneously, but finding time and resources inadequate to do so. Authority conflict is another type of role conflict. For example two managers at the same rank ask the secretary to type a letter and submit it on a particular time. Because of the limited time, the secretary can carry out only one request.

Inter – personal conflicts

Inter conflict arises between two individual having competition for achieving scarce things such as status, power position, promotion in an organization. The most important reason for inter personal conflict is the clash of ego states of individual. The following are the various reasons for inter conflict.

- **Personality difference**- employees of the organization is different from person to person.

- **Ego states** – ego states are the way of thinking, feeling, behaving at any particular time.
- **Value and interest difference** – people of course different in values and interests also.
- **Difference in perception** – different persons perceives same thing in different way.
- **Power and position power** – allocation of power to same rank person may create conflict among them.
- **Resources limitation**- the scarcity of resources leads to inter personal conflict.

Inter group conflict –

It refers to the conflict between two groups, departments, sections in an organization. Most of the departments in the organization compete for the allocation of scarce resources and power. The following are the sources of inter group conflict.

- **Difference in goal** – difference in group goal may lead to inter group conflict.
- **Interdependence for resources** – it refers to the dependence of one unit on another for resources or information.
- **Incentive and reward system** – difference in payment system, of course create conflict among groups.
- **Resources allocation** – each department tries to secure a large share of the scarce resource. This will lead to conflict.
- **Line and staff conflict** – it occurs when staff personal do not possess authority over line staff.
- Difference in value and perception – it will also result in conflict.
- **Heterogeneity of members** – Education, ego, status, family background etc of members in an organization decreases inter personal relation.
- **Lack of communication**

- **Participative decision making** – workers and management together participate in decision making. It may result in conflict.

Inter organizational conflict

Conflict between two organization which they have same goal persuasion. Here one organization conflict with another organization aiming same goals.

Intra organization conflict –

it is the conflict within an organization. There are three types of internal conflicts in an organization.

- ❖ **Horizontal conflict** – it refers to conflict between employees or departments at the same hierarchical level in an organization.
- ❖ **Vertical conflict** – vertical conflict arises out of vertical relationship. Vertical relationship is the relationship between a superior and subordinate. So vertical conflict is a conflict between a superior and a subordinate or subordinates.
- ❖ **Line and staff conflict**- Line and staff organization refers to a pattern in which staff specialists advises managers to perform their duties. Line and staff conflict occurs when staff personal do not possess authority over line staff.

Conflict management

Simply conflict management is the process of managing conflicts arises within the organization. It is the duty management to solve the intra personal, inter personal, inter group, intra group, inter organization and intra organization conflicts.

The following are some of the preventive **measures** to reduce conflicts.

- **Establishing common goal** – unsuited goal is one of the reason for conflict in an organization. Establishing a common goal will help to reduce conflicts.
- **Change organization structure** – overall change in organization structure like decentralization, job rotation etc will reduce conflict.

- **Reduce interdependence** – interdependence for resources and information also leads to conflict among group. Lesser interdependence will reduce the conflict among them.
- **Reduction of sharing scarce resources** – management should give adequate emphasis or importance on sharing scarce resources.
- **Exchange in personnel** – personnel belonging to conflict groups are exchanged for a specified group.
- **Appointment of special integrators**- in order to avoid conflict, management can appoint special persons as integrators for resolving the problems.
- **Reference to superiors** – if continuous conflicts are arises between two members, and then management should fix a common superior to take appropriate decision regarding the conflicts.

Conflict resolution action

The measures discussed above are very helpful in reducing the occurrence of conflicts. But it does not guarantee the complete avoidance of conflicts. Some special actions are necessary to resolve conflicts. It is known as conflict resolution action.

Some of the conflict resolution actions are as follows.

- ❖ **Problem solving** – in mutual problem solving process, the conflicting parties must come together. A complete rethinking of conflict situation is done. Both parties openly discuss issues, express their feelings, place facts and try to find out real problem between them and try to resolve them quickly.
- ❖ **Avoidance** – it is done in the form of withdrawal, indifference, fight upon fact etc. These methods are used to avoid conflicts rather than solving the conflicts.

- ❖ **Accommodating**- Accommodating or smoothing is a process of playing down differences that exists between individual or group. While emphasizing common interests, parties are prepared to make reasonable sacrifices to resolve the conflict. Here the emphasis is given to common interest of the conflicting groups and suppressing differences between the groups.
- ❖ **Compromising** – there is no distinct winner or loser in the conflict because each party forgo something. It is a mutual give and take situation. This method can be used when there is conflict between management and workers.
- ❖ **Dominance (competing)** – this method is used to eliminate one party through stiff competition. It is power oriented and it is associated with direct physical aggression or price wars.
- ❖ **Confrontation** – if conflict parties take rigid stand, the above method are not suitable to resolve conflicts. In such cases, the parties left to confrontation to settle conflicts themselves.

Organizational development

Organizational development(OD) is focused on improving the effectiveness organizations and the people in the organizations. The field of OD is concerned with the performance, development, and effectiveness of human organizations. The base of OD is the concept of an organization.

Definition

According to Warren Bennis, OD is a complex strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets and challenges.

Features of OD

- ❖ **Planned** – Organizational Development is not mere luck. It is a planned process to make the organization as efficient.
- ❖ **Organization wide** – it focuses on the total system of an organization.
- ❖ **Managed from the Top** – to be effective, OD must have the support of top management.
- ❖ **Increase organizational effectiveness** – OD aims at improving the organization as a whole.
- ❖ **Planned interventions** – Have a lot of planned interventions or activities to achieve effectiveness of OD.
- ❖ **Using behavioural science knowledge** – it aims understanding people, business system and their interactions.

Need of OD

OD is needed in all organization due to the following reasons.

- **Human resources** – human resources certainly can make the difference between organizational success or failure.
- **Changing of working situation** – Workers today want feedback, a sense of accomplishment, feelings of value and worth, and commitment to social responsibility. These factors also a cause for OD.
- **Global Markets** – Business environment are changing, and hence organizations must also change to survive and prosper.
- **Overall Change** – International business, method of raising funds, its utilization etc.

Process of OD

- ❖ **Problem Identification** – there is a need to identify the problems in all areas of an organization.

- ❖ **Collection of data** – After the exact problem is identified, it is necessary to collect data relating to the problem. The method is such personal interview, observation, questionnaire etc. can be used for data collection.
- ❖ **Diagnosis** – Diagnosis is the process of identifying the real problem on the basis of available information. Survey can be conducted to know the attitude employees. diagnosis helps to understand the source of the problem.
- ❖ **Planning and interventions** – OD interventions come into picture here. Intervention is a set of planned programmed activities by which organizations and their clients collaborate in a OD programme.
- ❖ **Evaluation and feedback** – Evaluation and feedback allow us to know whether all activities have been satisfactorily completed or any further work is needed before proceeding to the next step.

Techniques of OD

The following are the some OD techniques.

Sensitivity training – it is also known as T group training. It involves a trainer and a group consisting of ten to fifteen selected persons. They express their ideas, beliefs and attitudes freely in the group. So they can transfer ideas from one person to another. The trainer intervenes whenever he finds it appropriate. T training programmes helps to improve the communication skills of the participants. Sensitivity training helps the participants to work as a team in addition to acquiring the skills of al leader if needed.

Objectives of sensitivity training

- To make trainees sensitive to emotional reactions and expressions
- To enhance ability to perceive and learn to the reactions
- To stimulate and develop personal values and goals
- To develop a scientific outlook to tackle future situations.

- Helps to achieve behavioural effectiveness.

The managerial grid

Managerial grid theory of leadership was developed by Robert Blake and Jane Mouton. The managerial grid is based on two behavioural dimensions.

- **Concern for people** – this is the degree which a leader considers the needs of team members, their interests, and areas of personal development.
- **Concern for production** – this is the degree to which a leader emphasizes concrete objectives, organization efficiency and high productivity.

On the basis of these two dimensions leadership can be divided into five styles.

- Impoverished
- Country club
- Produce or perish
- Middle of the road
- Team leader

Managerial grid helps the individuals and the group to assess their strength and weakness.

Survey feedback

- A number of activities like data collection, feedback of information, developing action plan on the basis of feedback and follow up are to be taken into consideration while making survey feedback
- **Data collection** – it is done by an expert on the basis of prepared questionnaire. Questions related with different operational functions of organization are included in the questionnaire. After the collection it is classified, tabulated and analyzed to arrive at certain conclusions.
- **Feedback of information** – after the analysis of data, feedback is given to those who are participated.
- Follow up – one should advise the participants to develop their own action plans to overcome the problems exposed through a feedback.

Process consultation -

Process consulting is a powerful tool which is used to enhance group effectiveness and address conflicts. It helps teams to work together more effectively, and its effect can last long after the consultant has departed. The consultant does not try to help the team as an expert, instead, the consultant helps the team to help itself.

Process of consultation

- Contact with client or clients
- Define relationship between the client and the consultant.
- Selection of a setting and method of work by the client.
- Collection of data to make diagnostic study.
- Suitable intervention
- Termination

Third party peacekeeping

A third party is involved in interpersonal and inter group conflicts. He suggests solutions on the basis of collection of facts from the concerned parties, which may be acceptable to them. Richard E Walton developed the concept of third party peacekeeping. The concept implies the diagnosing and resolving conflict between two persons like managers of different departments with the help of a third party management consultant. The consultant plays an effective role in bringing conflicting parties to the conference table. He channels the discussion to reach a fruitful conclusion.

Team building

It attempts to improve effectiveness of the team. Team building activities demonstrate different aspects of team behaviours and get team members to think about what is essential for high performing teams. They allow the group to recover from frustration and conflict. They also help sensitize the team member's behaviors that may contribute toward or obstruct group problem solving.

Management By Objectives (MBO)

It is introduced by Peter F Drucker. He emphasized that the performance of each job should directed towards the achievement of whole business objectives. MBO is a system of management involving effective participation and involvement by each member of the organization.

According to Koontz and O'Donnel, MBO is "a comprehensive managerial system that integrates many key managerial activities in a systematic manner, consciously directed towards the effective and efficient achievement of organizational objectives.

It can be defined as a system for improving performance both of the individual managers and the enterprise as a whole, by setting objectives of enterprise, departments and managers level. Here superiors and subordinates are associated with moulding objectives. So MBO is a system of management involving effective participation and involvement by each member of the organization.

Steps in MBO

- **Setting objectives** – establishing the main objectives of the organization.
- **Developing alternative plans**- this may require allocation of specific responsibilities to different departments, division and individual.
- **Periodic interview** – periodic meeting between superior and subordinates should be convened to discuss and assess the progress and difficulties.
- **Performance appraisal** – performance should be evaluated periodical

Benefits of MBO

- Subordinates co-operate and participate in setting goal

- Improve the performance of subordinates
- Get a chance of controlling of his own performance.
- Unity of objectives is possible.
- Integration of different levels are possible.
- It provides definite performance standards.
- Systematic evaluation of performance is possible.
- Periodic review of performance is possible.
- Tool for organizational goals.
- Reduce ambiguity and anxiety.
- It envisages planning.
- It encourages motivation.

Benefits of OD

- Increase profits
- Innovation
- Customer satisfaction
- Product and service quality.
- Cost effectiveness.
- Job satisfaction.

Organizational change

We live in a dynamic world where nothing remains static. Everything around us is changing. Changing are inevitable also. It is the law of nature. No individual or organization can keep away from change. The changes may be slow or fast, deliberate or natural, permanent or uncontrollable. The term change refers to an alteration in a system whether physical, biological or social.

Organizational change refers to the alteration of work environment in an organization. Organization change is concerned with the alteration of structural relationship and role of the people in the organization. If organizations are to survive, it is often necessary for them to adapt to meet the changes occurring in the external environment.

According to Rensis Likert “Every organization is in a continuous state of change. Sometimes the changes are great, sometimes small, but change is always taking place. The conditions requiring these changes arise from both within and without”

Types of Changes

- Technological or mechanical changes – change in technology
- Change in methods and procedures – with the methods or procedures are changing, there should be a corresponding organizational change.
- Process change – processes are the ordered set of activities which are used to generate the outputs of an organization. Change in these ordered activities are called process change.
- System change – change in IT system, HR system etc.
- Structural system – change in organizational structure. Example change the matrix structure to functional structure.

Factors affecting organizational change or sources of OC

- Internal factors
 - Change in managerial personnel – old managers are replaced by new managers due retirement, promotion etc.
 - Deficiencies of the organization – deficiencies like lack of co-ordination, difficult in communication, un lengthy of chain of command etc bring changes in organization.
 - Sequential change – when there is organization change, it will affect all sections of the organization. For example when a new department is created, new personnel are to be appointed. This is also a change.
 - Pressure from employees demand for better job, more wages, promotion etc will require changes in the organization.

- Change in informal relationship – a change in nature of job, employees status etc may affect the informal organization or relationship.
- External factors
 - Technological changes – change in technology
 - Change in marketing condition – change in demand, fashion, competition etc
 - Social changes – globalization, level of education etc
 - Political and legal changes – changes in Government policy, new acts, laws etc
 - Less opportunity to obtain incentives
 - Low tolerance for change – some employees cannot tolerate new ideas and changes and they simply reject changes

Resistance to change –

People tend to resist changes in many ways because changes require certain sacrifices on their part. The reasons for resistance to change may be economical, social, and psychological.

Reasons for Individual resistance to changes

- ❖ Economic reasons or factors –
 - Fear of economic loss
 - Skill obsolescence – adoption of new technology is the main factor for this resistance.
 - Insecurity of job – technological development
- ❖ Psychological reasons
 - Ego defensiveness – change will affect ego.
 - Status – change may disturb their existing status
 - Fear – uncertainty
 - Lack of trust in change agent
- ❖ Social factors –
 - Desire to maintain the existing social relationship
 - Feeling of outside interference

Organizational resistance to change

- **Inflexibility in organization structure** – rigidity in organization structure
- **Resource constrain** – limitation of related resources
- **Threat to power and influence** – threat to the power of top management is the reason for resisting change.
- **Fear of loss of investment**
- **Past success** –
- **Inter organizational agreements** –

Overcoming resistance to change

The following **techniques** are used to overcome the resistance to change.

- Participation and involvement – it helps to understand the benefits of change.
- Education and communication –
- Consultation with trade union
- Training and psychological counseling
- Facilitation and support
- Group contact

Management of changes

Change is an inevitable process. Change is a reality and the world will not move in the absence of change. As business firms are concerned, they want to adopt changes not only to exist in the field but also to compete with other organizations. It is now being recognized the importance of managing change in a planned way. Management of changes consists of the following.

• **Identify the need for change**

– the first step in management of change is to recognize the need for change. There are various internal and external factors that necessitate changes. Internal factors include launching new product, opening new branch etc. External factors consist of technological changes, environmental changes, changes in consumer taste and fashion etc. In short, as a first step, the management should identify the need for change by considering the above facts.

• **Diagnosing the problem**

– a manager can use various diagnostic techniques such as interviews, questionnaires, present observations etc. Diagnosis helps the change agent to see what changes are needed in the structure, system or in people. It leads to locate the specific problem area where changes are needed.

• **Plan the change**

– Planning the change means in deciding who, when and how the changes are to be made. A change agent must consider the following points while planning the change.

- He should explain the need for change to his subordinates
- Subordinates are participation
- Should convince the members about the benefits and drawbacks of the change
- Must select an appropriate technology.

• **Implement the change** –

Implementing stage is a difficult stage. There is every possibility of resistance from members to implement changes. Controlling problems is also there. It may also affect the authority and power. One should analyze these factors while implementing the change.

- **Feed back** – follow up

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