

# **BALAJI INSTITUTE OF I.T AND MANAGEMENT(BIMK) KADAPA**

**SEMESTER-1                      INTERNAL-2  
MANAGEMENT & ORGANIZATIONAL BEHAVIOUR (MOB)**

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**ICET Code : BIMK**

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**Units covered: 2.5 to 5 units**

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## (17E00101) MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

Objective of the course is to give a basic perspective of Management theories and Practices. This will form foundation to study other functional areas of management and to provide the students with the conceptual framework and the theories underlying Organisational Behaviour.

**1. Role of Management** – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.

**2. Decision Making & Controlling** – Process – Techniques. Planning – Process – Problems — Making It Effective. Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective

**3. Individual Behaviour & Motivation** – Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation – Concept of Motivation - Motivational Theories of Maslow, Herzberg, David Mc Clelland, and Porter and Lawler

**4. Group Behavior & Leadership:** Benefits of Groups – Types of Groups – Group Formation and Development. Leadership and Organizational Culture and Climate: Leadership – Traits Theory – Managerial Grid – Transactional Vs Transformational Leadership – Qualities of good leader- Women Leadership in India.

**5. Organisational Behaviour**–Organizing Process – Departmentation Types – Making Organizing Effective – Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management - Change Management

### Textbooks:

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## UNIT-III

### INDIVIDUAL BEHAVIOUR & MOTIVATION

#### 4. PERSONALITY TYPES

**4.1 INTRODUCTION ABOUT PERSONALITY:** The word personality is derived from a Greek word “persona” which means “to speak through.” Personality is the combination of characteristics or qualities that forms a person’s unique identity. It signifies the role which a person plays in public. Personality is the collection of all possible ways in which an individual reacts and communicate with others. Personality is an important factor influencing an employee’s behavior. People’s personality plays an important role in determining their Success .It drives individuals to think consistently, feel, and behave in specific ways. These patterns strongly influence personal expectations, perceptions, values, and attitudes.

**The personal quality is well known as personality**

#### 4.2 DEFINITION OF PERSONALITY

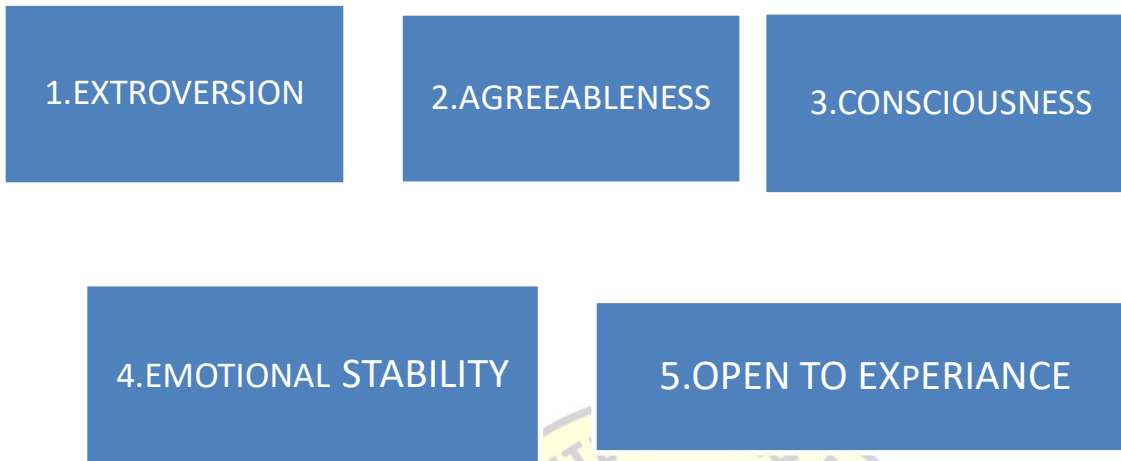
1. Personality means how a person affects other and how he understands and views himself as well as the patterns of inner and outer measurable traits and the situation interaction.

**FRED LUTHANS**

2. Macionis define as “It is the constant pattern of thinking, feeling and acting.”

3. Ogburn and Nimkoff define it as the totality of sentiments, attitudes, idea, habits, skills and behaviors of an individual.”

### 4.3 PERSONALITY TYPES



**I.EXTROVERSION:** People get the energy from their preferences of extroversion or introversion. Extroversion- as a behavior where someone enjoys being around people more than being alone.

**INTRAVERSION:** someone who is shy quiet and prefers to spend time alone. Extroversion type people develop and maintain wide range of social network while the introversion type people narrow down their relationships to a few people. Extroverts are assertive sociable talkative etc. they prefer relationships over quantity and quality of output. Extroverts at workplace prefer variety and they don't mind the interruption of work place by people.

**A.SOCIABILITY:** It is the ability of a person in maintains interrelationship within a social group. The employees with high skills create nature and develop social networks. Such employees never feel the social relations as disturbance at the workplace.

**B.TALKTIVE:** People with talkative skills are with open mind. Many executives with their speaking skills attract and influence the subordinates regarding their job behaviors and performance.

**II. AGREEABLE NESS:** Individuals with agreeable traits (particular characteristic) think from their employee's point of view or clients accept the proposal needs or requests of the employees. Highly agreeable people are co-operative warm and trusting where as less agreeable people are cold, (soft) disagreeable and antagonistic.

**A.GOOD NATURED:** It includes respecting the employees ideas, views, opinions, values and considering them in decision making. It includes involving the employees in decision making helping and guiding them in their work.

**B.CO-OPERATIVE :**Co operative traits regarding attitude and practice of superiors of an organization, help the company in moulding the job behavior and increasing the job performance.

**C.TRUSTING :** Trust is worthiness of being relied upon confidence in the truth of anything. It is resting on the integrity.

**III.CONSCIOUSNESS:** It refers to governing or regulating the work activity by conscience persons with a high level of conscientiousness are reliable organized dependable and persistent.

**A.RESPONSIBLE:** The responsible trait of the individuals them to take up the work activities with without delegation and makes the superior to concentrate on policy issues. It improves the job performance of the employees.

**B.DEPENDABLE:** Sub ordinates commit themselves to organizational goals take up the responsibility and carryout the organization activates that contribute to the strategy even they are not assigned them.

**C.ACHIEVEMENT ORIENTED:** Employees translate the objectives into achieve goals based on ground realities and conditions and achieve the goals to a larger extent.

**IV.EMOTIONAL STABILITY:** Some executives absorb the actions reactions views feelings attitudes outcome of activities etc and maintain stability of their emotions.

**V.OPENESS TO EXPERIENCE:** Executives are expected to be open to new job experiences learn absurd and integrate them with previous experiences and knowledge.

**IMAGINATIVE :** All the business ventures come into existence only after they cross the stage of imaginative or projective.

**A.ARTISTICALLY SENSITIVE :** Employees should be sensitive to all types of changes in the environment and imagination. With this employees learn much from the environment.

**B.INTELLECTUAL :** It enables the individuals to think and analyze rationally and understand systematically. It helps the employees to make efficient decisions.

## **5. JOHARI WINDOW**

The Johari Window model was devised by American psychologists Joseph Luft and Harry Ingham in 1955, while researching group dynamics at the University of California Los Angeles. The model was first published in the Proceedings of the Western Training Laboratory in Group Development by UCLA Extension Office in 1955, and was later expanded by Joseph Luft. This concept is particularly helpful to understanding employees/employer relationships with the psychological concept. The JOHARI WINDOW model can also be used to assess and improved a group's relationship with other groups. It is used in both a self-help context, group setting and in the corporate environment to improve individual and team performance. The Johari Window soon became a widely used model for understanding and training self-awareness, personal development,

improving communications, interpersonal relationships, group dynamics, team development and intergroup relationships.

1 open/free area	2 blind area
3 hidden areas	4 un-known area

**1.OPEN/FREE AREA:** 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. The open self is characterized as a state where in the individual is open and straight forward to him and others also.

**2.BLIND AREA:** The blind self shows the state of an individual known to others but not known to him. Johari region 2 is what is **known** about a person by others in the group, but is **unknown** by the person him/herself. By seeking or soliciting feedback from others, the aim should be to reduce this area and thereby to increase the open area. This blind area is not an effective or productive space for individuals or groups. A blind area could also include issues that others are deliberately withholding from a person. We all know how difficult it is to work well when kept in the dark.

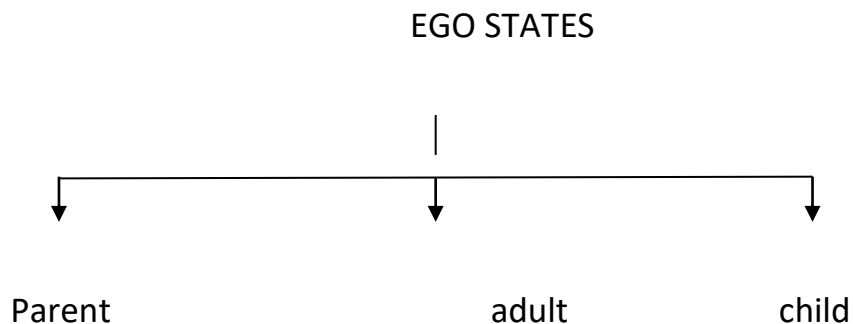
**3.HIDDEN SELF:** This quadrant of the JOHARI WINDOW shows the state of an individual known to him but not known to the others. This is generally seen in the individual who are introvert and do not like to share their private lives with anyone. The individual keeps his feelings, ideas thought to himself and do not disclose it in front of the others. The hidden area could also include sensitivities, fears, hidden agendas, and secrets - anything that a person knows but does not reveal, for whatever reason. It's natural for very personal and private information and feelings to remain hidden, indeed, certain information, feelings and experiences have no bearing on work, and so can and should remain hidden.

**4. UNKNOWN SELF:** 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.

### **6. TRANSACTIONAL ANALYSIS:**

Transactional analysis is theory of personality and human interactions. transactional analysis proposed by the originator Dr. ERIC BERNERNE, MD. Transactional analysis is a technique used to help people better understand their own and others behavior especially in interpersonal relationship. Transactional Analysis is a social psychology and a method to improve communication. The theory outlines how we have developed and treat ourselves, how we relate and communicate with others, and offers suggestions and interventions which will enable us to change and grow. The ego plays an important role in human behavior. According to T.A. theory there are three persons within all the people. These are – Parent, Adult and child. These are technically known as ego states. An ego state denotes the habitual way of thinking, feeling and reacting. Although we cannot

directly observe these ego states, we can observe the behaviour and conclude the ego state from which it is arising. The three ego states are



**A.PARENT:** The parent ego states includes the attitudes and behaviors of all those people who are emotionally significant and act as parent. The parent represents a massive collection of recordings in the brain of external events experienced or perceived in approximately the first 5 years of life. These people tend to talk and treat others like children. Functionally, it sets limits, gives advice, discipline, protects and nurtures, teaches how-to, keeps traditions and makes rules and regulations about how life should be : (the do's, don'ts, always, nevers, should's, shouldn't must's, , cant's, good, bad etc.)

**The characteristics of a person with parent ego state are:**

- Judgemental.
- Rule maker.
- Moralising.
- Over protective.
- Indispensable.

**Examples Of Recording In The Parent/ Critical Parent Ego State Is Expressed Such As:**

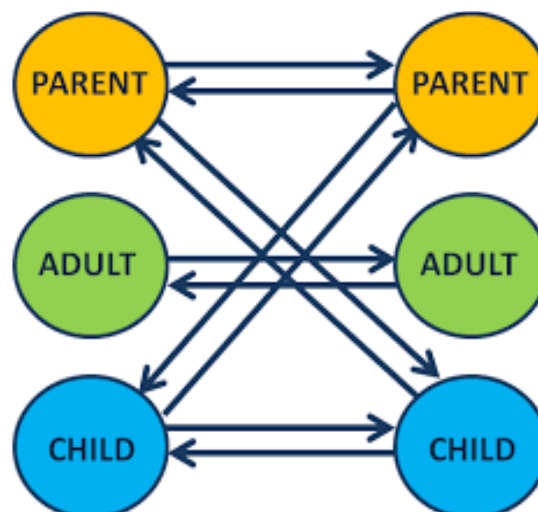
- + Never talk to strangers.
- + Always chew with your mouth closed.
- + Look both ways before you cross the street.
- + "Nobody can leave until this report is finished".
- + "You should exercise every morning" .
- + "You don't fight with your boss".

**B.ADULT:** The adult ego state behaviour is rational, problem-solving and decision-making. It is the non feeling part of the personality. It is the computer which analyses the information before generating and selecting alternatives. Functionally it gathers the data from the parent adult and child, For eg. How the child feels and what he wants; what the parent says, feels and how he reacts; what the adult has to say based on the past decisions; and what one external situation is, after gathering the data it analyses and elevates it, generates alternatives and takes a decision.

**It is expressed through statements such as:**

- ✓ “Has all the information been gathered?”
- ✓ “The breeding criteria have to be set based on consumer preference” .
- ✓ “What is the total rainfall in the area?”
- ✓ The basic vocabulary of the Adult consists of why, what, where, when and how.

**C.CHILD:** The child in you is what you were when you were very young. There are many children inside us from the past. They are known collectively as the child. These children have the same feeling and ways of behaving you had when you were little. The child ego state is associated with behaviors that are evoked when a person is coming from an emotional base. The child ego state reflects life as it is felt. The child ego state in the center of feelings and energy, the source of our creativity, curiosity and intuition and site of our early experiences



**7.MOTIVATION:** Every human action is the result of a need or desire. **Motivation** is defined as an urge in an individual to perform goal directed behavior. Therefore, **motivation** cannot be inflicted from outside but it is an intrinsic desire in a man to achieve the target goal through performance or activity. **Motivation** is the reason for people's actions, willingness and goals .Motivation is one's direction to behavior, or what causes a person to want to repeat a behavior, a set of force that acts behind the motives. An individual's motivation may be inspired by others or events (extrinsic motivation) or it may come from within the individual (intrinsic motivation). Motivation has been considered as one of the most important reasons that inspire a person to move forward.

**8. CONCEPT OF MOTIVATION :** Motivation is derived from the word “motive”. A motive is an inner state that energizes activities or moves and directs behavior towards goals. 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. Motivation can be positive or negative goals form a part of the motivational process. Goal achievement results in the satisfaction of want. Motivation is basically internal to a person and it varies from person to person. It is going on process. Positive motivation is based on incentives or rewards and negative motivation is based on penalties fear etc. Motivation is the force which energizes human behaviors.

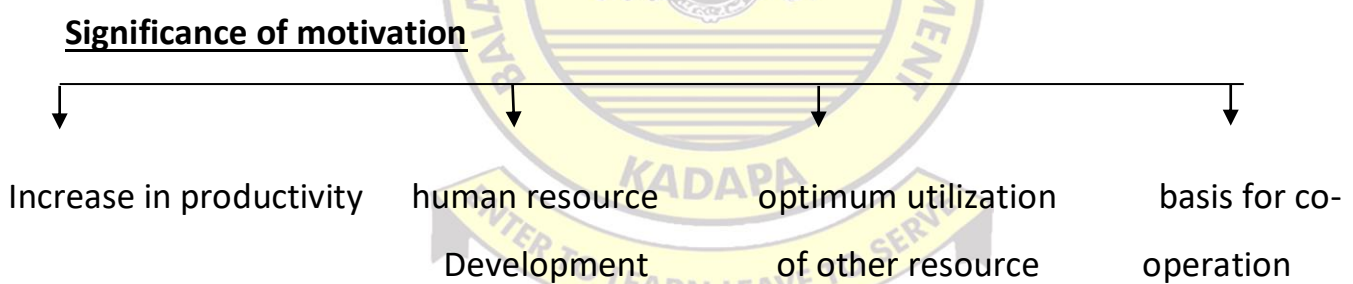
NEED ————— DRIVE ————— GOALS/INCENTIVES  
 (Deficiency) (Deficiency with direction) (Reduction of drives & fulfils  
 deficiencies)

**NEED:** need is defiance needs are created whenever there is a physiological or psychological imbalance.

**DRIVE:** drive is a deficiency with direction. They are action oriented and provide an emerging trust towards goal accomplishment.

**INCENTIVES:** incentives are anything that will alleviate a need to reduce a drive.

**8.2 SIGNIFICANCE OF MOTIVATION:** Motivation identifies employee potentialities and makes the employees to know his potentialities. Mitigation concert motivated employees into committed and loyal employees. Motivation results in exploring potentialities, development of skills, knowledge and abilities. It concert the potentialities into performance. Motivated employees explore the alternative methods of performing a task and they select a better method than the existing method. Motivated employees use their innovative and creative skills, talents etc.



**INCREASE IN PRODUCTIVITY:** Motivated workless exert at all their energies towards the job. This would in turn result in increase the employee efficiency and there by productivity. The committed employees do the work in a better way and also reduce the wastage which in turn contributes to higher productivity.

**HUMAN RESOURCE DEVELOPMENT:** Motivated employees behave positively maintain sound human relations congenial superior subordinate results. The present day high technology and software industries depend upon highly self motivated employees.

**OPTIMUM UTILIZATION OF OTHER RESOURCES** :All other resource without human resource can produce nothing. The motivated human resources utilize all other resources to the optimum extent & maximize productivity.

**BASIS FOR CO-OPERATION** :Motivation makes the people understand each other completely leads to group work and team spirit.

## **9. MOTIVATIONAL THEORIES**

**9.1 MASLOW THEORY:** The most popular and important content theories of motivation are the MASLOW'S theory. MASLOW'S theory is based on the hierarchy of five human needs. Maslow a humanistic psychologist believed that people are not merely controlled by mechanical forces or unconscious instinctual impulses of psycho analysis. Maslow set up a hierarchical theory of needs in which all the basic needs are at the bottom and the needs concerned with man's highest potential are the top. Maslow's need hierarchy theory has received wide recognition, particularly among practicing managers.



**i.PHYSIOLOGICAL NEEDS:** These are basic necessities of human life food, water, shelter & sleep etc. Maslow says that until these needs are satisfied to the required level man does not aim for the satisfaction of the next higher level needs. In the organization context needs are represented by employees concern for salary and basic working conditions. It is the duty of managers to ensure that these needs of the employees are met, so that they can be motivated to strive for gratification of higher order needs.

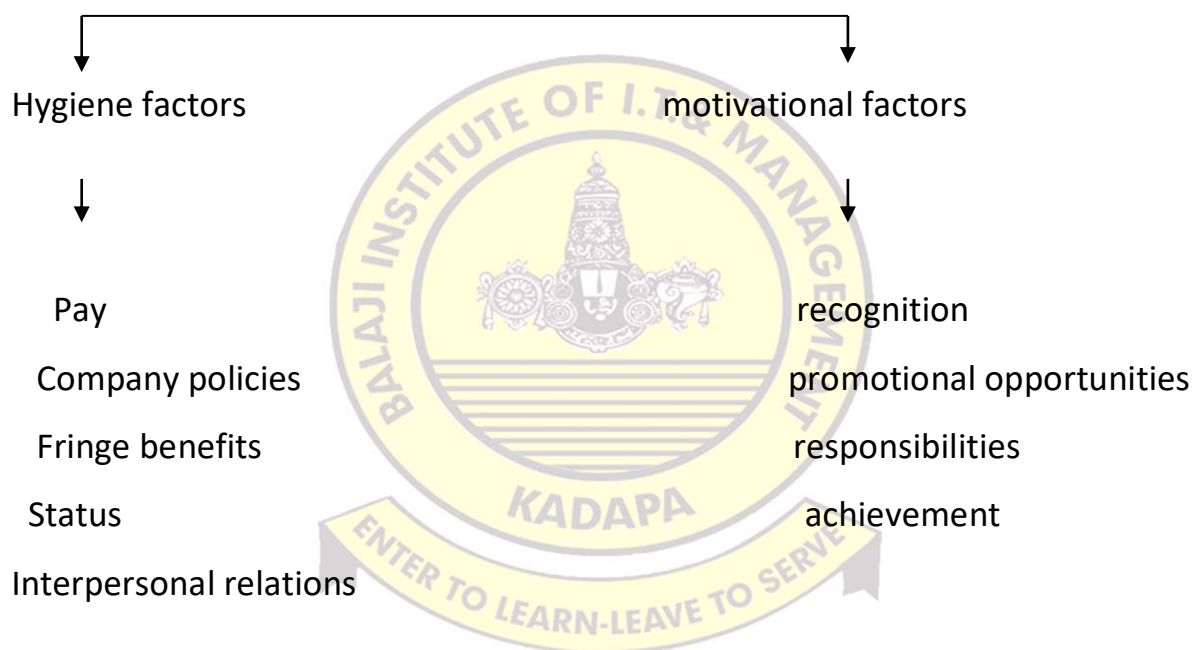
**ii.SECURITY OR SAFETY NEEDS** : These refer to the need to be free of physical danger or the feeling of loss of food job shelter. Security needs spring up the moment makes and effort in the direction of providing himself the source of continuity of physiological needs. Security needs in the organizational context correlate to such factors as job security, safe working conditions, unionization and lobbying (seek to influence) for protective legislation. Managerial practices to satisfy the safety needs of employee include pension scheme group, insurance provident fund etc.

**iii.SOCIAL OR ACCEPTANCE NEEDS:** These social needs begin occupying the mind of a man. An individual motivated on this level longs for affectionate relationship with others namely for a place in his or her family and reference group. In organizational context social needs represents the need for a compatible work group peer acceptance friendly supervision etc. Managers do well to encourage informal groups besides supervision needs to be effective and friendly behavior with sub ordinates pays.

**iv.SELF-ESTEEM NEEDS** : These needs are power prestige status and self confidence. Every man has a feeling of importance and he wants other to regard him highly. These needs more people aim high and make them achieve something great. Those needs for employees include status symbol awards, promotions titles etc.

**v.SELF-ACTUALIZATION NEEDS** : This is the highest needs in the hierarchy. Man tries to maximize his potential and accomplish something when this need is activated in him. By being aware of the self actualization needs of subordinates managers can use a variety of approaches to enable subordinates to achieve personal as well as organization goals.

**9.2 HERZBERG'S TWO FACTOR THEORY :** HERBERG constructed a two dimensional paradigm of factors affecting peoples attitude about work. According to the theory the absence of hygiene factors can create job dissatisfaction but their presence does not motivate or create satisfaction. Herzberg's theory is also called motivation hygiene theory. According to Herzberg, today's motivators are tomorrow's hygiene, because the latter stop influencing the behavior of persons when they get them. Accordingly, one's hygiene may be the motivator of another.



**HYGIENE FACTORS :** These factors are those motivating factors whose presence motivates the employees at the work place but for a limited period only. These factors play a very important role in creating a healthy work environment which ultimately fulfils the physiological needs of the employees.

## **SOME OF THE HYGIENE FACTORS LIKE**

**i.PAY** :The salary structure of the employees should be set according to the market value. Salary paid to the employees working at same position in different organizations should remain same.

**ii.COMPANY POLICIES** : The policies set by the company should be flexible unbiased and transparent in nature. Rigidity in working hours, leaves, breaks etc can make the working environment uncomfortable for the employees.

**iii.FRIBENEFITS**:Fringe benefits in the form of medical claim benefit plays for family assistance employees to a greater extent.

**iv.STATUS** : The employees should be given proper respect in the organization.They should have a well known status within the organization which must be retained by the firm.

**v. INTER PERSONAL RELATIONS**: The relationship between the employee and his colleagues his superiors and juniors should be healthy and understandable.

**B.MOTIVATIONAL FACTORS** :These factors are associated with positive feelings of employees about the job. Motivational factors are necessary to keep job satisfaction and job performance high.

**i.RECOGNITION** : Managers should motivate the employees by praising and appreciating them for their hard work and good performance.

**ii.PROMOTIONAL OPPORTUNITIES** :Another way by which an organization can motivate its employees is by providing them with numerous opportunities for their advancement that can help them in their career growth.

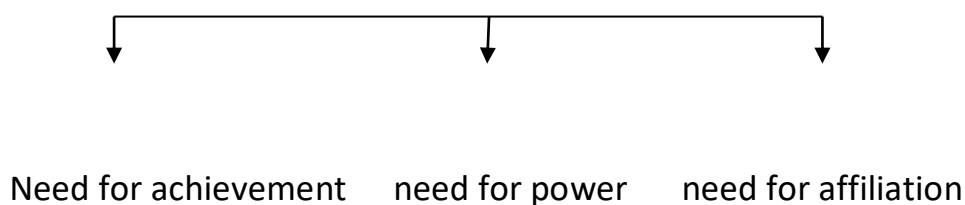
**iii.RESPONSIBILITY**: Employees should be made self responsible for their performance and must be provided with job ownership.

**iv. ACHIEVEMENT** :While performing any job employees must develop a sense of achievement. They must realize that their hard work will be rewarded at the end of the day. For this managers can use some sort of rewards to motivate the employees.

**9.3 DAVID ME CLELLAND THEORY:**It was in the late 1940's that DAVID C. MC CLELLAND and his friends began to study 3 needs that motivate human behavior power affiliation and achievement.MC CLELLAND believes that each person has a need for all the three.



**THE THEORY FOCUS ON THREE NEEDS LIKE**



**A. NEED FOR ACHIEVEMENT** : Employees with a high need for achievement derive satisfaction from achieving goals. Need for achievement refers to the drive to excel to achieve in relation to set standards and to strive to succeed. McCLELLAND and his associates have made specific suggestions for developing a high achievement need. Give employee periodic feedback on performance. This will provide information that will enable them to modify or to correct their performance. Provide good models of achievement employees who are “heroes” should be available for others to emulate. Avoid tasks that are either extremely difficult or extremely easy.

**McClelland identified the following three characteristics of high-need achievers:**

- High-need achievers have a strong desire to assume personal responsibility for performing a task for finding a solution to a problem.
- High-need achievers have a strong desire for performance feedback.

**B.NEED FOR POWER:** The employee exhibiting the needs for power derives satisfaction from the ability to control others. Individuals with a high power derive satisfaction from being in position of influence and control. Organizations that foster power motive tend to attract individuals with a high need for power (for ex: military and political organizations). People with high order need for power prefer to be placed in competitive and status oriented situation.

**People who have a high need for power are characterized by:**

1. A desire to influence and direct somebody else.
2. A desire to exercise control over others.
3. A concern for maintaining leader-follower relations.

**C.NEED FOR AFFILIATION:** Need for affiliation refer to the desire for friendly and close interpersonal relationship. The new employees who come from various places, organizations, educational and social back grounds normally have the need for affiliation. They possess senility towards others there is a need to form strong interpersonal ties and to get close to people psychologically.

**The people with high need for affiliation have these characteristics:**

1. They have a strong desire for acceptance and approval from others.
2. They tend to conform to the wishes of those people whose friendship and companionship they value.
3. They value the feelings of others.

**9.4. PORTER AND LAWLER MODEL :** This theory deals with effort performance rewards and satisfaction. LYMAN PORTER & EDWAR LAWLER, two OB researchers developed on expectancy model of motivation that stretches beyond vroom's work.

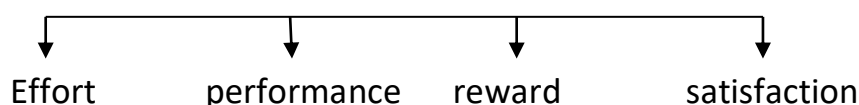
This model attempted to

**Identify the source of people valences and extensities and  
Link effort with performance and job satisfaction**

According to performance is a function of three important factors like

- If an employee wants to perform the must be motivated.
- Motivation alone does not ensure performance and hence a person must have the necessary abilities and skills as well.
- An employee must have an accurate knowledge of the requirements of the job.

**FOLLOWING ARE THE KEY VARIABLES IN THIS MODEL**



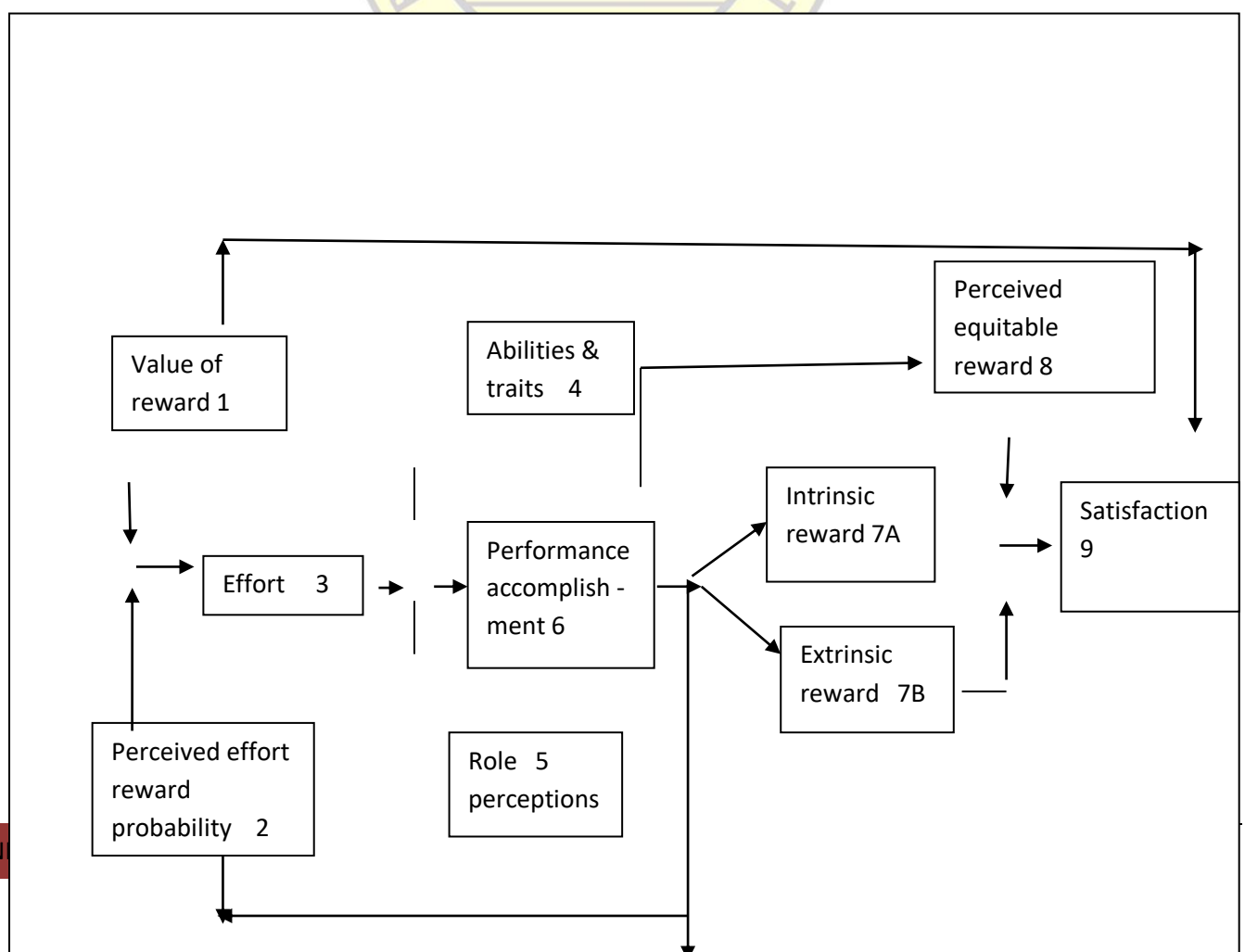
**A.EFFORT:**Effort does not directly lead to specific level of performance. Effort is only the amount of energy exerted by an individual to achieve specific task. It is only the result of attractiveness of the reward and how he perceives a relation between effort and pay off.

**B.PERFORMANCE:** Effort alone is not enough as performance results only when the effort is continued with ability. Effort and performance cannot be taken to the same.

**C.REWARD:**A person gets intrinsic reward himself by performance a task well. Intrinsic reward will be a feeling of accomplishment. Extrinsic rewards like pay promotion and status offered by the organization.

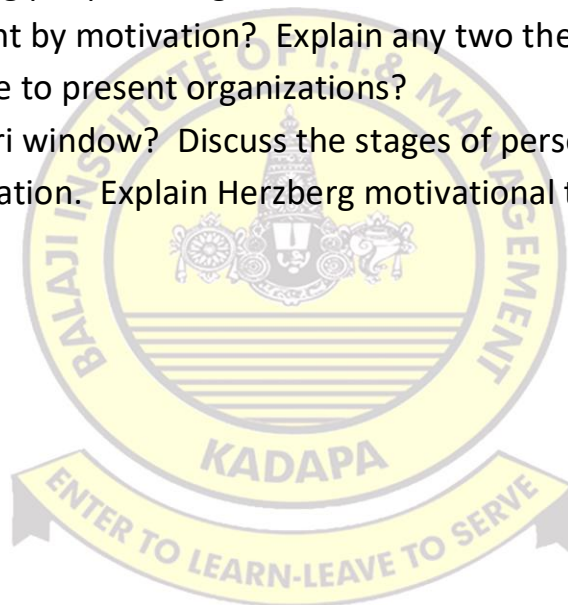
**D.SATISFACTION:**The satisfaction depends on the perceived rewards and the actual rewards.If an individual feels that he should have received more for what he had done it results in dissatisfaction and vice versa. Thus motivation and achievement result in satisfaction and dissatisfaction of an employee about the job, organization etc.

### **DIAGRAM OF PORTER AND LAWLER MODEL**



### UNIT-III

1. What is individual behavior? What are the factors that affect on individual behavior?
2. Compare and contrast Maslow's theory of motivation and Herzberg two factor theory of motivation?
3. What is meant by transactional analysis? What is its importance in understanding people in organization?
4. What is meant by motivation? Explain any two theories of motivations which are applicable to present organizations?
5. What is Johari window? Discuss the stages of personality development?
6. Define motivation. Explain Herzberg motivational theory?



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## UNIT-4

### GROUP BEHAVIOUR AND LEADERSHIP

#### 1.BENEFITS OF GROUPS

**1.1INRODUCTION ABOUT GROUPS:** A group is collection of individuals who have mutually dependent relationship. A group is an important subsystem in any organization. Group is combination of two or more people formed with a purpose of achieving their common and shared goals through their interactive effort. Working in groups is not always a pleasant job.

**1.2CHARACTERISTICS OF EFFECTIVE GROUPS:** Members should have more good listening skills, patience and participate in task related discussions. Group members should have an understanding of each other's strengths and weakness. Group roles should be clearly determined and assigned. Group decisions should be based on conscious and agreement.

**1.3BENEFITS OF GROUPS:** Working in groups can be challenging when you have different personalities in the team, but the collaborative work also provides benefits to the company and individual employees. The staff members may need practice and training in working as a team for those benefits to become apparent.

1.shared experince  
& knowledge

2.Idea generation

3.Fact checking

4.support

5.Build trust

6.Encourage healthy  
risk-taking

**1.Shared Experience and Knowledge:** Each employee comes to a company with a certain set of relevant skills and knowledge. Some of those experience areas overlap while others are distinct to one or two employees. When your group of employees is working for projects, everyone gets the advantage of shared knowledge and experience. That pooled work experience makes it easier to tackle a difficult project with different facets. If an employee works individually on a project, he might struggle with some aspects of it because of limited experience. In a group, who can draw on the expertise of his colleagues and potentially expand his own knowledge.

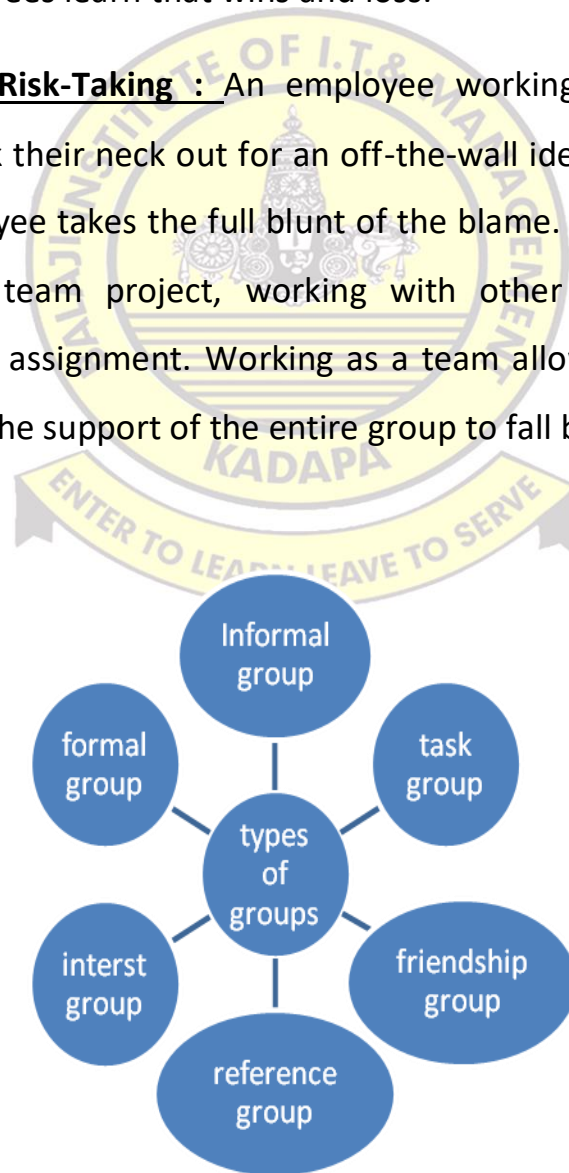
**2.Idea Generation :** The team should have good environment to discuss the project. This leads to more ideas being generated. The discussion may encourage greater creativity and push the members to think of new ideas. Discussing the project may also be better for finding solutions to problems. Employees may discover new ways to approach a particular task that is more effective.

**3.Fact Checking :** Individual projects rely on one employee to get the facts straight without any mistakes. With multiple people working on the same project, you have a built-in system of checks and balances. When all team members are actively engaged in the project, they are more likely to catch a mistake before it turns into a major problem.

**4.Support :** With The sense of security and support, a team may encourages to employees to take more risks. Where an employee may be conservative when working on an individual project, Individual may find encouragement and inspiration from team members to push himself/herself further. Working individually sometimes creates a sense of isolation and makes employees feel as if they have no one else behind them. The support of the team environment helps some employees increase productivity and become more motivated at work.

**5. Builds Trust :** Relying on other people builds trust, and teamwork establishes strong relationships with co-workers. Despite occasional disagreements, an effective team enjoys working together and shares a strong bond. When you put your trust in a co-worker, you are establishing the foundation of a relationship that can endure minor conflicts. Trusting your team mates also provides a feeling of safety that allows ideas to emerge. It helps employees open up and encourage each other. Open communication is key when working on a team and produces effective solutions in difficult group projects. Without trust, a team crumbles and cannot succeed on assigned projects. Great teams build each other up and strengthen individual members to create a cohesive group. By working together, employees learn that wins and loss.

**6. Encourages Healthy Risk-Taking :** An employee working on a project alone will probably no want to stick their neck out for an off-the-wall idea. If the project fails when working solo, that employee takes the full blunt of the blame. While you may not get full credit for a successful team project, working with other people spreads out the responsibility for a failed assignment. Working as a team allows team members to take more risks, as they have the support of the entire group to fall back on in case of failure.



## **2.TYPES OF GROUPS**

**I.FORMAL GROUP** : When two or more individuals join together a group due to the official structure and job relationship in an organization such a group is called “formal group”. Group of production manager, materials manager, and quality control manager of a company.

### **CONTRIBUTIONS OF FORMAL GROUPS**

#### **CONTRIBUTIONS TO ORGANISATIONS:**

- A. Create new ideas implement action plans.
- B. Co-ordinate interdepartmental efforts
- C. Solve complex problems requiring varied information and perspectives
- D. Socialize and train new common.

#### **CONTRIBUTIONS TO INDIVIDUALS**

- 1. Satisfy needs for affiliation
- 2. Confirm identify and enhance self esteem
- 3. Reduce feelings of insecurity and powerlessness
- 4. Provide a mechanism for solving personal and interpersonal problem.

**II.INFORMAL GROUPS:** Informal groups are natural formations in the work environment which appear in response to the need for social contract. They may also develop across or outside of formal groups whatever the way of formation. Informal groups obviously do not possess formal structures. Informal groups are formed out of the common interest's, aptitudes, values, opinions of the people.

## **CONTRIBUTION TO ORGANISATION**

1. Help integrate new employees into the formal expectations of the organizations.
2. Provide social satisfaction unlikely for anonymous individual workers to experience .
3. Enhance members access to information.
4. Provide and enforce guideline for appropriate behavior.

## **CONTRIBUTION TO INDIVIDUALS**

- A. Satisfaction of social and affliction needs .
- B. Satisfaction of needs for security and support.
- C. Enhance feelings of self esteem if members are valued by other group members.

**III.TASK GROUP** : Working together in order to accomplish a particular task form a task group. Task group boundaries are not limited to the particular department but they may spread throughout the organization and sometimes spread even beyond the organization. The employees belong to different department.

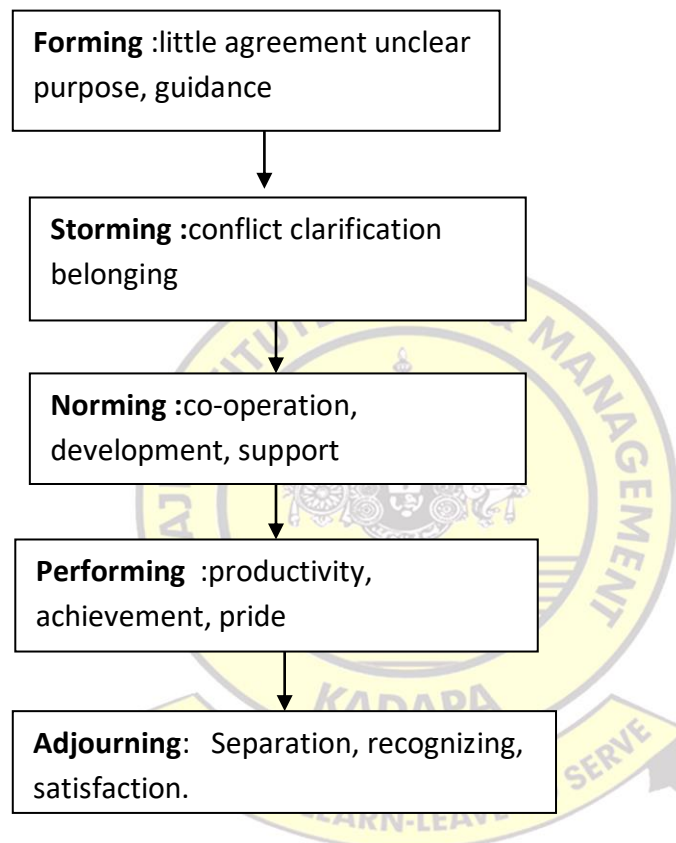
**IV.FRIENDSHIP GROUP**: These groups form with common characteristics. these common characteristics include hard working, avoiding work, smart working, risk taking etc. Enlightened ( . showing understanding, acting in a positive way, ) managers maintain good relations with friendship groups because these groups have tremendous influence on their members, that managers would prefer to have directed towards organizational goals.

**V.REFERENCE GROUP**: Reference groups are the bases for many interest and friendship groups. Reference groups are based on such factors as race, gender, policies, religion social class etc. reference groups provide values for individual on which to base personal decisions.

**VI.INTEREST GROUP:** People with common interests like maintenance and developing working conditions recreational facilities providing employees services etc form the interest group.

### **3.GROUP FORMATION AND DEVELOPMENT**

BRUCE TUCKMAN has developed five stages model of group process.



**STAGE-1 FORMING:** Members are concerned about exploring friendship and task potentials. They do not have strategies for addressing the group's task. Members observe others various events and issues and decide what type of behavior is acceptable. As awareness increases this stage of group development is completed, when members accept themselves as a group and commit the group goals. Once members cross this stage they are clear of the hierarchy and relationships.

**STAGE -2 STORMING** :Storming stage is characterized by conflict and confrontation among the group members due to confusion over relationship purpose and direction. One objective of this stage is to resolve the conflict about power and task structure. During this stage members accept the group but there would be conflict over the leadership objectives as well as relationship.

**STAGE -3 NORMING** : At this stage a signal leader emerges and this may bring about group cohesion. There is now a strong ease of group identity and camaraderie (mutual trust and friendship among people who spend a lot of time together.) Members formulate common goals and expectations of the group. Desired outcomes for this stage of group development are increased. Members involvement and mental supports as group harmony emerges.

**STAGE-4 PERFORMING** : Group members during this stage exert all their energies towards functioning and performing the tasks in order to attain the group goals. They share their ideas, skills, knowledge and competence in order to excel in the organizational activities forgetting their individual preferences and differences. Permanent groups continue to work as achieving organizational objectives is never ending task until the organizations exist.

**STAGE -5 ADJOURNING:** Temporary groups like committee's, task forces, commissions and teams reach this stage after completing their task which is purely a temporary setup. The leader can facilitate positive closure of this stage by recognizing and rewarding group performance.

**5. ORGANISATIONAL CULTURE** : Organizational culture is a system of shared meaning held by members that distinguishes an organization from other organization. Organizational culture is the set of values that helps the organizations employees understand which actions are considered and which are acceptable. Basically organizational culture is the personality of the organization. Organization culture is the

collection of relatively uniform and enduring values, beliefs, customs and practices that are uniquely shared by an organization's members and which are transmitted from one generation of employees to the next.

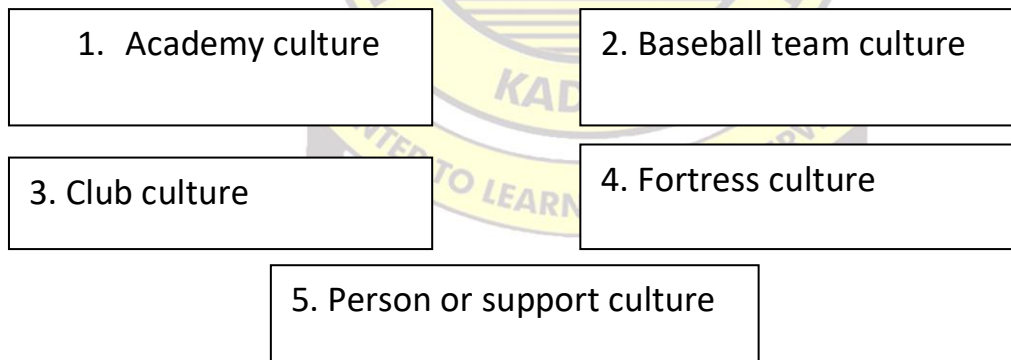
#### **4.1 DEFINITION OF ORGANISATION CULTURE:**

According to ROBBINS organization culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

#### **4.2 OBJECTIVES OF AN ORGANISATION CULTURE**

- A. Giving the organization clear pictures of their culture from an unbiased assessment.
- B. Maximizing a strategic plan for culture change in each employee.
- C. Identifying and eliminating the subtle and overt barriers to productivity.
- D. Enhancing respect for all individuals.
- E. Enabling and encouraging different management styles to flourish.

#### **4.3 TYPES OF ORGANISATION CULTURE**



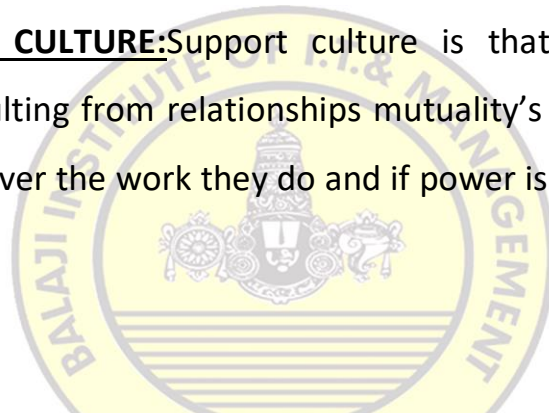
**1.ACADEMY CULTURE:** Employees are highly skilled and tend to stay in the organization while working their way up the ranks. The organization provides a stable environment in which employees can develop and exercise their skills.

**2.BASE BALL TEAM CULTURE:** Employees are free agents who have highly prized skills. They are in high demand and can get jobs elsewhere rather easily. This type of culture exists in fast faced high risk organizations. Like investment banking advertising etc.

**3. CLUB CULTURE:** The most important requirements for employees in this culture is to fit into the group. Usually employees start at the bottom and stay with the organization. The organization promotes from within and highly values seniority. Example, military, some law firms etc.

**4.FORTRESS CULTURE:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well. Individuals suffer the most when the organization is at a loss. Example, Stock broking industries follow such a culture, & savings and loans large car companies etc.

**5.PERSON OR SUPPORT CULTURE:** Support culture is that culture which offers its members satisfaction resulting from relationships mutuality's belonging and connection. In this culture autonomy over the work they do and if power is to be exercised then this is on the basis of expertise.



**4.4FUNCTIONS OF ORGANIZATION CULTURE:** It distinguishes one organization from the other. It creates brand name for the organisation. It develops a sense of identity amongst members. The members associate themselves with the organization. Employees of Earnest & Young feel proud to be part of the company because of its strong culture. It promotes commitment amongst employees to achieve organizational goals. Employees subordinate individual interests for the larger corporate results. It develops appropriate standards for employees and holds them together to achieve those standards. It provides a control mechanism for shaping the attitude and behavior of employees. It gives direction to organizational activities and ensures that everyone moves in the same direction.

**5.ORGANISATIONAL CLIMATE:** Organizational climate does not deal with values and norms. It is concerned with the current atmosphere in an organization.”Wow this place has an amazing energy people are really friendly and it feels positive”. That’s the climate. Essentially the climate is the perceptions and attitudes of the people in the culture. Organizational climate is also referred to as the situational determinants which affect the human behaviors. The climate should be viewed from a total system perspective. In theory the concept of organizational climate is not very clear but practically it is related to work performance, job contentment and self esteem of the employees. Climate of an organisation is somewhat like the personality of a person. Just as every individual has a personality that makes him unique and different from other persons. Each organisation has an organisational climate that clearly distinguishes it from other organizations. Basically, the organisational climate reflects a person’s perception of the organisation to which he belongs. It is a set of unique characteristics and features that are perceived by the employees about their organizations which serves as a major force in influencing their behavior. Thus, organizational climate in a broad sense can be understood as the social setting of the organisation.

### **DEFINITION**

1. According to **JAMES AND SELLS** organizational climate is a collective perception of the work environment by the individuals within a common system.
2. According to **West, Smith, Lu Feng and Lawthom (1998)**, shared perceptions of the fundamental elements of individuals’ particular organisation are regarded as the organisational climate.
3. According to **Wallace, Hunt and Richards (1999)**, also emphasize collective perceptions of organisational members and define climate as the summary perception of how an organisation deals with its members and environment.

**5.1 IMPORTANCE OF ORGANISATIONAL CLIMATE :** Organizational climate influences to a great extent the performance of the employees because it has a major impact on motivation and job satisfaction of individual employees. Organizational climate determines the work environment in which the employee feels satisfied or dissatisfied. Since satisfaction determines or influences the efficiency of the employees, we can say that organizational climate is directly related to the efficiency and performance of the employees. The factors that can be observed and measured are called overt factors and the factors that are not visible and quantifiable are called covert factors. **Overt factors organizational climate are Hierarchy, Financial resources, Goals of organizations, Skills and abilities of personnel, Technological state, Performance standards and Efficiency measurement.** The techniques that are generally helpful in improving the climate of the organization are Effective Communication System, Concern for people, Participative decision making, Change in policies, Procedures and rules and Technological changes. Participation is a very effective tool to develop sound organizational climate and job satisfaction. More satisfied employees possess some personality characteristics that are likely to be reflected in good work performance, self-efficacy and locus of control. An atmosphere of co-operation open access among group members and creates individual motivation to exchange knowledge with group members resulting in more productivity.

#### **OTHER POINTS-IMPORTANCE OF ORGANISATIONAL CLIMATE**

1. Enhance employee performance
2. Building strong relationship
3. Indicates success or failure
4. Builds confidence
5. Minimize turn over

**1.ENHANCE EMPLOYEE PERFORMAN CE:** Organizational climate is a clear indicator of employee and organizational performance.This is due to the fact that constructive work environment leads to motivated work force.

**2.BUILDING STRONG RELATIONSHIP:** Organization climate helps manager to discover the relationship between organizational methods and the employee's needs. If manager know what motivates employee then they will be easily able to boost their morale.Hence a positive and strong relationship can be formed which ultimately makes an organization successful.

**3.INDICATES SUCCESS OR FAILURE :**The success or failure of an organization is also determined by its climate. In organizations with positive climate employees enjoy working with each other. They willingly perform the work and are satisfied with the organization.

**4.BUILDS CONFIDENCE :**In an ideal organizational climate the sub originates are confident and show faith towards their superiors through hard work.

5.**MINIMIZE TURN OVER:**The employees working in a positive climate are satisfied and have no intention to leave the organization.Thus higher morale reduces the employee turnover and from work absence.

## **5.2The following techniques in improving the climate of the organisation:**

**1. Effective Communication System:** There should be a two way communication in the organisation so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received.

**2. Concern for People:** The management should be interested in the human resource development. It should work for the welfare of employees and an improvement in their working conditions. For developing a sound organizational climate, the management should have show concern for the people.

**3. Participative Decision Making:**The management should involve the employees in decision making process, particularly those decisions which are related to goal setting and affect them. Participative decision making will make the employees committed to the organisation and more co-operative also.

**4. Change in Policies, Procedures and Rules:**The organizational climate can also be changed by making changes in the policies, procedures and rules. It is a time consuming process but the changes will also be long lasting if the workers see the changes in policies, procedures and rules as favorable to them.

**5. Technological Changes:** Generally, the workers and employees resist any innovative changes. But where technological changes improve the working conditions of the employees, the change will be easily accepted. Better climate will be there if the management adopts innovative changes in consultation with the employees.

## **6. LEADERSHIP**



Successful of any organization depends on leaders. The quality of leadership provided by the managers determines the degree of success of business. Leadership involves the exercise of influence on the part of the leader over the perception motivation communication etc. Leadership is the process of influencing for the purpose of achieving shared goals. The effectiveness of leaders depends on their ability to influence and be influenced by the followers in the task accomplishment. Leaders ensure that the

necessary tasks are accomplished. Leadership provides direction, guidance, restore confidence and makes the way easy for achieving the objective. The role the leaders play can either take the organization to heights of success. The strength of a leader is measured by the ability to facilitate the self-leadership of others. Leadership is a very frequently used word the reason for this frequent use is because every society, organization, country and the world require leaders to lead people towards the achievement of common goals. Leadership is a group activity. A leader influences his followers and followers have influence over their leader. Leadership is meant for a given situation.

**Leadership involves:** Establishing a clear vision, sharing that vision with others so that they will follow willingly, providing the information, knowledge and methods to realize that vision, and coordinating and balancing the conflicting interests of all members and stakeholders. A leader steps up in times of crisis, and is able to think and act creatively in difficult situations. Unlike management, leadership cannot be taught, although it may be learned and enhanced through coaching or mentoring. Someone with great leadership skills today is Bill Gates who, despite early failures, with continued passion and innovation has driven Microsoft and the software industry to success. The act of inspiring subordinates to perform and engage in achieving a goal.

## **6.1 DEFINITIONS OF LEADERSHIP**

1. Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen." Alan Keith
2. "Leadership occurs when one person induces others to work toward some predetermined objectives." — Massie
3. "Leadership is the ability of a superior to influence the behavior of a subordinate or group and persuade them to follow a particular course of action." — Chester Bernard

## 6.2 DIFFERENCE BETWEEN LEADERS AND MANAGERS

<u>LEADERS</u>	<u>MANAGERS</u>
Innovate	Administer
An original	A copy
Develops	Maintains
Originates	Imitates
Focuses on people	Focuses on systems and structures
Do the right thing	Does things right
Challenges the status	Accept the status
Inspire	Control
Believes in WE	Believes in I
Visionary	Rational
Creative	Persistent
Initiate change	Authoritative
Counts on trust	Counts on controls
Depended on good will and confidence	Dependence on his authority.

**7. TRAITS THEORY:** The trait theories of leadership focus on the individual characteristics of successful leaders. The trait theorists believe that people become leaders because of special traits they possess and that **leaders are born not made**. The theory assumes that a **leader is born and not trained**. This assumption is not acceptable to the contemporary thinkers on the subject. The personality of man in his inner life including such inner elements as background life history, beliefs, life experiences, attitudes, self image, love, hates and philosophy of life.

## Successful leaders possess many of the following traits like.

1. Drive - desire for achievement high energy initiative.
2. Honesty and integrity – they are trustworthy worthy open and reliable.
3. Physical features – have good physique
4. Self confidence – trust in own abilities.
5. Creativity – creative and have the capacity to come up with original ideas.
6. Flexibility – leadership have the ability to adapt to the needs of followers.
7. Leadership motivation – strong desire to influence others and reach shared goals.

### 7.1 THE TRAITS CAN BE CLASSIFIED LIKE

- A. **SELF-KNOWLEDGE:** knowledge of own talents and value of foreign assignments with responsibility and accountability.
- B. **OPEN TO FEEDBACK:** effective leaders develop valued and varied source of feedback on their behavior and performance.
- C. **HUMAN RELATIONS:** a successful leader should have adequate knowledge of human relations. An important part of a leader's job is to develop people and get their voluntary co-operation for achieving work.
- D. **TECHNICAL SKILLS:** the ability to plan organizes delegates analyses seek advice, make decisions control and win co-operation requires the use of important abilities which constitute technical competence of leadership.
- E. **COMMUNICATIVE SKILLS:** a successful leader knows how to communicate effectively communication has great force it getting acceptance from the receivers. A successful leader is an extrovert.

# Trait Theories

## trait theories of leadership

Theories that consider personality, social, physical, or intellectual traits to differentiate leaders from nonleaders.

### Leadership Traits:

- **Ambition and energy**
- **The desire to lead**
- **Honesty and integrity**
- **Self-confidence**
- **Intelligence**
- **Job-relevant knowledge**

## Trait Theory of Leadership

Knowledge of the business
Initiative
Tenacity
Energy
Decision Making Skills
Flexibility
Creativity
Charisma
Emotional Intelligence
Drive and Motivation
Confidence
Honesty and Integrity

## **Strengths/Advantages of Trait Theory**

- A. It is naturally pleasing theory.
- B. It is valid as lot of research has validated the foundation and basis of the theory.
- C. It serves as a yardstick against which the leadership traits of an individual can be assessed.
- D. It gives a detailed knowledge and understanding of the leader element in the leadership process.

## **Limitations of The Trait Theory**

- 1. There is bound to be some subjective judgment in determining who is regarded as a 'good' or 'successful' leader.
- 2. The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.
- 3. There is also a disagreement over which traits are the most important for an effective leader
- 4. The model attempts to relate physical traits such as, height and weight, to effective leadership.
- 5. Most of these factors relate to situational factors. For example, a minimum weight and height might be necessary to perform the tasks efficiently in a military leadership position.
- 6. In business organizations, these are not the requirements to be an effective leader.

**7.2 GROUPS AND EXCHANGE THEORIES OF LEADERSHIP:** Social psychology is the basis for group theories of leadership. social exchange view of leadership indicates that exchange theories propose that group members make contributions at a cost to themselves and receives benefits at a cost to the group of other members. Social exchange indicates that leadership is an exchange process between the leaders and followers.

**7.3 BEHAVIOURAL THEORIES:** Behavioral theories of leadership propose that specific behaviors differentiate leaders from non leaders. These theories attempts to explain leadership terms of the behavior that the leader exhibits. These theories between patterns of leadership behavior and group performance.

**8. MANAGERIAL GRID:** It describes the relationship between the leader's concern for task and concern for people, but this theory differs in its perspective. The managerial grid Considers leadership style based on their focus on task and people. The **managerial grid** model (1964) is a style **leadership** model developed by Robert R. Blake and Jane Mouton. In this style, managers have low concern for both people and production. This model originally identified five different **leadership** styles based on the concern for people and the concern for production.

The Managerial Grid is based on two behavioral dimensions:

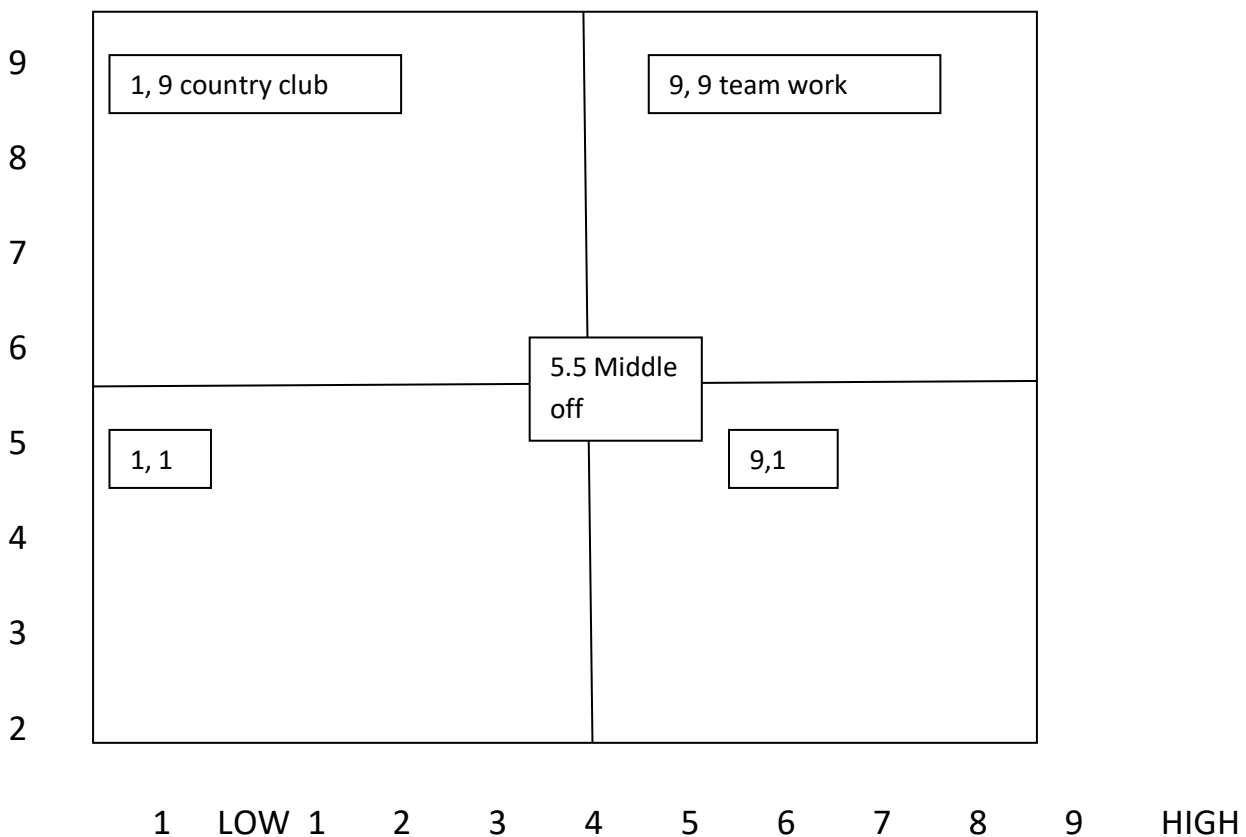
**Concern for People :** This is the degree to which a leader considers the needs of team members, their interests, and areas of personal development when deciding how best to accomplish a task.

**Concern for Production :** This is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Using the axis to plot leadership “concerns for production” versus „concerns for people“,

**8.1 MANAGERIAL GRID MODEL:** In each of the axis, both horizontal and vertical, you can find nine ranges. Nine is the highest and one is the lowest range. So, if you are people-oriented manager who thinks about the team's needs first, you would score closer to nine (or even nine). On the other hand, if you had less care for the team's needs, you would be somewhere close to zero. When you score yourself in both the horizontal and vertical axis, you'll get the results for your management style

HIGH



**1.Impoverished Management (1, 1):** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority. For example, a manager nearing retirement or termination may lose interest in both his staff and his product. He does the minimum amount of work required each day to get the job done but has no long-term interest in improving productivity or developing his employees. Employees lose faith in their company when their leader shows so little interest in them or their work

**2.Country Club (1, 9):** This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results. This leadership style may also be the leader's conscious choice. The moment an employee has to deal with personal problems the manager's care and support will be experienced as positive. It will temporarily affect the production but the backlog will be caught up at a later time

**For example:**

- A newly promoted manager wants to remain friendly with his former peers so he resists providing corrective criticism or discipline, even when it is warranted.
- Leaders who use this style focus so much on their staff that they fail to recognize risks or threats to productivity and miss opportunities to develop new business.

**3.Task management (9, 1):** Here leaders are more concerned about production and have less concern for people. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run but due to the strict policies and procedures, high labour turnover is inevitable. This leader is authoritative and he exerts disciplinary pressure. The leader requires the utmost of the employees and imposes sanctions when they fail to meet the requirements.

**4.Middle-of-the-Road (5, 5):** This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met. In this leadership style the '*happy medium*' course is adopted. The leader maintains a balance between the needs of the people and the production and the leader scores an average mark on both criteria

**5. Team Management (9, 9):** The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production. A team management style has the leader projecting the following principles:

**Commitment to the organization and its goals and mission:** Emphasis on finding ways to motivate team members. Working hard and expecting others to show full commitment towards goal-achievement. Empowers the team and tries to be an inspiration for employees. Team management is a challenging leadership style, as your attention and focus must be equally divided in achieving results and ensuring people are happy. As a manager, you would want to ensure people are committed to the organization and that they understand its vision and objectives. You would include the rest of the team in decision-making, to ensure everyone has a stake in productivity and effectiveness

### **For example:**

An experienced manager inspires commitment from her employees and promotes career development, but doesn't ignore the need to meet aggressive deadlines in order to remain competitive. Using this style, a leader appreciates allegiance and admiration from his staff but recognizes that running a successful business does not depend on being liked by your employees.

## **9. TRANSACTIONAL VS TRANSFORMATIONAL LEADERSHIP**



**9.1 TRANSACTIONAL LEADERSHIP:** Transactional leadership involves an exchange relationship between leaders and followers. The transactional style of leadership was first described by Max Weber in 1947 and then by Bernard Bass in 1981. When the transactional leader allocates work to subordinates he is considered to be fully responsible for it. The basic assumptions behind transactional leadership are that people are motivated by reward and punishment. This style is most often used by the managers. It focuses on the basic management process of controlling, organizing, and short-term planning. The famous examples of leaders who have used transactional technique include McCarthy and de Gaulle. Transactional leadership involves motivating and directing followers primarily through appealing to their own self-interest. The power of transactional leaders comes from their formal authority and responsibility in the organization. The main goal of the follower is to obey the instructions of the leader. The style can also be mentioned as a '**telling style**'. If a subordinate does what is desired, a reward will follow, and if he does not go as per the wishes of the leader, a punishment

will follow. Here, the exchange between leader and follower takes place to achieve routine performance goal It is also known as managerial leadership.

Transactional leader facilitate this transition from external to internal control by

- Changing the mental models of employees
- Linking desired out comes to values held by employees
- Building strong employee identification with the group or organization.

The transactional leader tends to use the following compliances approaches like.

**ENJOYMENT:** the leader attempts to convince the target of the enjoyment he or she will experience along with compliance.

**REWARD:** the leader offers favors benefits or future rewards for compliance.

**RECIPROCITY:** the leader appeals based on felling of debt to the leader in that them attempts to tap the intrinsic process and instrumental sources of motivations.

### **QUALITIES OF TRANSACTIONAL LEADERSHIP**

- Directive and action oriented
- Reward and punishment, Rewards and incentives
- Structure is clear, Short term goals and

### **EXAMPLES OF TRANSACTIONAL LEADERSHIP**

- This model is also useful for big corporations like HP(Hewlett-Packard)
- Many high level members of the military CEO of large international companies and NFL coaches.

**9.2TRANSFORMATION LEADERSHIP** : Transformational leadership is based on leaders shifting the values beliefs and needs of the followers. We need much more of transformational leadership in every sphere. it be government, business, education or even non-profit organizations. The basic assumption behind this form of leadership is that

people will follow a person who inspires them. A person with vision and passion can achieve great things the way to get things done is by injecting enthusiasm and energy. Transformational leadership starts with the development of vision a view of the future that will excite and convert potential followers. The transformational leader thus takes every opportunity and will use whatever works to convince others to climb on board. This vision may be developed by the leader by the senior team or may emerge from a broad series of discussions. Transformational leader are always visible and will stand up in be counted rather than hide behind their troops. They show by their attitudes and actions how everyone else should behave. They also make continued efforts to motivate and rally their followers constantly doing the rounds listening, shooting and enthusing. When the behavior becomes internalized the leaders need to monitor employee behavior is greatly reduced. Transformational leadership is a style of leadership where the leader, along with his/her team, is able to identify the challenges ahead, Resources available and is constantly engaging and involving the employees to perform to the best of their abilities and grow professionally and personally in the process. The most important aspect of transformational leadership is that the leader is not only bothered about his performance or deliverables But also consciously tries to guide his subordinates and uses his experience and expertise to give a good professional career to the subordinates.

### **Examples of Transformational Leadership**

Few examples of transformational leaders in the world and see how they functioned

#### **1. Mahatma Gandhi:**

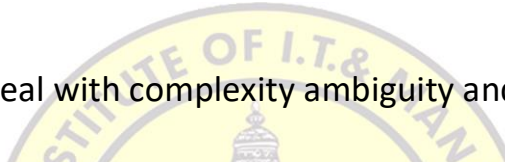
- Mahatma Gandhi gave the Indian freedom movement a sense of direction and purpose. He was able to make it a truly mass movement that till then existed in fragmented interests and limited to either extreme elite participation or participation of the extreme poor.
- By preaching his theory of non violence, Gandhi was able to bring in each citizen of India into the freedom struggle and make every single person's contribution count.

## 2. Steve Jobs:

- Steve Jobs has to mandatorily be one of the names in the most iconic transformational leaders the world has ever seen.
- His passion for perfection, simplicity and sophistication drove the company and he made sure that it got engraved into every employee who worked at **Apple**.
- He constantly challenged his employees to think beyond what has already been done and made them create products that the world did not even know it needed.

## SOME OF THE CHARACTERISTICS OF TRANSFORMATION LEADERS

- Courageous, Believe in people.
- Value-driven.
- Life-long Visionaries.
- Have the abilities to deal with complexity ambiguity and un-certainty.



## 10.2 Difference between Transactional and Transformational Leaders

<b>Transactional leadership</b>	<b>Transformational Leadership</b>
Leadership is responsive	Leadership is proactive
Works within the organizational culture	Work to change the organizational culture by implementing new ideas
Transactional leaders make employees achieve organizational objectives through rewards and punishment	Transformational leaders motivate and empower employees to achieve company's objectives by appealing to higher ideals and moral values
Motivates followers by appealing to their own self-interest	Motivates followers by encouraging them to transcend their own interests for those of the group or unit

**11.WOMEN LEADERSHIP IN INDIA** :Historically women have been discriminated against in our male dominated society. Women were considered to be fit to cook food but not to work in business establishments. The picture is not totally different today. As we go into the future discriminating against woman will certainly go and they will sure occupy equal status along with male counterparts. The government is also keen on uplifting the status of women. Participation of woman in business as owner's managers and employees is less encouraging considering the size of the population and the vast opportunities available. There is the deviate attitude of a male worker to work under a women manager unwanted chivalrous attitude if the former is boss. Women leaders encourage participation share power and information and enhance people's self worth. It is time for the corporate world to create an equitable workplace where equal pay is given and childcare becomes a parent responsibility and not just women responsibility .Male managers tend to be similar thinking decision types. Women managers bring greater variety of thinking and personality type. Women typically invest in their families and communities significantly more than men – spreading wealth and increasing the quality of life for themselves and their families. Diversity of thinking at the senior level gives management teams a wider peripheral vision of what constitutes a risk and provides a more balanced approach for reacting to it, either as an opportunity or a threat. Gender diversity in firms' decision-making teams could ultimately be the difference between reaping success or failure. Women's participation in the workforce is thus critical in realizing the promise of the nation's demographic dividend. This needs proactive efforts both from a corporate and policy level, and from women themselves.

Two questions regarding woman in leadership postings need to be addressed.

- Are women more or less people oriented than male leaders? Are women more or less job oriented than men?
- Will female leaders not be permitted to lead because of the stereotypes and biases of their employees?

With regard to the first question no differences are observed in the skills and abilities of male and female leaders. Regarding second questions what we stated above holds good.

### **KEY STRENGTH OF WOMEN LEADERS IN INDIA**

- Ability to network with colleagues Ability to perceive and understand situations.
- Strong sense of dedication loyalty and commitment to their organizations.
- Ability to multitask Behaving in a gender neutral manner.
- Willingness to share information (interactive leadership style).

### **Examples of women leaders in India:**

- **Arundhati Bhattacharya, Chairperson,**
- **Chanda Kochhar– CEO & MANAGING DIRECTOR- ICICI BANK**
- **Archana Bhargava, Chairman and Managing Director, United Bank of India<sup>[2]</sup>**
- **Renu Sud Karnad, Managing Director of HDFC**
- **Kiran Mazumdar -SHAW-CMD –BIOCON**
- **Rekha Menon– CHAIRMAN & MD- ACCENTURE INDIA**

## **Case Study :**

### **Leadership and Management**

Laura is the associate director of a nonprofit agency that provides assistance to children and families. She is the head of a department that focuses on evaluating the skill-building programs the agency provides to families. She reports directly to the agency leadership. As a whole, the agency has been cautious in hiring this year because of increased competition for federal grant funding. However, they have also suffered high staff turnover. Two directors, three key research staff, and one staff person from the finance department have left. Laura has a demanding schedule that requires frequent travel; however, she supervises two managers who in turn are responsible for five staff members each. Both managers have been appointed within the last six months.

Manager 1: Kelly has a specific background in research. She manages staff who provide research support to another department that delivers behavioral health services to youth. Kelly supports her staff and is very organized; however, she often takes a very black and white view of issues. Upper level leadership values Kelly's latest research on the therapeutic division's services. Kelly is very motivated and driven and expects the same from her staff.

Manager 2: Linda has a strong background in social science research and evaluation. She manages staff that work on different projects within the agency. She is known as a problem solver and is extremely supportive of her staff. She is very organized and has a wealth of experience in evaluation of family services. Linda is very capable and can sometimes take on too much.

The managers are sensing that staff are becoming overworked as everyone takes on increased responsibilities due to high staff turnover. Staff have also mentioned that Laura's "glass half-empty" conversation style leaves them feeling dejected. In addition, Laura has not shared budgets with her managers, so they are having difficulty appropriately allocating work to staff. Laura said she has not received sufficient information from the finance department to complete the budgets. The finance department said they have sent her all the information they have available.

As staff become distressed, the managers are becoming frustrated. They feel like they are unable to advocate for their staff or solve problems without key information like the departmental budget.

## Discussion Questions:

**1. How can Laura most effectively use both management and leadership skills in her role as associate director? What combination of the two do you think would work best in this setting?**

Ans : A director could be both a leader and manager. However, given that the two managers are very capable and directly manage all the department staff, Laura should focus on being a leader. She should delegate managerial responsibilities to the two managers. This strategy will build the managers' confidence, allowing them to solve problems for their staff. It will also free Laura to focus on building a greater sense of staff commitment to mission and vision.

**2. What advice would you give Laura on improving her leadership skills and to the managers on improving their management skills?**

Ans : It might help for both Laura and the managers to take a personality or leadership/management assessment. This way the managers can ascertain their individual skills, learn how they can best support employees, and figure out how they can work together to use each other's strengths to run the department. Using a **style** approach, Manager 1 appears to utilize a task-oriented approach and Manager 2 demonstrates a relationship-oriented style. These two orientations could be structured to support one another. Laura can focus on building leadership skills by building on her current strengths. In addition, Laura may want to revisit the roles and responsibilities of each position and how her division's work aligns with the overall organizational mission. Aligning with the overall mission and communicating it to staff may help improve morale and provide clarity on the department's role and direction.

**3. Which leadership style do you think a leader would need to be effective in this situation?**

Ans : Several leadership approaches may be suited to the position described in the scenario:

- **Skills:** Centers on the ability to solve complex problems. The nonprofit is having several difficulties at the organizational level, including high turnover.
- **Path Goal:** Motivates employees by defining goals, clarifying paths, removing obstacles, and providing support. This type of leadership may work well in building employee morale.
- **Transformational:** Treats employees as complete human beings, considers emotions and perspectives. Builds motivation by providing a clear vision, acting as a social architect, building trust, and positive self-regard.

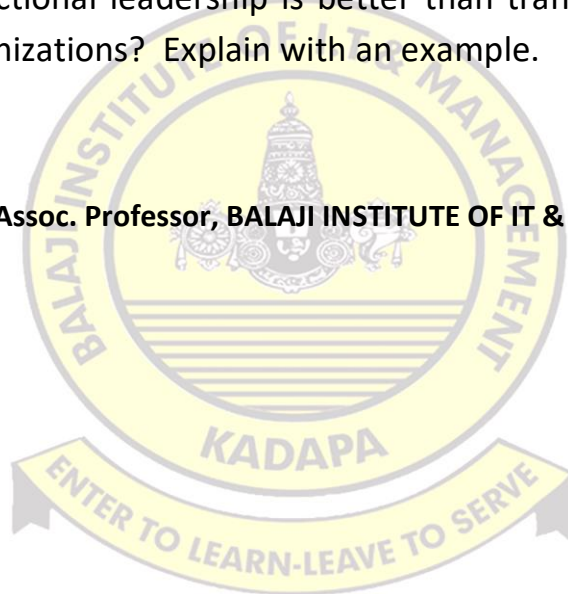
External Questions: (Old Question papers)

UNIT-IV

1. Explain various types of group formation with examples?
  2. “All managers must have leadership qualities but all leaders cannot have managing qualities”. Discuss?
  3. Discuss different leadership styles?
  4. Define group? Explain the types of groups and process of formation of group?
  5. What is meant by leadership? Explain managerial grid theory in leadership?
  6. Describe transactional and transformational leadership style.?
- OR**
7. Why transactional leadership is better than transformational leadership in present organizations? Explain with an example.

**PREPARED BY :**

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## (17E00101) MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

Objective of the course is to give a basic perspective of Management theories and Practices. This will form foundation to study other functional areas of management and to provide the students with the conceptual framework and the theories underlying Organisational Behaviour.

**1. Role of Management** – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.

**2. Decision Making & Controlling** – Process – Techniques. Planning – Process – Problems — Making It Effective. Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective

**3. Individual Behaviour & Motivation** – Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation – Concept of Motivation - Motivational Theories of Maslow, Herzberg, David Mc Clelland, and Porter and Lawler

**4. Group Behavior & Leadership:** Benefits of Groups – Types of Groups – Group Formation and Development. Leadership and Organizational Culture and Climate: Leadership – Traits Theory – Managerial Grid – Transactional Vs Transformational Leadership – Qualities of good leader- Women Leadership in India.

**5. Organisational Behaviour**–Organizing Process – Departmentation Types – Making Organizing Effective – Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management - Change Management

### Textbooks:

- Organisational Behaviour, Stephen P. Robbins, Pearson Education
- Management and Organisational Behaviour, Subbarao P, Himalaya Publishing House
- Principles of Management, Koonz, Weihrich and Aryasri, Tata McGraw Hill.

### References:

- Organisational Behaviour ,S.S.Khanka, S.Chand
- Organisational Behaviour , Mishra .M.N ,Vikas
- Management and Organisational behaviour, Pierce Gordner, Cengage.
- Behaviour in Organizations, Hiriyappa .B.New Age Publications
- Organisational Behaviour, Sarma, Jaico Publications.
- Principles of Management ,Murugesan ,Laxmi Publications

## UNIT-5

### ORGANISATIONAL BEHAVIOUR

#### 1.ORGANIZING PROCESS

**INTRODUCTION:** Organizational behavior is the study of how people act in groups, particularly at work. This field of study has yielded four types of organizational behavior and each has different effects on workplace productivity and morale. In practice, no single type of organizational behavior characterizes a business, so you need to analyze which types your company uses and find ways to utilize that knowledge to make your company effective.

#### 1.1ORGANIZING PROCESS



**1. Identification and Division of work:** The organizing function begins with the division of total work into smaller units. Each unit of total work is called a job. And an individual in the organization is assigned one job only. The division of work into smaller jobs leads to specialization because jobs are assigned to individuals according to their qualifications and capabilities. The division of work leads to systematic working. For example, in a bank every individual is assigned a job. One cashier accepts cash, one cashier makes payments, one person issues cheque books, one person receives cheques, etc. With division of work into jobs the banks work very smoothly and systematically.

**2. Grouping the Jobs and Departmentalisation:**

After dividing the work in smaller jobs, related and similar jobs are grouped together and put under one department. The departmentation or grouping of jobs can be done by the organisation in different ways.

But the most common two ways are:

**(a) Functional departmentation:** Under this method jobs related to common function are grouped under one department. For example, all the jobs related to production are grouped under production department; jobs related to sales are grouped under sales department and so on.

**(b) Divisional departmentation:** When an organization is producing more than one type of products then they prefer divisional departmentation. Under this jobs related to one product are grouped under one department. For example, if an organisation is producing cosmetics, textile and medicines then jobs related to production, sale and marketing of cosmetics are grouped under one department, jobs related to textile under one and so on.

**3. Assignment of Duties:** After dividing the organisation into specialized departments each individual working in different departments is assigned a duty matching to his skill and qualifications. The work is assigned according to the ability of individuals. Employees are assigned duties by giving them a document called job description. This document clearly defines the contents and responsibilities related to the job.

**4. Establishing Reporting Relationship:** After grouping the activities in different departments the employees have to perform the job every individual needs some authority. So, in the fourth step of organising process all the individuals are assigned some authority matching to the job they have to perform. The assignment of the authority results in creation of superior-subordinate relationship and the question of who reports to whom is clarified. The individual of higher authority becomes the superior and with less authority becomes the subordinate. With the establishment of authority, managerial hierarchy gets created (chain of command) and principle of scalar chain follows this hierarchy. The establishment of authority also helps in creation of managerial level. The managers with maximum authority are considered as top level managers, managers with little less authority become part of middle level management and managers with minimum authority are grouped in lower level management.

**2. Departmentation Types:** Departmentation' or 'Departmentalization' is the process of grouping the activities of an enterprise into several units for the purpose of administration at all levels. The administrative units may be designated as departments, divisions, units, branches, sections, etc. Departmentation can be provide a necessary degree of specialization of executive activity for efficient performance. It can simplify the tasks of management within a workable span. It also provides a basis on which the top managers can co-ordinate and control the activities of the departmental units.

## 2.1 Importance of Departmentation:

**1. Advantages of Specialization:** Departmentation enables an enterprise to avail of the benefits of specialization. When every department looks after one major function, the enterprise is developed and efficiency of operations is increased.

**2. Expansion:** One manager can supervise and direct only a few subordinates. Grouping of activities and personnel into departmentation makes it possible for the enterprise to expand and grow.

**3. Fixation of Responsibility:** Departmentation enables each person to know the specific role he is to play in the total organisation. The responsibility of the results can be defined more clearly, precisely and accurately and an individual can be held accountable for the performance of his responsibility.

**4. Upliftment of Managerial Skill:** Departmentation helps in the development of managerial skill. Development is possible due to two factors. Firstly, the managers focus their attention on some specific problems which provide them effective on-the-job training. Secondly, managerial need for further training can be identified easily because the managers' role is prescribed and training can provide them opportunity to work better in their area of specialisation.

**5. Facility in Appraisal:** Appraisal of managerial performance becomes easier when specific tasks are assigned to departmental personnel. Managerial performance can be measured when the areas of activities are specified and the standards of performance are fixed. Departmentation provides help in both these areas. When a broader function is divided into small segments and a particular segment is assigned to each manager, the area to be appraised is clearly known.

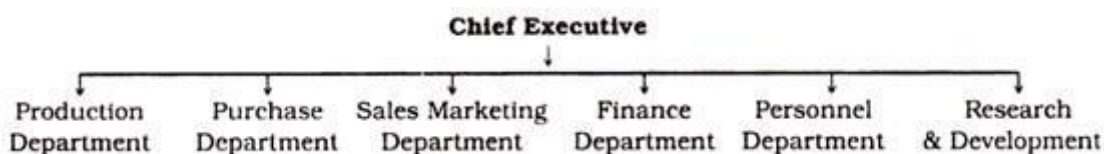
**6. Administrative Control:** Departmentation is a means of dividing the large and complex organisation into small administrative units. Grouping of activities and personnel into manageable units facilitates administrative control. Standards of performance for each and every department can be precisely determined.

## **2.1 Types of Departmentation**

1. Functional Departmentation.
2. Territorial or Geographical Departmentation.
3. Customer wise Departmentation.
4. Process or Equipment wise Departmentation.
5. Combined or Composite Form of Departmentation.

**1. Functional Departmentation:** It refers to grouping the activities of an enterprise on the basis of functions such as production, sales, purchase, finance, personnel, etc. The actual number of departments in which an enterprise can be divided depends upon the size of establishment and its nature. To begin with, we may have three or four main departments. With the growth in the size of the business, more departments and sub-departments may be created.

**A simple representation of functional departmentation is given below:**



### **Advantages:**

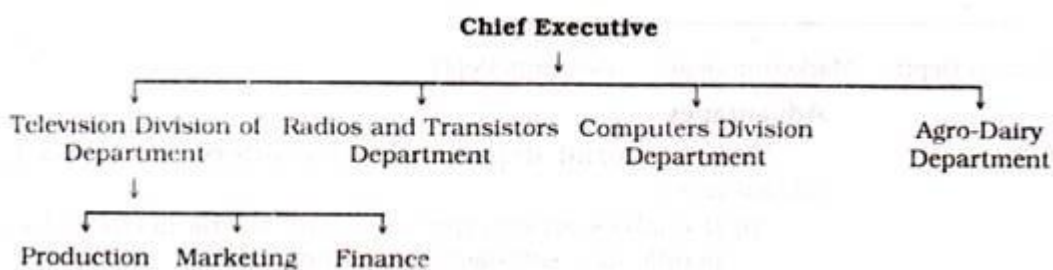
1. It is a very simple, natural and logical way of grouping activities.
2. It promotes specialization and expertise in various functional areas and experts can be employed.
3. It facilitates co-ordination both within the function and at the inter-departmental level.
4. It generates a high degree of centralization at the level of chief executive.

## Disadvantages:

- A. It may lead to internal frictions among the various departmental heads as one department may ignore the interest of the other,
- B. In functional departmentation, men are experts of these areas of function only. This hinders the development of all-round managers.
- C. It leads to excessive centralization and delay in decision making.
- D. It is unsuitable where emphasis lies on products more than the functions.

**2. Product Wise Departmentation:** The grouping of activities on the basis of products is very popular with large organizations having distinct type of products. Under this method, all activities related to one type of product are put together under one department under the direction of a production manager. Product wise departmentation is also known as multifunctional product departmentation, because each product department handles all the functions concerning it. An electronic company, for instance, may have different departments dealing in television sets, radios and transistors, computers, agro-dairy instruments, etc.

A simple representation of product wise departmentation is given as follows:



## Advantages:

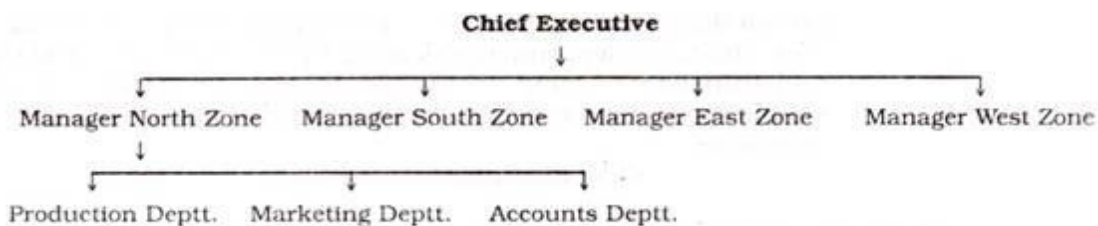
- i. It ensures better customer service.
- ii. Unprofitable product lines can be easily determined.
- iii. It solves the co-ordination problem of functional departments.
- iv. It makes control effective.
- v. It assists in the development of all-round managerial talent.
- vi. It is flexible as a new product division can be easily added.

### **Disadvantages:**

- A. It is expensive because of duplication of service functions in various product divisions.
- B. It may not be linked by customers and dealers who have to deal with different salesmen of the same enterprise for different products.
- C. It may cause difficulty in apportioning general expenses incurred by the enterprise as a whole.

**3. Territorial or Geographical Departmentation:** When several activities of an enterprise are geographically dispersed in different locations, territorial or geographical departmentation may be adopted. All activities relating to a particular area or zone may be grouped together under one zonal manager or head.

A simple representation sub-division of activities under one zonal manager as illustrated



### **Advantages:**

- 1) It enables an enterprise to cater to the needs of local people in a satisfactory manner.
- 2) It enables a concern to make use of locational advantages.
- 3) It facilitates effective control.
- 4) It facilitates effective co-ordination of activities within an area.
- 5) It assists in the development of all-round managerial talent.

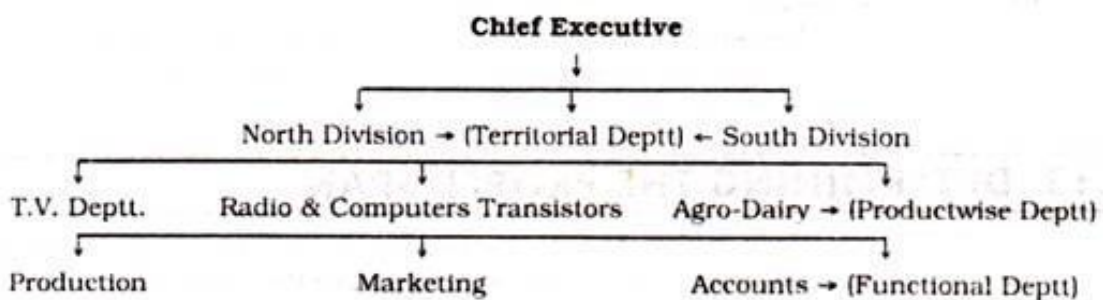
### **Disadvantages:**

1. It is an expensive method of creating departments and over head costs are also increased
2. It leads to duplication of activities which creates confusion and involves costs,
3. Co-ordination among various territorial divisions may become difficult.

**4.Customer Wise Departmentation:** A business house may be divided into a number of departments on the basis of customers it serves, viz., large and small customers ,industries and ultimate buyers , government and other customers. The peculiar advantage of customer wise departmentation is that it ensures full attention to different types of customer and their different needs, tastes and requirements can be read effectively. However, it may not be possible to group all activities of an enterprise on the basis of customers. In fact, the activities may be classified or grouped on such basis. But there may be problems of co-ordination with other departments. There may not be enough work, at times, in case of certain types of Customers. This may lead to idle capacity.

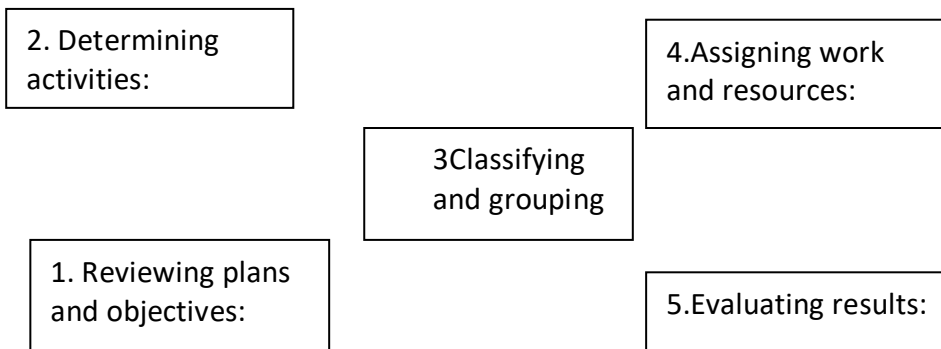
**5.Process or Equipment Wise Departmentation:**An enterprise where production is carried through different processes may adopt process wise departmentation to enable continuous flow of production. Similarly, where work is carried on machines which are common, departments may be created on the basis of equipments, such as milling departments, grinding departments, lathe department etc. The main advantage of this method is that it avoids duplication of equipment in various activities. Moreover, specialized people can be engaged to work on specialised equipments

**6. Combined or Composite Method of Departmentation:** In practice, it may not be advisable to create departments on the basis of any one of the above mentioned methods. An enterprise may have to combine two or more of the methods of Departmentation to make best use of all of them. Such a method is known as combined or composite method of departmentation.**This can be illustrated as follows:**



**3.MAKING ORGANISATION EFFECTIVE :** “Organizing” is the function of gathering resources, establishing orderly uses for such resources and structuring tasks to fulfill organizational plans. It includes the determination of what tasks are to be done, how the tasks are to be grouped, who is going to be responsible to do these tasks and who will make decisions about these tasks. **Organizational effectiveness** is the concept of how effective an organization is in achieving the outcomes of the organization intends to produce. Organizational Effectiveness groups in organizations directly concern themselves with several key areas. They are talent management, leadership development, organization design and structure, design of measurements and scorecards, implementation of change and transformation, deploying smart processes and smart technology to manage the firms' human capital and the formulation of the broader Human Resources agenda

**3.1The process of organizing effective**



**1. Reviewing plans and objectives:**The first step for the management is to reflect on the organizational goals and objectives .For example, if a high class restaurant is to be opened in an elite area, then the management must establish objectives and review these objectives so that these are consistent with the location of the restaurant and the type of customers to be served.

**2. Determining activities:** In the second step, managers prepare and analyze the activities needed to accomplish the objectives. In addition to general activities such as hiring, training, keeping records and so on, there are specific activities which are unique to the type of business that an organization is in.

- For example, in the case of the restaurant, the two major activities or tasks are cooking food and serving customers.

**3. Classifying and grouping activities:** Once the tasks have been determined, these tasks must be classified into manageable work units. This is usually done on the basis of similarity of activities. For example, in a manufacturing organization, the activities may be classified into production, marketing, finance, research and development and so on.

- For example, in the area of serving customers in the restaurant, there may be different persons for taking cocktail orders, for food orders and for clearing the tables.
- For cooking food, there may be different cooks for different varieties of food.

**4. Assigning work and resources:** This step is critical to organizing because the right person must be matched with the right job and the person must be provided with the resources to accomplish the tasks assigned. The management of the restaurant must determine as to who will take the orders and who will set as well as clear the tables and what the relationship between these individuals will be. Management must also make sure that adequate resources of food items, utensils and cutlery is provided as necessary.

**5. Evaluating results:** In this final step, feedback about the outcomes would determine as to how well the implemented organizational strategy is working. This feedback would also determine if any changes are necessary or desirable in the organizational set-up.

For example, in the case of the restaurant, complaints and suggestions from customers would assist the manager in making any necessary changes in the preparation of food, internal decor of the restaurant or efficiency in service.

#### 4. Organizational culture- Types of culture – Organizational Culture Vs Organizational climate - Refer in IV-UNIT

**7. CONFLICT MANAGEMENT** :Conflict management is the process of limiting the negative aspects of conflict while increasing the positive aspects of conflict. The aim of conflict management is to enhance learning and group outcomes, including effectiveness or performance in organizational setting. An expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources, and interference from the other party in achieving their goals .‘Conflict management is the principle that all conflicts cannot necessarily be resolved, but learning how to manage conflicts can decrease the odds of non-productive escalation. Conflict management involves acquiring skills related to conflict resolution, self-awareness about conflict modes, conflict communication skills, and establishing a structure for management of conflict in your environment.’ All members of every organisation need to have ways of keeping conflict to a minimum – and of solving problems caused by conflict, before conflict becomes a major obstacle to your work

#### Causes of conflict

- Misunderstanding
- Personality clashes
- Competition for resources
- Authority issues Lack of cooperation
- Differences over methods or style
- Low performance
- Value or goal differences

## Other Major causes of workplace conflict

**1. Personality clashes :** The 'personality mix' within a team can be upset when a new member of staff joins or if two colleagues suddenly fall out. Individuals may also respond to difficult or challenging situations in an unhelpful or unproductive way.

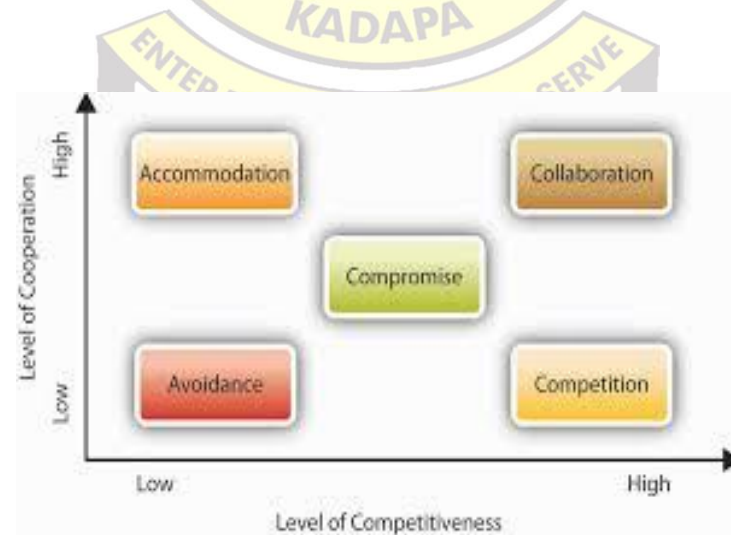
**2. Unrealistic needs and expectations :** Conflict at work can often be caused when employers ignore the needs of employees or set unrealistic expectations. For example, arranging hours that make it difficult for employees to carry out childcare responsibilities.

**3. Business values :** most people have very clear ideas about what they think is fair, and your organisation's procedures and policies must reflect this. For example, giving someone a fair hearing or explaining the reasoning behind a decision.

**4. Unresolved workplace issues:** For example, an employee might ask to be moved to another team because of their manager's 'aggressive' leadership style. However, the employee may have other reasons - for example, they may blame their manager for a lack of training or career progression.

**5. Increase in workload :** workplace conflict is caused because people feel they are being pushed too hard and resentment sets in if they feel their workload is unmanageable.

## Strategies to handle the conflict management



**Accommodating** :The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor.

**For example**, a business that requires formal dress may institute a "casual Friday" policy as a low-stakes means of keeping the peace with the rank and file. Employees who use accommodation as a primary conflict management strategy, however, may keep track and develop resentment.

**Avoiding** :The avoidance strategy seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation. Those who actively avoid conflict frequently have low esteem or hold a position of low power. In some circumstances, avoiding can serve as a profitable conflict management strategy, such as after the dismissal of a popular but unproductive employee. The hiring of a more productive replacement for the position soothes much of the conflict.

**Collaborating** : Collaboration works by integrating ideas set out by multiple people. The object is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts.

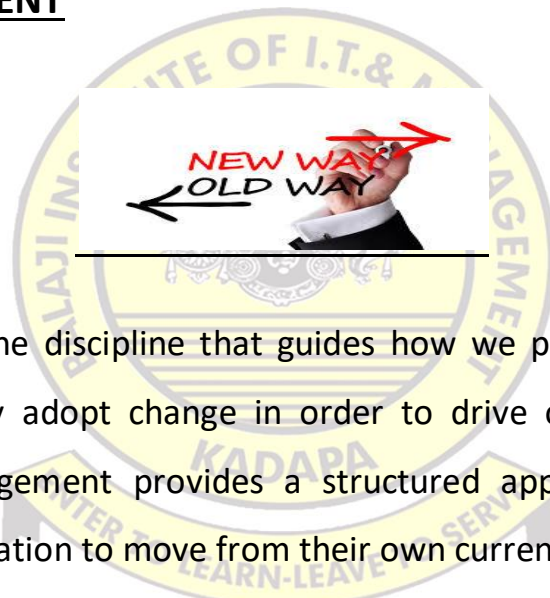
- For example, a business owner should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

**Compromising** :The compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Business owners frequently employ compromise

during contract negotiations with other businesses when each party stands to lose something valuable, such as a customer or necessary service.

**Competing** : Competition operates as a zero-sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations. In general, business owners benefit from holding the competitive strategy in reserve for crisis situations and decisions that generate ill-will, such as pay cuts or layoffs.

## **8.CHANGE MANAGEMENT**



Change management is the discipline that guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcomes. Change management provides a structured approach for supporting the individuals in your organization to move from their own current states to their own future states. Organizational change management involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change. Organizational change management involves creating a customized plan for ensuring impacted employees receive the awareness, leadership, coaching, and training they need in order to change successfully. Driving successful individual transitions should be the central focus of the activities in organizational change management. Organizational change management is complementary to your project management. Project management ensures your project's solution is designed, developed and delivered, while change management ensures your project's solution is effectively embraced, adopted and used.

## 8.1 Change Management Process

**1. Clearly define the change and align it to business goals:** Many organizations miss this first vital step. It's one thing to articulate the change required and entirely another to conduct a critical review against organizational objectives and performance goals to ensure the change will carry your business in the right direction strategically, financially, and ethically. This step can also assist you to determine the value of the change, which will quantify the effort and inputs you should invest.

Key questions:

- What do we need to change?
- Why is this change required?

**2. Determine impacts and those affected:** Once you know exactly what you wish to achieve and why, you should then determine the impacts of the change at various organizational levels. Review the effect on each business unit and how it cascades through the organizational structure to the individual. This information will start to form the blueprint for where training and support is needed the most to mitigate the impacts.

Key questions:

- What are the impacts of the change?
- Who will the change affect the most?
- How will the change be received?

**3. Develop a communication strategy:** Although all employees should be taken on the change journey, the first two steps will have highlighted those employees you absolutely must communicate the change to. Determine the most effective means of communication for the group or individual that will bring them on board. The

communication strategy should include a timeline for how the change will be incrementally communicated, key messages, and the communication channels and mediums you plan to use.

Key questions:

- How will the change be communicated?
- How will feedback be managed?

**4. Provide effective training:** With the change message out in the open, it's important that your people know they will receive training, structured or informal, to teach the skills and knowledge required to operate efficiently as the change is rolled out. Training could include a suite of micro-learning online modules, or a blended learning approach incorporating face-to-face training sessions or on-the-job coaching and mentoring.

Key questions:

- What behaviors and skills are required to achieve business results?
- What training delivery methods will be most effective?

**5. Implement a support structure:** Providing a support structure is essential to assist employees to emotionally and practically adjust to the change and to build proficiency of behaviors and technical skills needed to achieve desired business results. Some change can result in redundancies or restructures, so you could consider providing support such as counseling services to help people navigate the situation. To help employees adjust to changes to how a role is performed, a mentorship or an open-door policy with management to ask questions as they arise could be set up.

Key questions:

- Where is support most required?
- What types of support will be most effective?

**6. Measure the change process:** Throughout the change management process, a structure should be put in place to measure the business impact of the changes and ensure that continued reinforcement opportunities exist to build proficiencies. You should also evaluate your change management plan to determine its effectiveness and document any lessons learned.

**Key questions:**

- Did the change assist in achieving business goals?
- Was the change management process successful?
- What could have been done differently?

**8.2 Benefits of effective change management**

**1. Return on investment:** Economies of scale as the approach to change is re-used for each initiative saving the number of days spent defining a unique approach to each change initiative. Faster implementation of change as those can estimate with greater certainty the impact on their workloads and the level of impact in their departments.

**2. Quality of the outcome achieved:** Increased understanding of the impact of the change which ensures that all processes, systems and people that are impacted are consulted, and their requirements incorporated into the change plan. Appropriate levels of involvement with agreed responsibilities for making the change happen reduces the resistance to change and increases the rate of adoption, leading to greater realization of benefits .

**3. Assessment and Motivation :**With a strategic change management plan, your organization will have a vision for what the process of change will look like, and what milestones need to be reached to achieve the end goal. This allows those in charge of the transition to assess the success of the project during each critical stage, and also provides an opportunity to motivate individuals and teams to help achieve the desired goals with recognition for those who succeed.

**4. Maintaining Day-to-Day Operations** :While some sacrifices may be necessary to reach your desired future state, you should be able to implement change without harming your current operations. An effective change management plan will consider what individuals and teams need in order to continue doing their jobs and maintain day-to-day operations without noticeable negative effects.

**5. Considering Employee Concerns** :Addressing the concerns of employees allows organizations to be more efficient and effective. Developing a change management plan will allow your organization to address these concerns and keep the lines of communication open with all the individuals and teams involved in the transition.

**6. Reducing Risk and Inefficiency** :Taking the time to create an organizational change management plan will allow you to save time and reduce risks in the end. By simply creating a plan that considers all the individuals and teams involved in the transition, you can reduce the possibility of an unsuccessful attempt to change, and reduce the amount of time it takes to implement the change.

**7. Boost in Morale** :When employees see that the leaders in their organization have taken the time to develop a change management plan that considers their wants and needs, they are bound to perform better and get more involved in the transition. So make sure your staff feels supported and that they have the information they need to succeed.

## **CASE STUDY ON CHANGE MANAGEMENT :**

### **Amazon**

Ever since Amazon went online in 1995, the e-commerce juggernaut has undergone a slew of changes — despite being led by the same man, Jeff Bezos, during the ensuing two-plus decades.

When the Seattle-based company first launched its website, all it sold was books. Gradually, Bezos and his team expanded Amazon's offerings to include things like CDs and DVDs.

But Amazon never really stopped changing the inventory it sold.

Bezos said he wanted his store to become the world's largest, so he worked hard toward meeting that goal — whether that meant offering new products, launching Amazon Prime, launching Amazon Instant Video ... the list goes on and on.

Today, Amazon sells more than 200 million products to customers all over the world.

Though for years, Amazon's detractors insisted that the company wasn't making enough profits to justify any investments, that all changed in 2015 when the company posted back-to-back successful quarters.

The market responded kindly, and today, Amazon boasts a market valuation of more than \$440 billion.

But Bezos isn't anywhere close to done yet. There are talks of Amazon delivering packages via drone.

And if that wasn't enough, Bezos recently said he hopes Amazon can produce as many as 16 feature films each year. In 2017, Bezos & his team took home three Oscars.

Indeed, it appears as though Amazon is a company that can be characterized as changing constantly. To date, they've been successful, probably because the company is always putting its customers first.

External Questions: (Old Question papers)

#### UNIT-V

1. How do you create and maintain organization culture?
2. What is departmentation? Explain types of departmentation and its importance in organizations
3. What is organizational conflict? How to manage them?
4. Describe causes of conflicts in organization

## IMPORTANT QUESTIONS FOR EXTERNAL EXAMS

### External Questions: (Old Question papers)

#### UNIT-I

1. What are the principles of management? Explain each of them?
2. What is meant by scientific management and explain its implications in organizational behavior?

**OR** Patterns of Management (Scientific,Behavioural,Systems ,Contingency)

3. Describe the functional areas of management? Or Functions of Management?
4. What is the system approach in management? Explain the contingency theory?

### External Questions: (Old Question papers)

#### UNIT-II

1. What are the tools and techniques of decision making?
2. Describe the meaning and process involved in decision making?
3. Define planning? Discuss the techniques in planning?
4. What is meant by system of controlling? When controlling can be make effective? Explain with an example

#### UNIT-III

1. What is individual behavior? What are the factors that affect on individual behavior?
2. Compare and contrast Maslow's theory of motivation and Herzberg two factor theory of motivation?
3. What is meant by transactional analysis? What is its importance in understanding people in organization?
4. What is meant by motivation? Explain any two theories of motivations which are applicable to present organizations?
5. What is Johari window? Discuss the stages of personality development?
6. Define motivation. Explain Herzberg motivational theory?

External Questions: (Old Question papers)

UNIT-IV

1. Explain various types of group formation with examples?
  2. “All managers must have leadership qualities but all leaders cannot have managing qualities”. Discuss?
  3. Discuss different leadership styles?
  4. Define group? Explain the types of groups and process of formation of group?
  5. What is meant by leadership? Explain managerial grid theory in leadership?
  6. Describe transactional and transformational leadership style.?
- OR**
7. Why transactional leadership is better than transformational leadership in present organizations? Explain with an example.

External Questions: (Old Question papers)

UNIT-V

1. How do you create and maintain organization culture?
2. What is departmentation? Explain types of departmentation and its importance in organizations
3. What is organizational conflict? How to manage them?
4. Describe causes of conflicts in organization?

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