

BALAJI INSTITUTE OF I.T AND MANAGEMENT KADAPA

**MANAGEMENT & ORGANIZATIONAL
BEHAVIOUR (21E00101)**

ICET CODE: BIMK

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1ST & 2ND INTERNAL EXAM



Name of the Faculty: M.ANANTH KUMAR

Units covered: 1-5 UNITS


JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY ANANTAPUR

(Established by Govt. of A.P., ACT No.30 of 2008)

ANANTHAPURAMU – 515 002 (A.P) INDIA
**MASTER OF BUSINESS ADMINISTRATION
MBA; MBA (General Management); MBA (Business Management)
COMMON COURSE STRUCTURE**

Course Code	MANAGEMENT & ORGANIZATIONAL BEHAVIOUR	L	T	P	C
21E00101		4	0	0	4
Semester		I			
Course Objectives:					
<ul style="list-style-type: none">To impart basic conceptual knowledge on Management theories and PracticesTo achieve higher productivity and accomplishing the goals of the organization.					
Course Outcomes (CO): Student will be able to					
<ul style="list-style-type: none">Understand concepts, theories and practicesApply theoretical knowledge in managing the organization and Know the behaviour of employees at individual, group and organisational levels at work place under different leadership styles.					
UNIT - I	Lecture Hrs: 8				
Role of Management – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.					
UNIT - II	Lecture Hrs: 12				
Decision Making & Controlling – Process – Techniques. Planning – Process – Problems — Making It Effective Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective.					
UNIT - III	Lecture Hrs:12				
Individual Behaviour & Motivation –Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation– Concept of Motivation - Motivational Theories of Maslow, Herzberg, David McClelland, and Porter and Lawler					
UNIT - IV	Lecture Hrs:12				
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.					
UNIT - V	Lecture Hrs:12				
Organisational Behaviour–Organizing Process – Departmentation Types – Making Organizing Effective –Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management -Change Management.					
Textbooks:					
<ul style="list-style-type: none">1. Principles of Management, Koonz,Weihrich and Aryasri, Tata McGraw Hill.2. Organizational Behaviour: Design, Structure and Culture, Gupta, Willey3. Management and Organisational Behaviour, Subbarao P, Himalaya Publishing House					
Reference Books:					
<ul style="list-style-type: none">1. Organisational Behaviour ,S.S.Khanka, S.Chand2. Organisational Behaviour, Stephen P. Robbins, Pearson Education3. Organisational Behaviour , Mishra .M.N ,Vikas4. Management and Organisational behaviour, Pierce Gordner, Cengage.5. Behaviour in Organizations, Hiriyaappa .B.New Age Publications6. Organisational Behaviour,Sarma, Jaico Publications.7. Principles of Management ,Murugesan ,Laxmi Publications					
Online Learning Resources:					



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UNIT-I

ROLE OF MANAGEMENT

1.CONCEPT:

CONCEPT / INTRODUCTION ABOUT MANAGEMENT:

Companies of the same industry are being affected same environment factors. Some companies attract a number of customers while some other companies repel them. Why do companies perform differently when they operate under the same environmental conditions serve the customer, use the same raw material and technology and employ the people with similar skills? The answer for this question invariably is management practices. Thus management makes remarkable difference between the companies regarding their performance in terms of productivity sales profitability etc. Management plays a vital role in deciding the destiny of business as well as non-business organizations.

Management is the co-ordination of all resources through the process of planning, organizing, directing and controlling in order to attain stated goals. Management is the process of planning, organizing, staffing, directing, co-coordinating and controlling the activity of business enterprises. Management deals with both internal and external environment. Management is applicable to all kinds of organizations i.e. both profit and non-profit oriented organization.

DEFINITION OF MANAGEMENT

“Management is a distinct process consisting of planning, organizing and controlling, utilizing in each both science and arts and followed in order to accomplish pre-determined objective.”

- George R terry

1.2 : MANAGEMENT IN BOTH SCIENCE AND ART & SCIENCE

A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art. Science teaches to ‘know’ and art teaches to ‘do’.

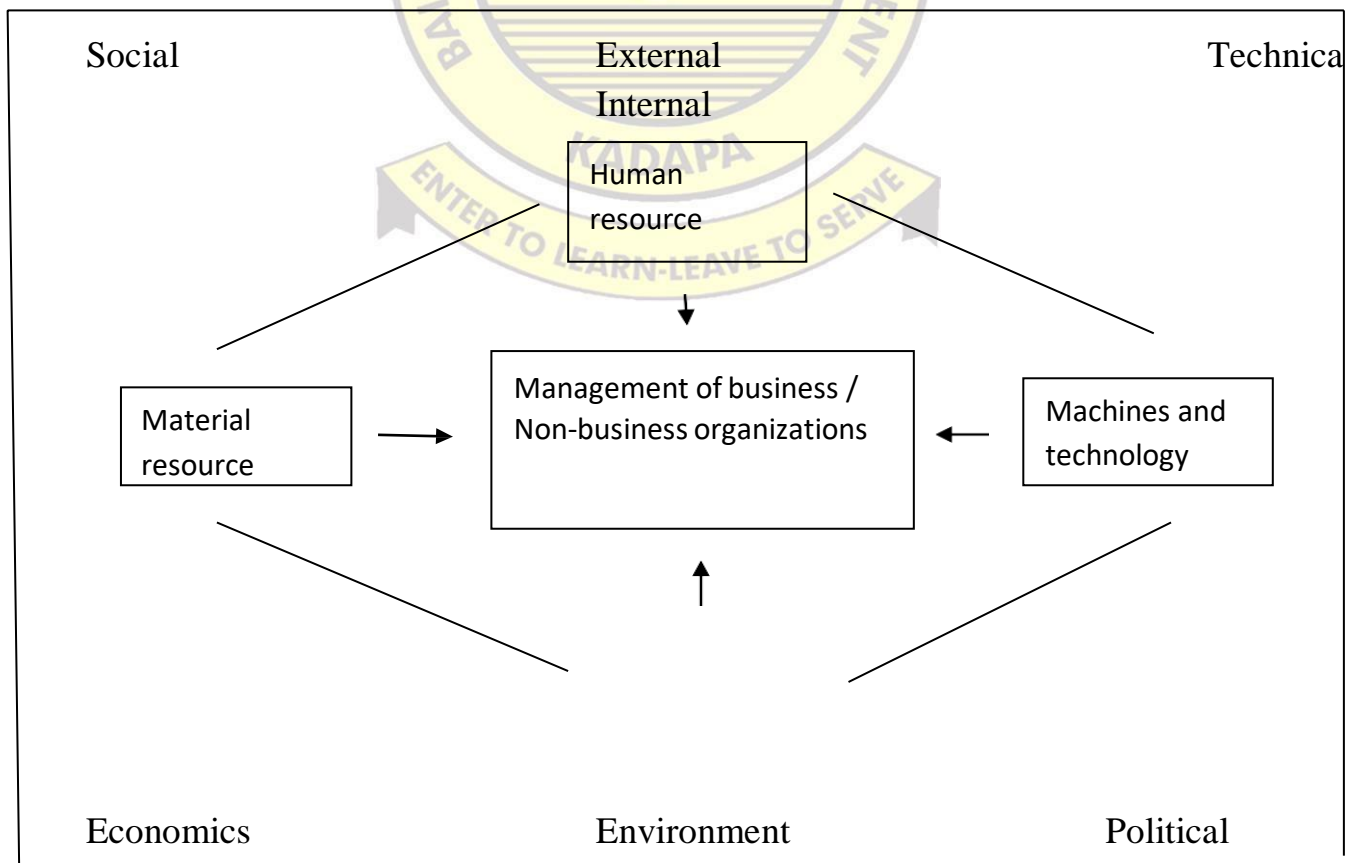
E.g. “A person cannot become a good singer unless he has knowledge about various ragas & he also applies his personal skill in the art of singing.” Same way it is not sufficient for manager to first know the principles but he must also apply them in solving

various managerial problems that is why, science and art are not mutually exclusive but they are complementary to each other (like tea and biscuit, bread and butter etc.)

Science is a body of knowledge developed systematically based on observation, measurement, experimentation and drawing inferences based on data. Management is a developing science. However, management can't be equated with exact sciences like physics and chemistry. Most of the managerial activities like decision making, planning, organizing and directing can't be an exact science.

B.ART

Art understands how a particular activity can be done. Art can be acquired by conscious effort and practice. Management is getting things done by and through other people. They have to consciously analyze the environment and formulate the plans and strategies.



1.3: FEATURES OF A MANAGEMENT PROCESS:



1. Management is highly aspirational

The achievement of pre-defined objectives is an essential aspect of the management process. It is a medium to accomplish the goals and objectives established well in advance. Without any purpose, there is no rationale for a management process in place. Every activity undertaken by an organisation's management should be goal-oriented. This achievement of pre-defined goals is a measurement of the success of any organisation's leadership.

2. Management is an Ongoing Process

Management is not a one-off affair; rather, it is a continuous exercise. The constant desire to achieve varied organisational goals makes management an ongoing process.

3. Management is Abstract

Management is neither visible nor can it be felt in a real sense. One can only observe management's accomplishments and compare a well-managed organisation with one that has been poorly managed.

4. Management is Social in Nature

Management is social because it involves interpersonal relations. The human element is the most crucial factor in the management process as it is dictated by contrasting social values and cultures. It is a function that transforms society, preserves the community, and endorses its future interests.

5. Management is Versatile

Management deals with human reactions under enterprising conditions. The awareness and the aptitude required for management comes from several disciplines like Sociology, Psychology, Engineering, Economics, Anthropology, Mathematics, etc. It is this aspect that makes managing a multifaceted experience.

6. Management is Conditional

There are several ways of doing things. An existing situation determines the most suitable method of performing any task. Sometimes, it may be possible that management is not doing things in the right manner due to the situation. Successful managers should account for these specific situations.

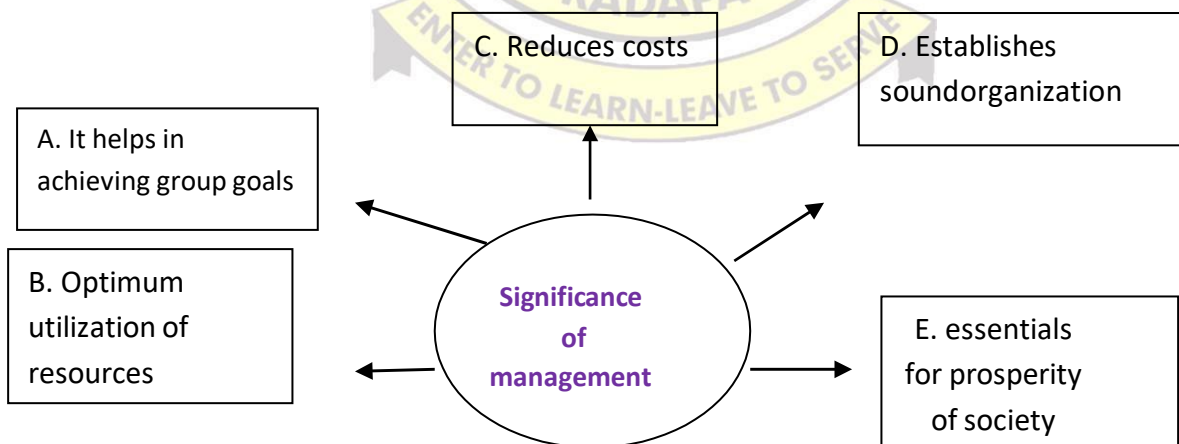
7. Management is a Team Effort

An individual's efforts are harmonised with the team's efforts. A single individual cannot manage the management function alone. All the managerial activities like the setting of goals, the formation of plans and policies, implementation, and follow-up are the coordinated effort of a group of people who envision an organisation's future.

8. Management is an Administrative Function

The administration and management of the activities of people to accomplish predetermined objectives are concerned with the management. Management is also known as an approach through which a human group's goals are set, defined and achieved.

2. SIGNIFICANCE OF MANAGEMENT:



A. IT HELPS IN ACHIEVING GROUP GOALS:

Management arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals. Management converts dis-organized resources of 3M's (men, machines, money) into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.

B.OPTIMUM UTILIZATION OF RESOURCES:

Management utilizes all the physical and human resources productively. The planning and controlling function of management should be efficient, so that the resources are utilized in an efficient manner.

C.REDUCES COSTS:

Management gets maximum results through proper input. Management uses physical human and financial resources to achieve best results. This helps in cost reduction and managerial activities bring prosperity to the organization and provide benefits to the employees.

D.ESTABLISHES SOUND ORGANIZATION:

To establish sound organizational structure is one of the objectives of management and to fulfillment of organizational goals. It establishes effective authority and responsibility relationship i.e. “who is accountable to whom”, Management fills up various positions with right persons, having right skills, training and qualification.

Who can give instructions to whom -who are superiors and who are subordinates.

E.ESSENTIALS FOR PROSPERITY OF SOCIETY:

Efficient management leads to better economical production which helps in welfare of people. It improves standard of living. It increases the profit which is beneficial to business and society will get maximum output at minimum cost by creating employment opportunities. Organization comes with new products and researches beneficial for society.

3. FUNCTIONS OF MANAGEMENT:



A.PLANNING:

Planning consists of the activities involved in choosing courses of action to achieve organizational objectives. It is deciding in advance. Planning is an ongoing step and can be highly based on organizational goals, division goals, departmental goals and team goals. Both long-term and short-term plans are necessary to achieve goals.

“It bridges the gap from where we are & where we want to be”

“what to do, when to do, how to do and who will do it”

B.ORGANISING:

Organizing is the process of linking and arranging activities in a sequence. It is important to prioritize which resources are essential at any given time. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”.

Organizing as a process involves:

- ✓ Identification of activities.
- ✓ Classification of grouping of activities.
- ✓ Assignment of duties.
- ✓ Delegation of authority and creation of responsibility.
- ✓ Coordinating authority and responsibility relationships.

C. STAFFING :

Staffing is planning, organizing, directing and controlling of procurement, development, compensation, integration and maintenance of people for the purpose of contributing to individual, organizational and social goals. Staffing function is also known as human resource management. Once the employee is employed, his development needs are identification through performance appraisal.

Staffing involves:

- ✓ Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
- ✓ Recruitment, Selection & Placement.
- ✓ Training & Development.
- ✓ Remuneration.
- ✓ Performance Appraisal.
- ✓ Promotions & Transfer.

D.DIRECTING:

Direction is the key to achieve required goal directing motivates the employees to perform their responsibilities in realizing the organizational goals. The willing and effective co-operation of employees for the attainment of organizational goals is possible through direction. Tapping the maximum potentialities of the people is through motivation and command. Thus, direction is an important managerial function in securing employees contribution.

E. COORDINATION:

Coordination is the function of management which ensures that different departments and groups work in sync. Therefore, there is unity of action among the employees, groups, and departments. It also brings harmony in carrying out the different tasks and activities to achieve the organization's objectives efficiently.

F.CONTROLLING:

Controlling also involves checking, verifying and comparing the actual performance with the plans, identifications of deviation if any and correcting of identified deviations. The purpose of control is ensuring the effective operation of an organization by focusing on all resources human, material, finance and matching.

G. REPORTING:

Reporting to Management can be defined as an organized method of providing each manager with all the data and only those data which he needs for his decisions, when he needs them and in a form which aids his understanding and stimulates his action.

H. BUDGETING:

A budget is a tool that managers use to plan and control the use of scarce resources. A budget is a plan showing the company's objectives and how management intends to acquire and use resources to attain those objectives.

4. PRINCIPLES OF MANAGEMENT:



1. DIVISION OF LABOR:

HENRY FAYOL has stressed on the specialization of jobs. He recommended that work of all kinds must be divided and subdivided and allotted to various persons according to their expertise in a particular area. This division makes the task much easier and improves the efficiency of individuals.

2. AUTHORITY AND RESPONSIBILITY:

These are the two key aspects of management. Authority facilitates the management to work efficiently, and responsibility makes them responsible for the work done under their guidance or leadership. A manager should never be given authority without responsibility and also should never be given responsibility without the authority to get the work done.

3. PRINCIPLE OF ONE BOSS:

A sub-ordinate should receive orders and be accountable to one and only one boss at a time. In other words, a sub-ordinate should not receive instruction from more than one person because it undermines authority, Weakness, discipline, Divides loyalty, Creates confusion, Duplication of work, Escaping responsibilities. Therefore dual sub-ordination should be avoided unless and until it is absolutely essential.

4. UNITY OF DIRECTION:

According to this principles efforts of all the members of the organization should directed towards common goal. Without unity of direction, units of action can't be achieved; unity of command is not possible without unity of direction.

5. EQUITY:

Equity means equality of fair treatment equity results from a combination of kindness and justice. Employees expect management to be equally just to everybody. It requires managers to be free from all prejudices, personal likes or dislikes. It ensures healthy industrial relations between management and labor which is essential for the successful working of the enterprise.

6. ORDER:

It refers to the arrangement of people and things at the right place. There should be a fixed place for everything in the organization and everything should be in its own place in the organization. Social order involves right person at the right place.

7. DISCIPLINE:

Discipline is absolutely essential for the smooth running of business The rules should be clearly defined and in case of any disciplines imposed penalties should be fair. Clear and fair agreement between the employees and the employer. In order to follow and maintain discipline organization must have good supervisor at all levels.

8. INITIATIVE:

Initiative means freedom to think out and execute a plan. Innovation which is the hallmark of technological progress is possible only where the employees are encouraged to take initiative. At all levels of the organizational structure, zeal, enthusiasm and energy are enabled by people having the scope for personal initiative.

9. FAIR SALARY ADMINISTRATION TO EMPLOYEES:

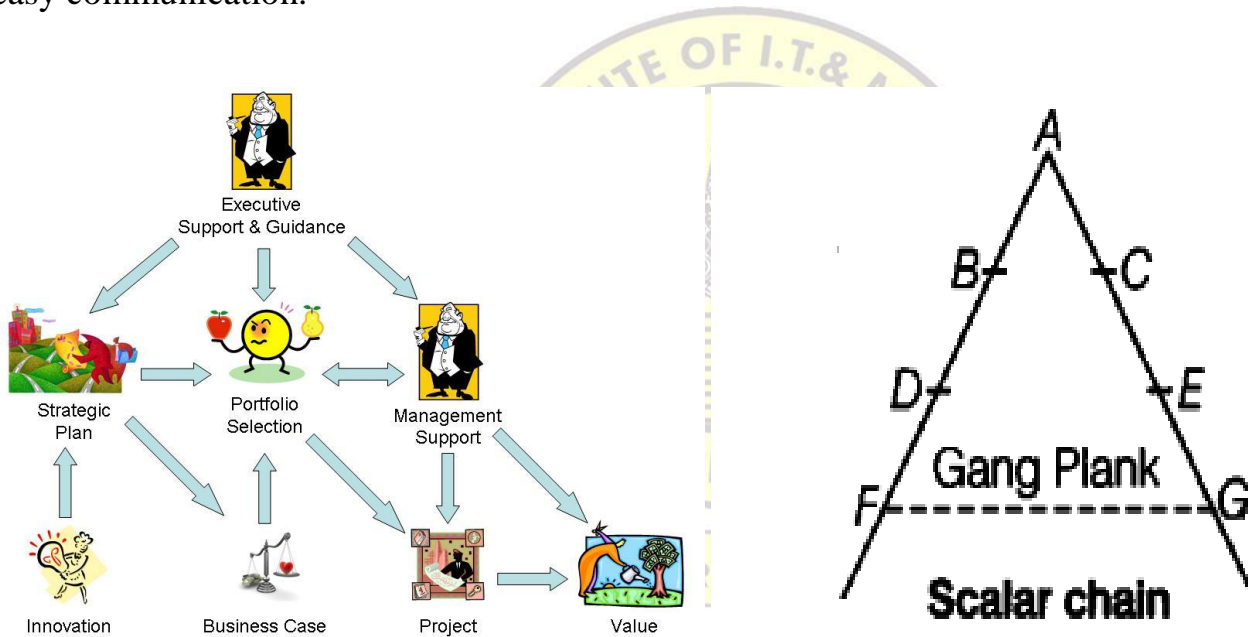
Wages should be determined on the basis of cost of living, work assigned, financial position of the business, wage rate prevailing etc. Employee satisfaction depends on fair salaries / wages for everyone. This includes financial and non-financial compensation.

10. STABILITY OF TENURE:

The time period of service in a particular position should be fixed and employees should not shift from the allotted position repeatedly. It is necessary that they should be assured security of job by the management..

11. SCALAR CHAIN:

Scalar chain means the hierarchy of authority from the highest executive to the lowest one for the purpose of communication. According to FAYOL every organization should have a distinct chain of authority from top to bottom linking all the managers at all levels. A gangplank is temporary arrangement between and different points to facilitate quick and easy communication.



12. SUBORDINATION OF INDIVIDUAL INTEREST TO GENERAL INTEREST

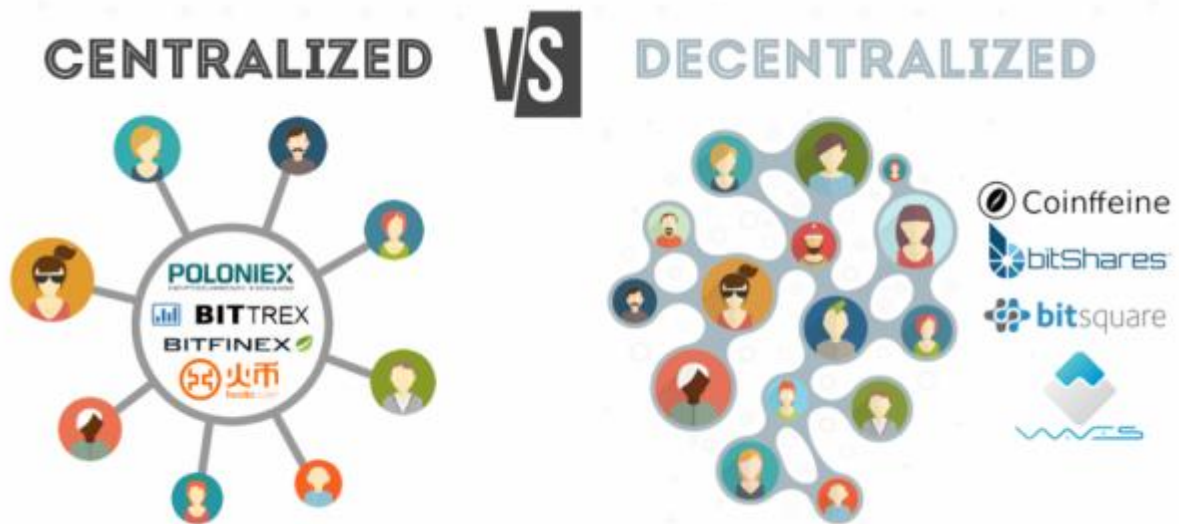
The interest of the organization should be kept at the highest priority over the interest of individuals. Every employee has certain individual interests which motivates the employees to work for the organization. According to FAYAL the management should make efforts to unite the interest in general (both employee and employer).

13. ESPRIT DE CORPS:

Esprit de corps means team spirit. The management should create team spirit among the employees. Managers should promote team work to achieve common goals of the company. This will raise the level of trust between the members.

14. CENTRALISATION AND DE-CENTRALISATION:

The concentration of decision making authority in the hands of the top management leads to **centralization**. If the authority is shared with the lower level management then it leads to **decentralization**. In small organization centralization of authority exists as the number of activities is less compared to large organization. Whereas, in large organization the level of decentralization is high.



5. PATTERNS OF MANAGEMENT:

5.1: SCIENTIFIC MANAGEMENT/APPROACH

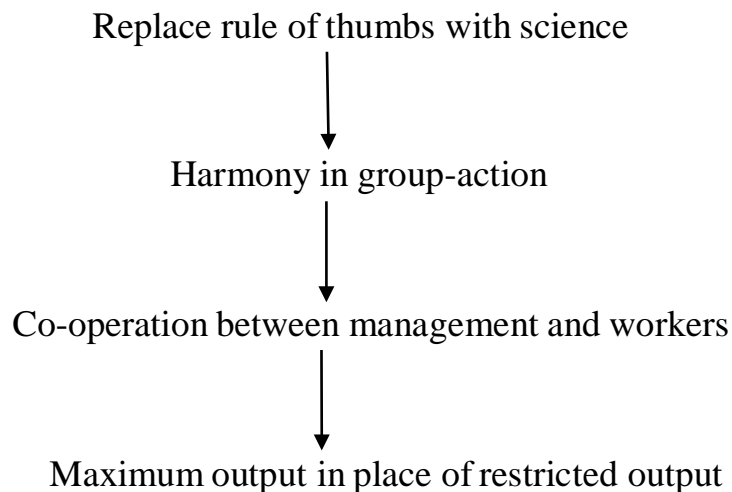
Scientific management was used widely by the managers in the early 1900s. It is a classical management study which focuses on scientific approaches so as to improve the efficiency level of workers in an organization. It provides trained minds for attaining a higher degree of excellence. a) It improves and holds to standard such things as equipment, tools and materials, working conditions and method of working.

DEFINITION

“Scientific management is concerned with knowing exactly what you want men to do and then see in that they do it the best and cheapest way”.

-TAYLOR

PRINCIPLES OF SCIENTIFIC MANAGEMENT



1.REPLACING RULE OF THUMBS WITH SCIENCE:

It consists of observation and analysis of each work determination of standard of work and ensure that works is done best possible way. Rule of thumbs means decisions taken by management as per their personal judgments. This approach can be adopted in all aspects of management.

2. HARMONY IN GROUP-ACTION:

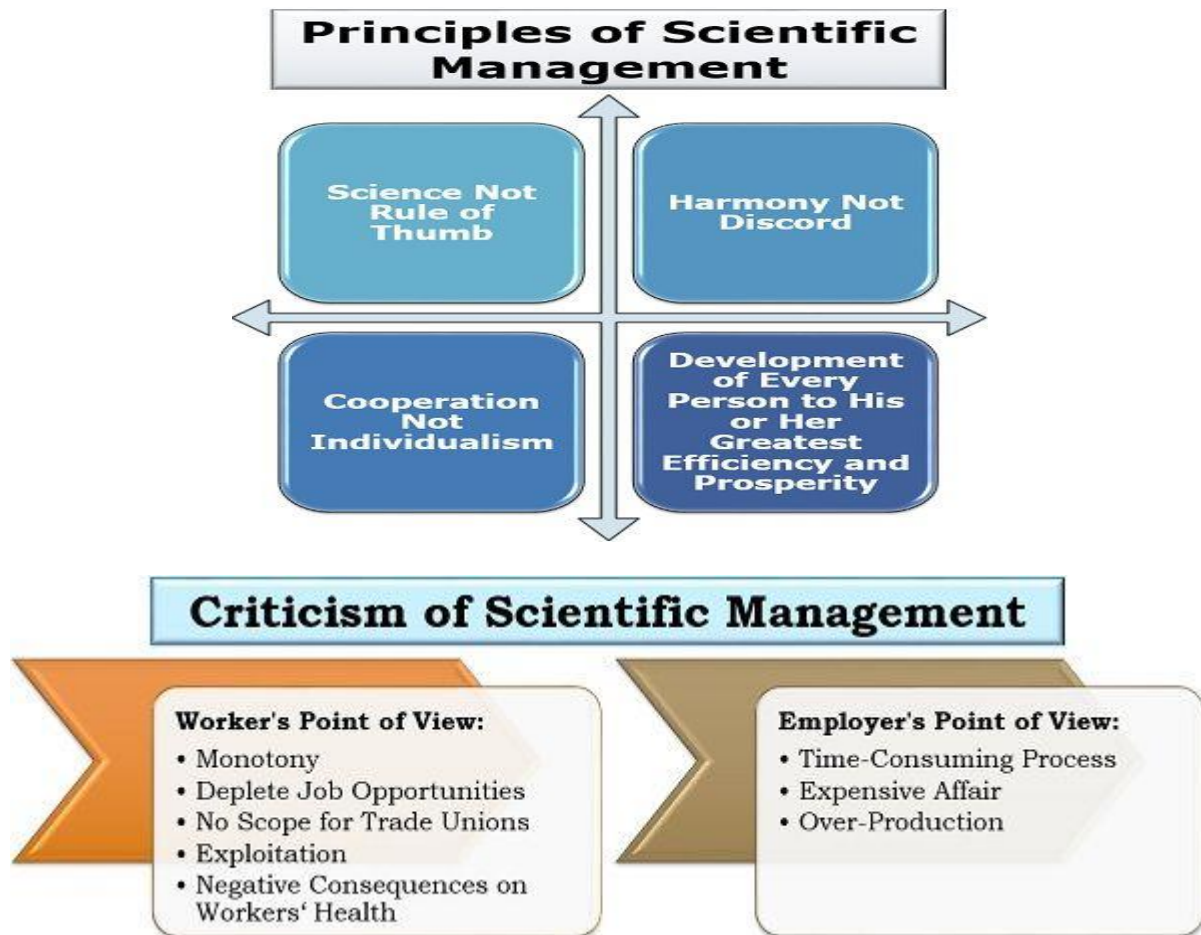
Management should always be ready to share the gains of the company with the workers. It helps to produce synergy effect both management and workers work in unison (simultaneous performance).It becomes possible by sharing a part of surplus with workers. Trying of employee's team spirit and positive attitude.

3. CO-OPERATION:

Both management and workers should realize the importance of each other. All the activitiesdone by different people must be carried on with a spirit of mutual co-operation.

4. MAXIMUM OUTPUT:

Maximum production ensures more wages to worker more profit to owner. It involves continuous increase in production and productivity increase production by management.



6. BEHAVIOURAL THEROY / BEHAVIOURAL APPROACH:

BEHAVIOUR DEFINITION:

Behavior is defined as the way a person conducts themselves towards other. When workers are treated as humans rather than machines, they will be responsible to their particular work to complete in a positive way by increasing individual productivity.

BEHAVIOURAL APPROACH:

The core concepts of behavioral approach are leadership, motivation, participative management, communication, and group dynamics. According to the Behaviorists, behavior can be systematically studied and analyzed, irrespective of the internal mental conditions like moods, emotions, and cognitions which are relatively too subjective. Key stress of behaviorists is on conditioning. They believed that any individual can be trained to handle any task irrespective of genetic traits or internal feelings by way of effective conditioning. The behavioral approach emphasizes the scientific study of observable behavioral responses and their environmental determinants. In other words, it's the study of the connection between our minds and behavior.

7. SYSTEM THEORY/APPROACH

System is a set of interrelated but separate parts working towards a common purpose. An organization as a system is consisting of several interconnected interactions and interdependent parts. An organizational system has a boundary that determines which parts are internal and which are external.

CHESTER BARNARD was the first person to utilize the system approach in the field of management. It helps to the general managers to maintain balance among various subsystems and the organization. The arrangement of elements must be orderly and there must be proper communication facilitating interaction between the elements and finally this interaction should lead to achieve a common goal. System approach helps the dynamic and inters related nature of organizations to plan for action and anticipate consequences and mutual effects.

Features of Systems Approach:

- (i) A system consists of interacting elements. It is set of inter-related and inter-dependent parts arranged in a manner that produces a unified whole.
- (ii) The various sub-systems should be studied in their inter-relationships rather, than in isolation from each other.
- (iii) An organisational system has a boundary that determines which parts are internal and which are external.
- (iv) A system does not exist in a vacuum. It receives information, material and energy from other systems as inputs. These inputs undergo a transformation process within a system and leave the system as output to other systems.
- (v) An organization is a dynamic system as it is responsive to its environment. It is vulnerable to change in its environment.

KEY CONCEPTS OF SYSTEMS APPROACH:

A. SUBSYSTEM:

Sub systems are those parts which make up the whole system. Each system turn may be subsystems of a still larger system.

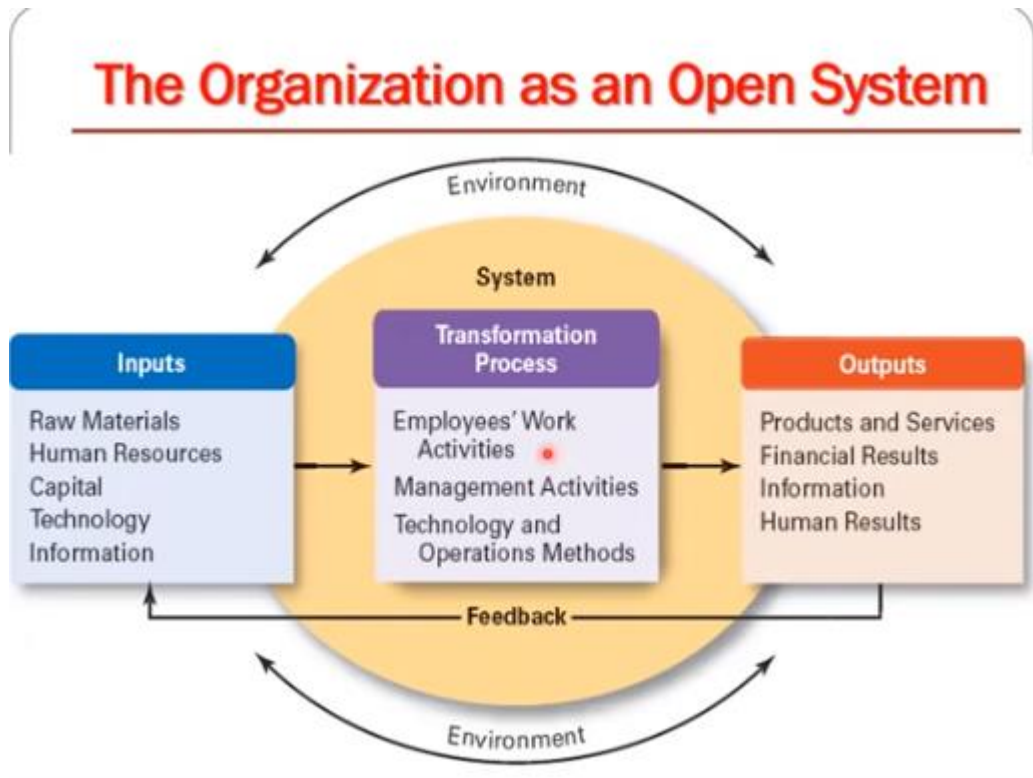
B. SYNERGY:

Synergy is the situation in which the whole is greater than the sum of its parts. In organizational terms synergy means that departments that interact co-operatively are more productive than they would be.

C. FLOWS

A system has flows of information material and energy. These enter the system from the

environment as inputs (like raw material) undergo transformation process within the system (like production process) and exist in the system as outputs (like products and services).



Advantages and Disadvantages of a Systems Approach

The advantages of the systems approach include:

- It assists in studying the functions of complex organizations
- It is probabilistic rather than deterministic.
- It has been utilized as the base for the new kinds of organizations like project management organization.
- It is possible to bring out the inter-relations in various functions like planning, organizing, directing and controlling.

Negative attributes of the systems approach include:

- This approach is somewhat abstract and vague.
- It can be difficult to apply to large and complex organizations.
- It does not provide any tool and technique for managers.
- It is not a prescriptive management theory, as it does not specify tools and techniques for practicing managers
- It does not address power and social inequalities and their causes.
- It does not specify the nature of interactions and interdependencies.

8. CONTINGENCY APPROACH:

Contingency approach is also called situational approach. This approach was developed by managers, consultants and researchers who tried to apply the concepts of the major schools to real life situations. The 'Contingency Approach to Management' is relatively a new approach to management. It is an extension of the system approach. The basic idea of the contingency approach is that the organization has to come up with different situations in different ways. It helps to devise motivational and leadership approaches to motivate the workers. Wide range of external and internal factors must be considered. There is no one best way to structure a corporation and solve employee problems. It all depends on the situation.

The contingency approach has a wide-ranging applicability and practical utility in organization and management. This approach gives importance to the managers' understanding, knowledge, and leadership styles and lets them take different decisions depending upon the different situations. It helps an organization to operate under different environmental conditions. It helps to design the organization structure and plan the information decision systems. A small-sized organization may be centralized and a large-sized organization may be decentralized in structure.

CHARACTERISTICS OF CONTINGENCY THEORY:

The primary characteristics of contingency theory include:

- **Non-universality of management theory** - There is no one best way of doing things.
- **Contingency** - Management decision making is contingent upon the situation.
- **Environment** - Managerial policies and practices to be effective, must adjust to changes in the environment.
- **Diagnostics** - Managers must possess and continue to improve diagnostic skills so as to anticipate and ready for environmental changes.
- **Human Relations** - Managers should have sufficient human relations skills to accommodate and stabilize change.
- **Information and Communication** - Managers must develop a communication system adequate to deal with environmental changes.

Advantages and Disadvantages of Contingency Theory:

The primary advantages of contingency theory include:

- It provides a realistic view of management and organization.
- It discards the universal validity of principles.
- Managers are situation-oriented and not stereotyped.
- Lends itself to an innovative and creative management style.

The negatives of contingency theory include:

- It does not have a theoretical base.
- Executive is expected to know all the alternative courses of action before taking action in a situation that is not always feasible.
- It does not prescribe a course of action.
- A situation can be influenced by many factors.



CASE STUDY:

Ajay, 23 year old, fresh MBA with HR, starts his career as a junior HR executive at RajManufacturing House. His boss is a simple B.Com. degree holder with 4 years of hands-on experience. He does not like Ajay's joining the company and therefore tortures him by different ways. He wants Ajay to resign so he almost harasses him by playing politics in the background. Ajay comes to know about this.

Question:

If you were a consultant, what advice would you give him?

What is the reason for the boss' negative behaviour?

Answer:

1) Problems:

Two problems have been clearly mentioned in the question

1) The reason for boss' negative behaviour 2) The problem of Ajay, who is to be consulted.

2) Assumptions:

Here, no information has been given about the background of boss like how he has been as a boss in the past and how has been his score of performance appraisal. Therefore, We assume that the boss has not been a successful one and he generally misbehaved with the juniors. We also assume that Ajay is a hard-working, committed and talented employee.

3) Probable reasons' for boss' negative response:

1) His self-image is low in his own eyes and his perception of looking-glass image in the eyes of Ajay seems to be negative. All these things indicate that his self-esteem is at the lower side right now. He seems to have a perception that this situation is existing due to Ajay and thus, he is behaving negatively.

2) He may be having a perceptual error namely Halo Effect. The MBA degree of Ajay maybe its reason

3) Other perceptual errors could be also playing some role like recency or primacy. If Ajay has made a mistake recently or if Ajay's first impression is not good in the eyes of the boss, that impression may be the reason for bad behaviour.

4) Other problems related to personality cannot be denied having an existence as a reason for boss' negative behaviour.

4) Possible solution or advice for Ajay:

First of all, Ajay should try and find out the “reality” about the boss’ real personality by Enquiring about it. He should avoid building any wrong negative perception for the boss. Ajay should never leave the job immediately or should restrain from any reaction. The boss may be tasting him too! As many boss adopts this style in the beginning while dealing with an employee to control him in the long run. The boss may have his own personal problems too. Based on the findings, Ajay should decide whether to continue the job or leave it or talk to boss “directly” or go to higher authorities. Meanwhile, he should practice stress-relieving exercises!

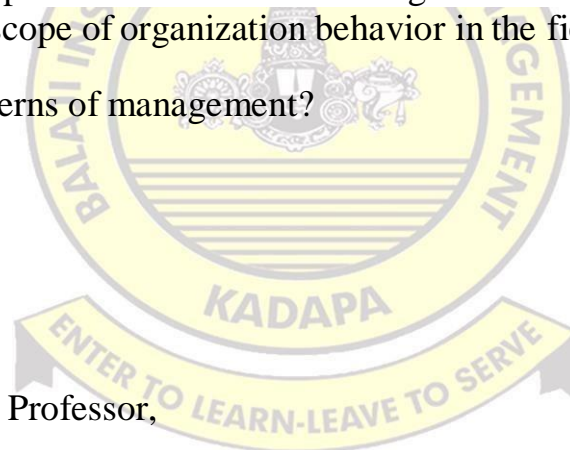
UNIT I:

1. What is the contribution of Henri Fayol to management thought? Explain 14-principles of management thought?
2. Define management. Explain the functions of management?
3. Discuss the nature and scope of organization behavior in the field of management?
4. Discuss the various patterns of management?

PREPARED BY,

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Reference Books:					
<ul style="list-style-type: none">1. Organisational Behaviour ,S.S.Khanka, S.Chand2. Organisational Behaviour, Stephen P. Robbins, Pearson Education3. Organisational Behaviour , Mishra .M.N ,Vikas4. Management and Organisational behaviour, Pierce Gordner, Cengage.5. Behaviour in Organizations, Hiriyappa .B.New Age Publications6. Organisational Behaviour,Sarma, Jaico Publications.7. Principles of Management ,Murugesan ,Laxmi Publications					
Online Learning Resources:					



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UNIT-2

DECISION MAKING AND CONTROLLING

1. PROCESS OF DECISION MAKING:

INTRODUCTION ABOUT DECISION MAKING:

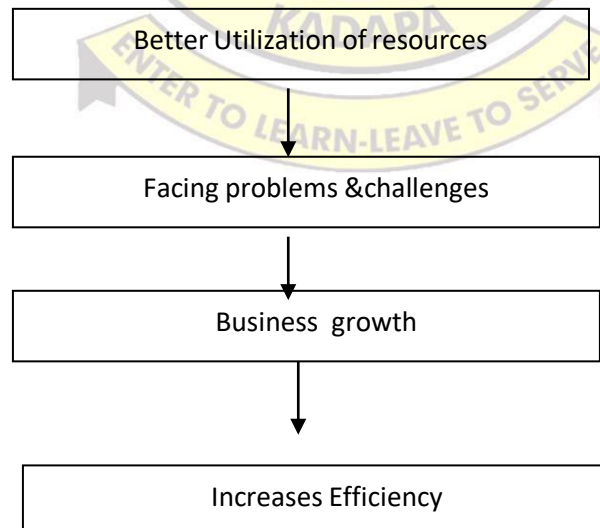
Decision making is a process of choosing the best from among the alternative solutions under a given set of circumstances. All managers continuously make decisions regarding all kinds of problems issues opportunities threats etc. Hundreds of decisions are made by the manager consciously and sub consciously every day. Decision making involves a certain commitment. This commitment may be short run or long run depending upon the types of decisions.

DEFINITION:

“A decision is an act of choice where in executive forms a conclusion about what must be done in a given situation. A decision represents a course of behavior chosen from a number of alternatives”.

- MAC FARLAND

IMPORTANCE OF DECISION MAKING



A. BETTER UTILISATION OF RESOURCES: Decision making helps to utilize the available resources for achieving the objectives of the organization. Organization has various resources like man, money, methods, materials, machines and markets. The manager has to make correct decisions for all the 6 Ms. This will result in better utilization of these resources.

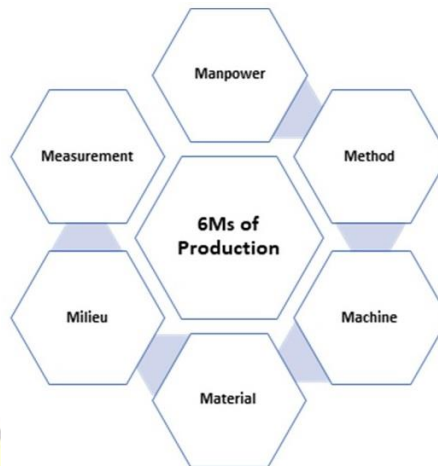


Figure A – The 6Ms of Production.

B. FACING PROBLEMS AND CHALLENGES:

Decision making helps the organization to face and tackle new problems and challenges. Quick and correct decisions help to solve problems and to accept new challenges.

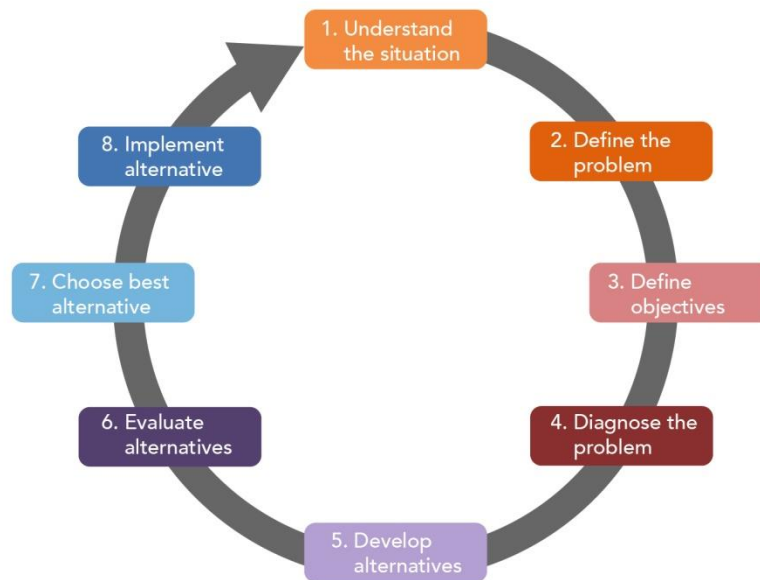
C. BUSINESS GROWTH:

Quick and correct decision making results in better utilization of the resources. It also helps to achieve its objectives. All this results in quick business growth.

D. INCREASES EFFICIENCY:

Rational decisions help to increase efficiency. Efficiency is the relation between returns and cost. If the returns are high and the cost is low, then there is efficiency and vice versa. Rational decisions result in higher returns at low cost.

PROCESS OF DECISION MAKING:



1. IDENTIFYING THE PROBLEM:

The decision making process begins when a manager identifies the real problem. It is essential to first recognize that a problem exists. Identification of the problem involves three stages: scanning, categorization, and diagnosis. The scanning stage involves monitoring the work environment for changes. The categorization stage attempts to understand this performance gap. The diagnosis stage involves gathering relevant facts and other additional information pertaining to the problem. It also specifies both the nature and the causes of the problem.

2. ANALYSING THE PROBLEM:

Once the problem has been correctly diagnosed, the next logical step is analyzing it. Sound decisions are based on proper collection, classification and analyze of facts and figures.

3.DEVELOPING ALTERNATIVE SOLUTIONS:

After the problem is diagnosed clearly the tendency of managers is that of searching for readymade solutions (tendency = type of behaviors). They start designing or developing solutions through a vague idea, gradually improve it, refine it by recycling.

4.SELECTING THE BEST SOLUTION:

Selecting the best solution is done by comparing each alternative solution with one another in terms of predetermined objectives. Drucker Suggests 4 criteria for selecting the best among the possible alternative like, **risk, economy of effort, timing and limitation of resources**. Timing is a very important factor in decision making. The most precious resource of an organization is its manpower abilities, motivation, vision and level of aspiration of its employee.

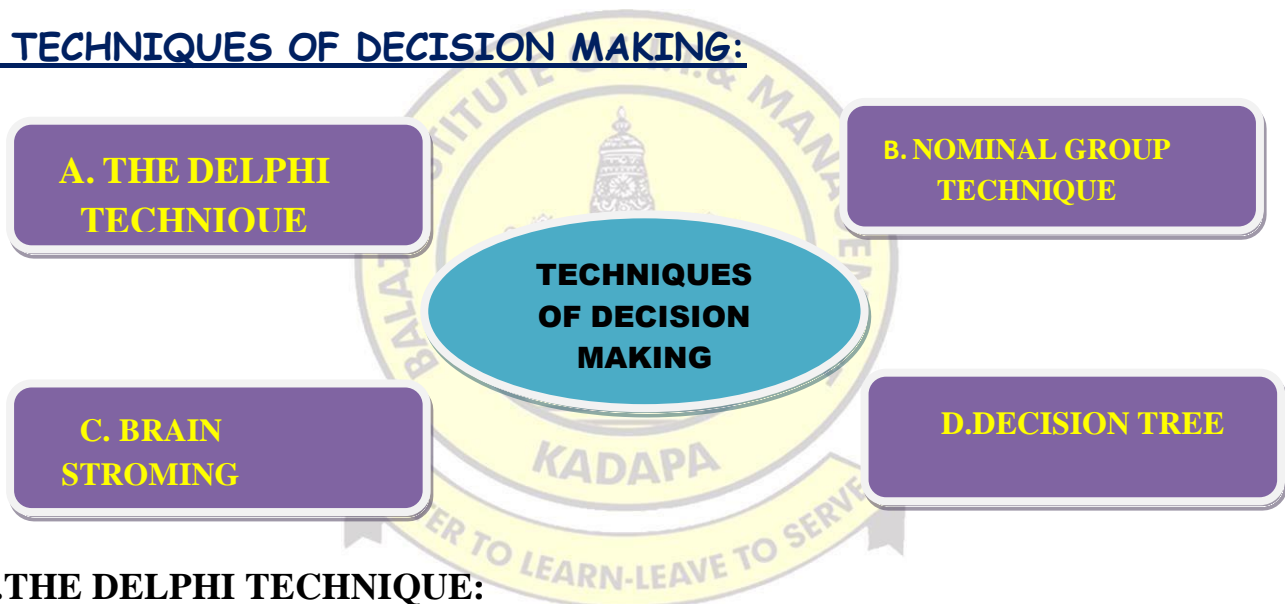
5. IMPLEMENTING AND VERIFYING THE DECISION:

Effectiveness of decision in achieving the desired goals depends on its implementation. The manager should secure the support of the top management for allocation of resources time etc, regarding the implementation of the decision. A detailed programme of action should be formulated specifying the minute details of action, people **who will execute it, when it will be implemented, who will be implemented and who will co-ordinate the work.**

6. FEED BACK:

Feedback is necessary to decide whether the decision is already taken should be continued or be modified in the light of changed conditions. Feedback is possible in the form of organized information reports and personal observations.

2. TECHNIQUES OF DECISION MAKING:



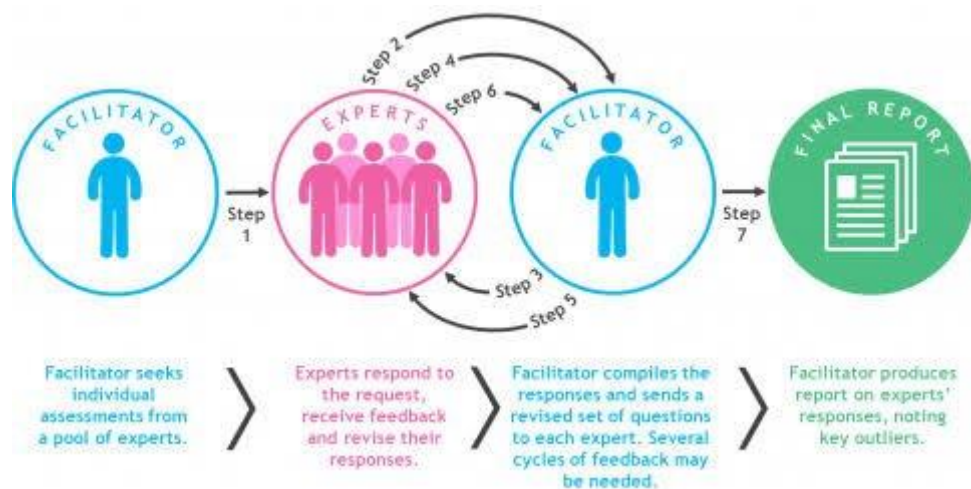
A. THE DELPHI TECHNIQUE:

Questionnaire is sent to the group members who record their answers in writing. The group members don't meet face-to-face. Replies of all the members to the questionnaires are summarized and feedback is sent for review. This process is repeated until a satisfactory decision is made. This technique is mostly used for decisions relating to demand forecast future problem etc.

SUCCESS OF THIS TECHNIQUE DEPENDS ON

- ✓ Seriousness of the group members.
- ✓ Expertise of the group member's availability of adequate time.
- ✓ Written communication skills of the member's use of information technology like e-mail, voice mail etc.

- ✓ Level of involvement and motivation of the members.



CHARACTERISTICS OF DELPHI METHOD:

- Olaf Helmer and Norman Dalkey ideated the method.
- First introduced in the year 1950.
- The founding members were part of Rand Corporation.
- 'Delphi' is derived from the Greek name 'Oracle of Delphi'.
- It helps get a mutual agreement towards a standard solution.
- This is regarded as an exploratory and detailed procedure.
- It can happen across the globe and involves collecting streamlined and structured information.
- The process remains anonymous, and the experts can share feedback without any discretions.
- The method was first tested in the Cold War to forecast the impact of technology on warfare.

How does this Delphi Method Forecast Work?

- The first step involves the selection and choosing of a facilitator. It is recommended to select a neutral person who remains unbiased throughout the process.
- Once a facilitator is decided, the second step is selecting the expert panel. The panel may include domain or subject matter experts working in the industry.
- The subject matter expert is regarded as an individual with critical insight and knowledge to solve problems.
- The third step involves a decision on the selection of a problem statement. The experts should then be informed on the selected topic to have sufficient time to gather needful points that they can share with the larger group and facilitator.
- The facilitator then shares the first set of questions through a comprehensive questionnaire.

- The facilitator collects the completed questionnaire from a larger group, assimilates common points, and removes irrelevant information.
- The facilitator then shares the second set of questions based on the responses received from the first lot to deep-dive into the problem.
- The facilitator repeats the above steps until a common consensus arrives and the final results are shared with the target group.
- The findings and results are analyzed further to determine the solutions and opportunities for the problem statement.

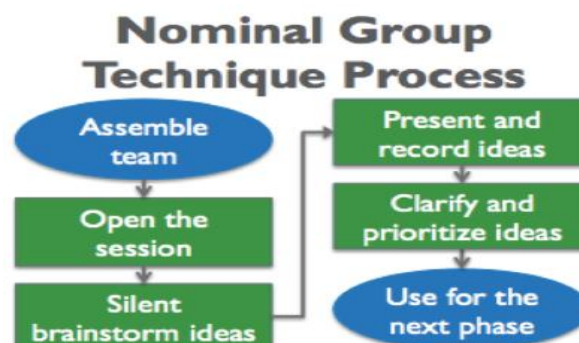
Advantages

- This method provides opportunities for a bigger to come up and participate.
- It helps in the early detection of problems and solutions which helps in determining the alternative course of action.
- After each step and feedback, the experts are provided with the opportunities to review their insights and opinions which they can later change in the succeeding step.
- The participation by the experts tends to stay anonymous.
- It provides different analysis and information on complex issues.
- Highly objective thinking is formed.
- Decisions based on experts are likely to be efficient.
- It is possible to have a wide variety of options to decide.
- Because it is anonymous, it avoids conflicts between experts and encourages creative participation.
- The expert is fully involved in the solution of the conflict and facilitates implementation.

B.NOMINAL GROUP TECHNIQUE:

The steps involved in nominal group decision making are :

- + Group members are brought together presented with a problem.
- + Members ask questions just to get clarification during brief sessions.
- + They share their ideas with each other in a structured format (all members get an opportunity in a round table format).
- + Members ask questions just to get clarification during brief sessions members develop the solution independently and write them on card.



PROCESS OF NOMINAL GROUP TECHNIQUE:

Routinely, the NGT involves five stages:



1. Introduction and explanation:

The facilitator welcomes the participants and explains to them the purpose and procedure of the meeting.

2. Silent generation of ideas:

The Facilitator provides each participant with a sheet of paper with the question to be addressed and ask them to write down all ideas that come to mind when considering the question. During this period, the facilitator asks participants not to consult or discuss their ideas with others. This stage lasts approximately 10 minutes.

3. Sharing ideas:

The Facilitator invites participants to share the ideas they have generated. She records each idea on a flip chart using the words spoken by the participant. The round robin process continues until all ideas have been presented. There is no debate about items at this stage and participants are encouraged to write down any new ideas that may arise from what others share. This process ensures all participants get an opportunity to make an equal contribution and provides a written record of all ideas generated by the group. This stage may take 15–30 minutes.

4. Group discussion:

Participants are invited to seek verbal explanation or further details about any of the ideas that colleagues have produced that may not be clear to them. The facilitator's task is to ensure that each person is allowed to contribute and that discussion of all ideas is thorough without spending too long on a single idea. It is important to ensure that the process is as neutral as possible, avoiding judgment and criticism. The group may suggest new items for discussion and combine items into categories, but no ideas should be eliminated. This stage lasts 30–45 minutes.

5. Voting and ranking:

This involves prioritizing the recorded ideas in relation to the original question. Following the voting and ranking process, immediate results in response to the question is available to participants so the meeting concludes having reached a specific outcome.

Advantages/Benefits

- A. All members get equal opportunity for participation no member can dominate the discussion.
- B. Ego problem and interpersonal problems are solved decision can be taken in the right time due to control of time.

Disadvantages:

- a) The procedure is too rigid. Members may be frustrated.
- b) Members can have interpersonal relations. Group cohesiveness cannot be ensured.

C.BRAIN STORMING TECHNIQUE:

This technique is used to encourage creative thinking in groups of around and members. The success of this technique depends upon the member's ability to listen to others. More members of ideas should be encouraged so that eventually higher quality ideas would be generated.

GUIDE LINES FOR BRAIN STORMING:

1. Record all ideas i.e. on a piece of flipchart paper.
2. There is no criticism. Everyone must be encouraged to participate.
3. Individually rank ideas.
4. Decide as a group which idea will be enacted first.
5. Quantity is more desirable then quality.
6. Evaluation, judgment (or) defense of ideas during the brainstorming session.
7. Begin the brainstorming process again as necessary.

Advantages

1. Broader participation of the members. Members have a sense of belongingness and the final product is the team effort.
2. Brainstorming builds involvement, commitment, loyalty, and enthusiasm. Participating in the sessions stimulates and unlocks people's creative talents.
3. Brainstorming also builds self-esteem.

Disadvantages

1. Some members may fear that their ideas may be looked down by others. Criticism of ideas kills creativity some people may dominate the process of decision making.
2. If brainstorming is done in an organization that has an authoritarian structure, it would basically be useless since everyone just waits for their boss to dictate what they'd talk about.

LIST OF IDEAS FOR EFFECTIVE BRAINSTORMING PROCESS

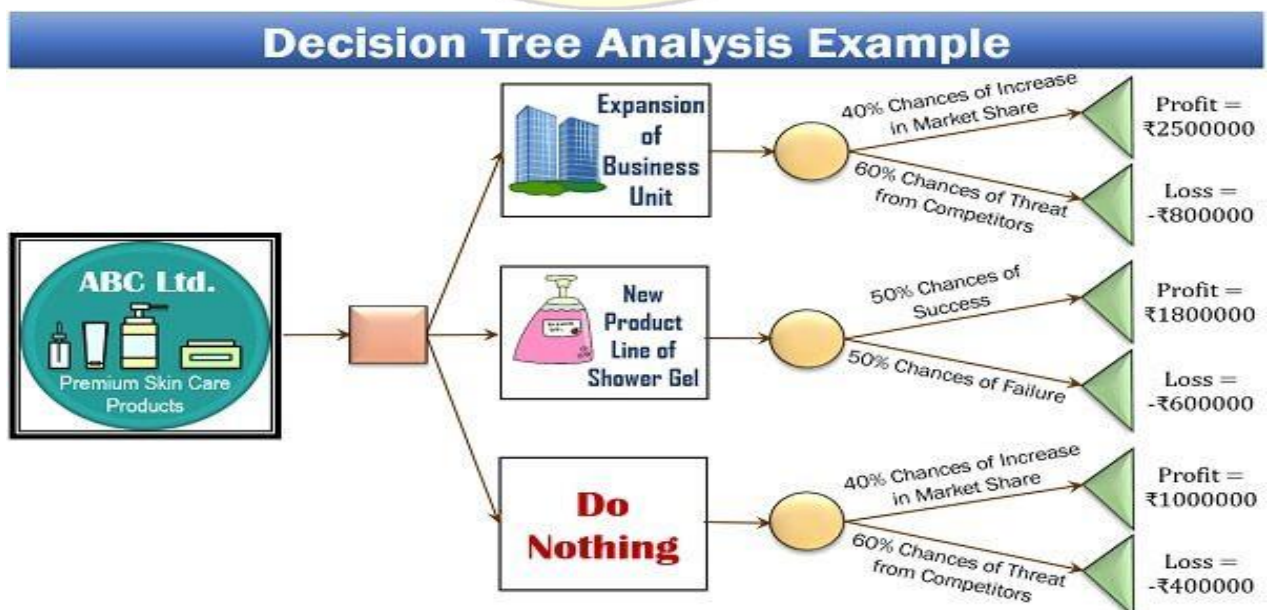


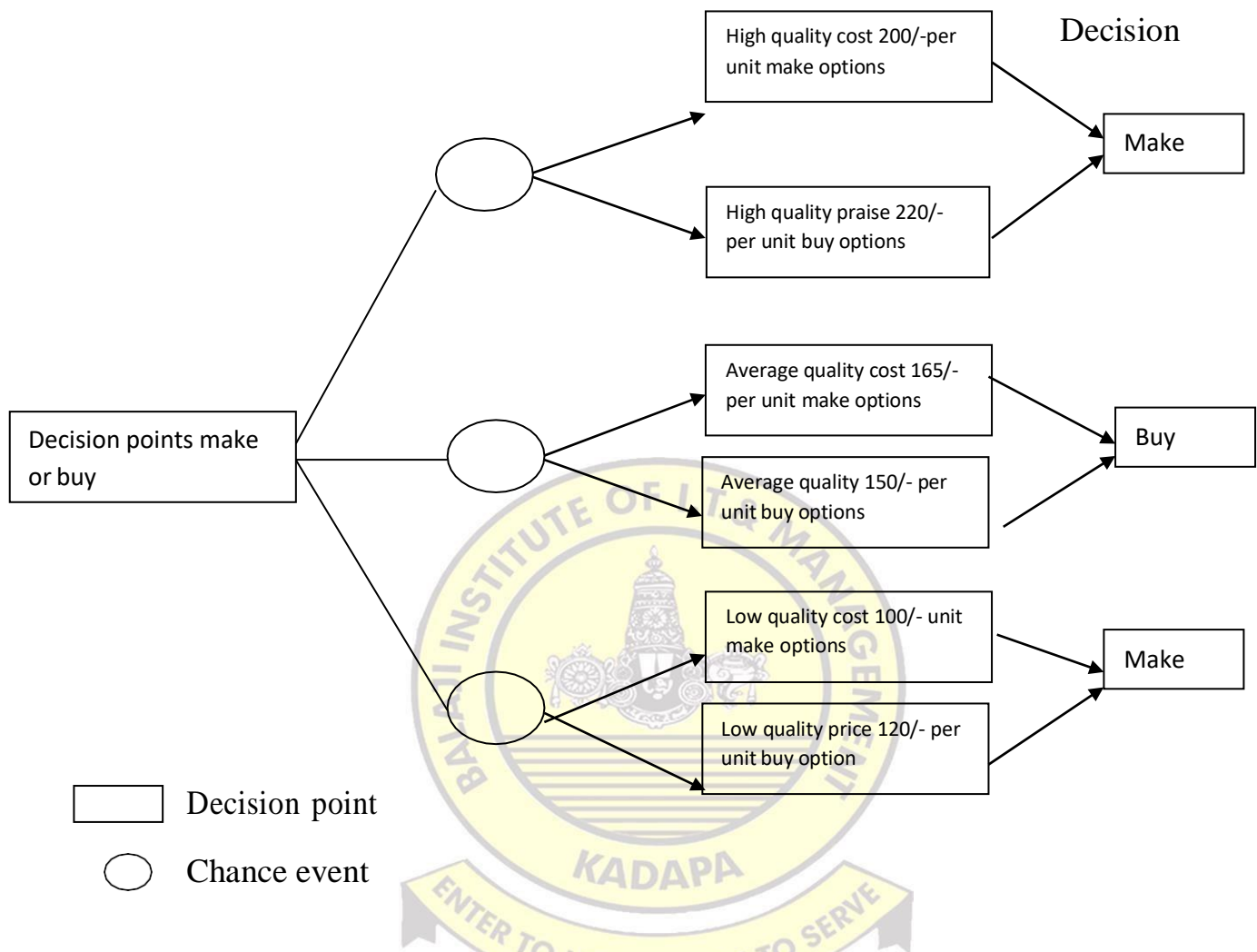
D.DECISION TREE

- The decision tree is a model in the form of a graphical tool that charts the steps to consider in evaluating each alternative solution in decision making.

THE MAIN POINTS OF THE DECISION TREE ARE,

- Using the information acquired in preparing to make the decision
- Decision tree helps managers to evaluate and arrange the information in order.
- Decision tree enables managers to introduce a degree of justifiability.





- It is observed from the figure that the car manufacturing company has to take decision whether to make the wipers or to pay them from other companies.
- Managers make the decision based on the information and quantified data provided in the decision tree.

3. PLANNING:

Planning starts with defining the objectives and the formulation of the specific goals or targets to be achieved. Planning is concerned with the future. It is done by managers at all levels of organizations. Planning is a primary function of corporate management. It is a bridge between the present and the future. It helps in the process of motivation and provides a frame work for decision making.

DEFINITION

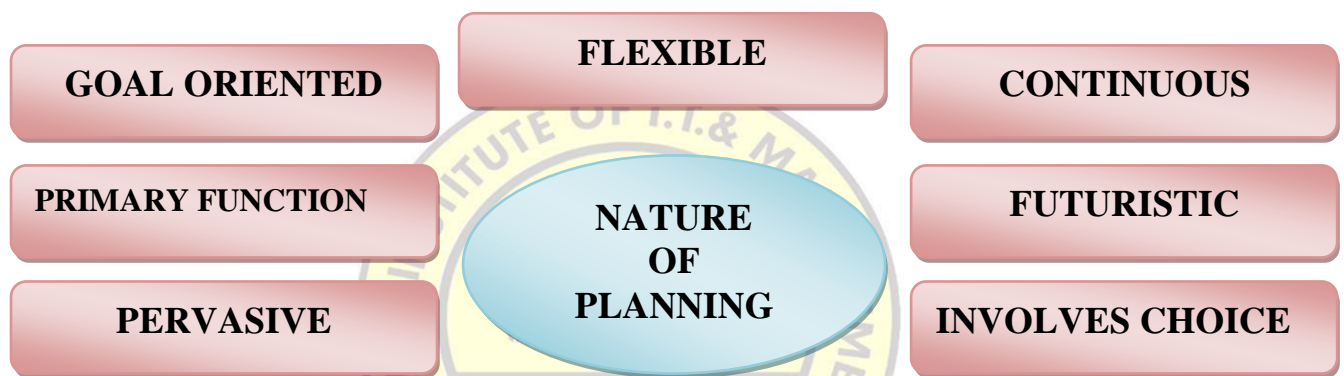
“Planning is deciding in advance what is to be done in future. Plan bridges the gap between where we are and we want to go”.

-HAROLD KNOONTZ and O'DONNEL,

“Planning means the determination of what is to be done, how it is to be done, who is to do it, and how results are evaluated.”

- According to James Lundy

NATURE OF PLANNING:



1. PLANNING IS GOAL ORIENTED:

Organization is set up with a general purpose in view. Specific goals are set out in the plans along with the activities to be achieving the goals. Thus, planning is purposeful. Planning has no meaning unless it contributes to the achievement of predetermined organizational goals.

2. PLANNING IS A PRIMARY FUNCTION:

Planning lays down the base for other functions of management. All other functions are performed within the framework of plans drawn. Thus, planning precedes other function. The other functions of management are interrelated and equally important. However, planning provides the base of all the other functions.

3. PLANNING IS PERVASIVE:

Planning is required at all levels of management as well as in all departments of the organization. It is neither an exclusive function of top management nor of any particular department. But the scope of planning differs at different level and among different departments.

4. PLANNING IS FLEXIBLE:

Plans are drawn on the basis of forecasts. Since the future is uncertain, planning must cope with change in future condition. Activities planned with certain assumptions about the

future may not come true.

5. PLANNING IS CONTINUOUS:

Plans are prepared for the specific period of time, may be for month, a quarter, or a year. At the end of that period there is need for a new plan to be drawn on the basis of new requirements and future conditions. Hence planning is never ending activity. It is a continuous process.

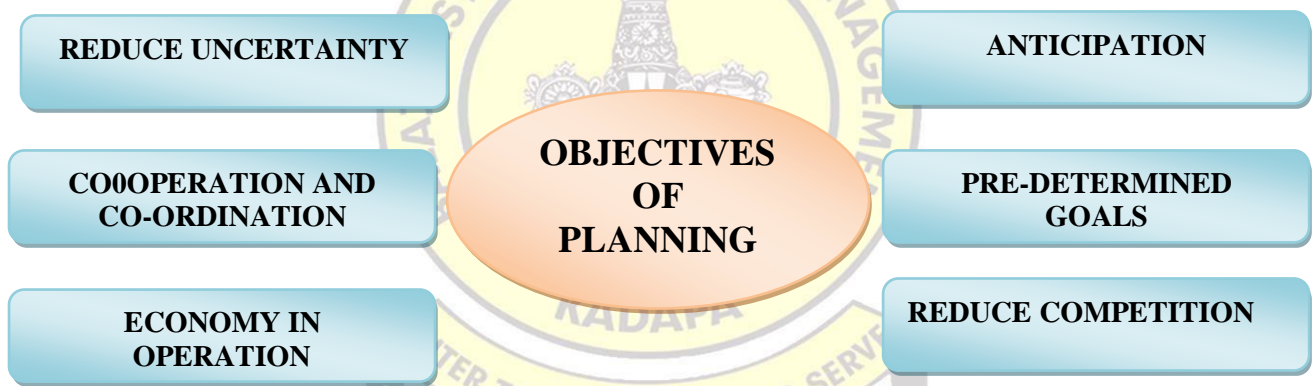
6. PLANNING IS FUTURISTIC:

Planning essentially involves looking ahead and future. The purpose of planning is to meet future event effectively to the best advantage of an organization. Through forecasting future events and conditions are anticipated and plans are drawn accordingly.

7. PLANNING INVOLVES CHOICE:

Planning essentially involves choice from among various alternatives and activities. If there is one possible goal or only one possible course of action, there is no need for planning because there is no choice.

OBJECTIVES OF PLANNING:



1. REDUCE UNCERTAINTY:

Future is uncertain. Planning may convert the uncertainty into certainty. This is possible to some extent by, planning which is reducing uncertainty.

2. BRING COOPERATION AND CO-ORDINATION:

Planning can bring co-operation and co-ordination among various sectors of the organization. The rivalries and conflicts among departments could be avoided through planning.

3. ECONOMY IN OPERATION:

As already pointed out, planning selected best alternative among various alternatives this will lead to the best utilization of resources. The objectives of the organization are achieved easily.

4. ANTICIPATE THE UNPREDICTABLE CONTINGENCIES:

Some events could not be predictable. These events are termed as contingencies. These events may affect the smooth functioning of an enterprise.

5. ACHIVING THE PRE-DETERMINED GOALS:

Planning activities are aimed at achieving the objectives of the enterprise. The timely achievements of objectives are possible only effective planning.

6. REDUCE COMPETITION:

The existence of competition enables the enterprise to get a chance for growth. At the same time, stiff competition should be avoided. It is possible, to reduce competition through planning.

4. PROCESS OF PLANNING:

Planning is a continuous process. Planning is an organizations plan for the total business or any part of the business includes the departments or any part of it.

(1) Setting Objectives

- This is the primary step in the process of planning which specifies the objective of an organisation, i.e. what an organisation wants to achieve.
- The planning process begins with the setting of objectives.
- Objectives are end results which the management wants to achieve by its operations.
- Objectives are specific and are measurable in terms of units.
- Objectives are set for the organisation as a whole for all departments, and then departments set their own objectives within the framework of organisational objectives.

Example:

A mobile phone company sets the objective to sell 2,00,000 units next year, which is double the current sales.

(2) Developing Planning Premises

- Planning is essentially focused on the future, and there are certain events which are expected to affect the policy formation.
- Such events are external in nature and affect the planning adversely if ignored.
- Their understanding and fair assessment are necessary for effective planning.
- Such events are the assumptions on the basis of which plans are drawn and are known as planning premises.

Example:

The mobile phone company has set the objective of 2,00,000 units sale on the basis of forecast done on the premises of favourable Government policies towards digitisation of transactions.

(3) Identifying Alternative Courses of Action

- Once objectives are set, assumptions are made.
- Then the next step is to act upon them.
- There may be many ways to act and achieve objectives.
- All the alternative courses of action should be identified.

Example:

The mobile company has many alternatives like reducing price, increasing advertising and promotion, after sale service etc.

(4) Evaluating Alternative Course of Action

- In this step, the positive and negative aspects of each alternative need to be evaluated in the light of objectives to be achieved.
- Every alternative is evaluated in terms of lower cost, lower risks, and higher returns, within the planning premises and within the availability of capital.

Example:

The mobile phone company will evaluate all the alternatives and check its pros and cons.

(5) Selecting One Best Alternative

- The best plan, which is the most profitable plan and with minimum negative effects, is adopted and implemented.
- In such cases, the manager's experience and judgement play an important role in selecting the best alternative.

Example:

Mobile phone company selects more T.V advertisements and online marketing with great after sales service.

(6) Implementing the Plan

- This is the step where other managerial functions come into the picture.
- This step is concerned with "DOING WHAT IS REQUIRED".
- In this step, managers communicate the plan to the employees clearly to help convert the plans into action.
- This step involves allocating the resources, organising for labour and purchase of machinery.

Example:

Mobile phone company hires salesmen on a large scale, creates T.V advertisement, starts online marketing activities and sets up service workshops.

(7) Follow Up Action

- Monitoring the plan constantly and taking feedback at regular intervals is called follow-up.
- Monitoring of plans is very important to ensure that the plans are being implemented according to the schedule.
- Regular checks and comparisons of the results with set standards are done to ensure that objectives are achieved.

Example:

A proper feedback mechanism was developed by the mobile phone company throughout its branches so that the actual customer response, revenue collection, employee response, etc. could be known.

LIMITATIONS OF PLANNING:**1. RIGIDITY:**

The existence of a plan puts managerial activities in a rigid framework. Programmes are carried out according to the plan and deviations are considered to be highly undesirable. This attitude makes managers and employees inflexible in their operations.

2. MISDIRECTION:

Planning may be used by a particular individual and groups to serve their own interest. Attempts are made by them to influence setting of objectives, formulation of plans and programs to suit their limited aims and objects, ignoring the interest of the organization. As a result planning may not serve any useful purpose.

3. TIME CONSUMING:

Planning is a time consuming process. It requires collection of information, its analysis and interpretation. The process may take considerable time. Thus, planning is not practicable during emergencies and crisis when quick decisions are needed.

4. LACK OF ACCURATE INFORMATION:

Planning is concerned with future activity and hence, its quality will be determined by the quality of forecast of future events. As no manager can predict completely and accurately the events of future, the planning may pose problems in operation. This problem is further increased by inaccurate planning premises.

5. INTERNAL INFLEXIBILITIES:

Managers while going through the planning process have to work in a set of given variables. These variables often provide less flexibility in planning which is needed to cope up with the change in future events.

a. PSYCHOLOGICAL INFLEXIBILITIES:

Psychological inflexibility is in the form of resistance to change. Managers and employees in the organization may develop patterns of thought and behavior that are hard to change. They look more in terms of present rather than future.

b. POLICY AND PROCEDURAL INFLEXIBILITY:

Another internal inflexibility emerges because of organizational policies and procedure. Once these are established, they are difficult to change. Though these policies, procedures, and rules are meant to facilitate managerial action by providing guidelines, they often tend to be too exacting and numerous that they leave very little scope for managerial initiative and

flexibility.

c. CAPITAL INVESTMENT:

In most cases, once funds are invested in fixed assets, the ability to switch future course of action becomes rather limited, and investments itself becomes a planning premises. During the entire life of the fixed assets, this inflexibility continuous unless the organization can reasonably liquidate its investment or change its course of action, or unless it can afford to write off the investment.

6. EXTERNAL INFLEXIBILITIES:

Besides the internal inflexibilities, managers are confronted with much external inflexibility and they do not have these. **EXAMPLE:** Managers have little or no control over social economic, technological and political forces. Whether these change quickly or slowly, they do stand in the way of effective planning.

a. POLITICAL CLIMATE:

Every organization, to a greater or lesser degree, is faced with the inflexibility of the political climate existing at any given time. Attitudes of government towards business, taxation policy, regulation of business etc. generate constraints on the organizational planning process. Government being major supplier or certain raw materials, finance institution through financial institution may affect the business organization considerably.

b. TRADE UNION:

The existence of trade union, particularly those organized at the national level, tends to restrict freedom of planning. Apart from wages and other associated benefits, they affect the planning process by putting limitations and the work that can be undertaken by the organization. They set up the work rule and productivity. To that extent, managers are not free to make decisions of their choice.

c. TECHNOLOGICAL CHANGES:

The rate and nature of technology changes also present very definite limitations upon planning. An organization is engaged in its process with a given technology. When there is a change in technology, it has to face numerous problem resulting into higher cost of production and less competitive competence in the market. However, the organization cannot change its technology so frequently. Thus, higher rate of technology changes more would be the problem of long- range planning.

5. PROBLMES OF PLANNING



A. IN FLEXIBILITY: Once a plan has been done or finalized, it is not easy to deviate from the selected course of action. This rigidity acts as a barrier for the employees in successful implementation of their functions. Liberalization and globalization made the change and adaptability as the order of the day in the business world.

B. TIME CONSUMING: Planning process requires a lot of time to perform all these activities and to make planning effective and systematic. Planning involves collection of data, its analysis, forecasting and making assumption. Forecast of future events is based on a number of statistical tools.

C. MISDIRECTION: Sometimes planning efforts are not successful due to the misdirection of an individual or group of individuals. Planner or manager try to formulate the objective and plans to serve their personal interests rather than achieving the overall goals of the organization.

D. HIGH COST: The planning process is not only time consuming but also expensive. The planning process requires complete data and information to be collected and processed. It requires use of statistical techniques. As such planning is an expensive activity.

E. UN-CERTAINITY: Planning process also suffers from the un-certainty of change. Planning is for the future but is based on present business conditions. Changes in business conditions like anticipated risks, absorption of technology, unfavorable market conditions etc, limit the successful execution of plans.

F. IN-ACCURATE INFORMATION: Planning is essentially a futuristic exercise that is based on assumption and forecasts made by the planners or managers.

6. MAKING IT EFFECTIVE:

A. Establishing climate for planning

B. Wider participation

C. Effective communication of planning information

D. Integration of long term & short term planning

E. Involvement of top management

F. An open system approach

G. Cost – benefit analysis

A. ESTABLISHING CLIMATE FOR PLANNING: Managers should create a climate where every person in the organization takes planning action. Every superior manager should remove obstacles to planning. Managers at every level should be encouraged and give necessary facilities to plan their goals and activities with active participation of the workers.

B. WIDER PARTICIPATION: The most effective way of planning is where every manager is granted freedom to plan in respect of his areas of activities.

Participation By The Subordinates May Be Made Possible Through Various Ways Like:-

Formation of planning committee at various level which may be made responsible for providing planning information, inviting suggestions and reactions from subordinates managers of plans. Management by objectives under which common goals at each level of activity are established by managers and workers together.

C. EFFECTIVE COMMUNICATION OF PLANNING INFORMATION: Many Planning efforts fail because managers do not really understand their goals and other planning promises. The organization should have an effective network to communicate all the information that is relevant for planning of the goals at events level. This should include specific and clear information regarding resource availability organizational policies strategies.

D.INTEGRATION OF LONG TERM AND SHORT TERM PLANNING: Short term Plans of an organization should contribute to the accomplishment of its long term plans.

E.INVOLVEMENT OF TOP MANAGEMENT: In any organization the role of top management in planning is quite unique and important. Effective planning may start at top level and get support from lower level managers. But, this should not mean that subordinate managers can do nothing in initiating the planning process.

F.AN-OPEN SYSTEM APPROACH: It suggests that managers must take into account interaction with their total environment in every aspect of planning premises represent a clear recognition.

G.COST-BENEFIT ANALYSIS: The planners must undertake cost benefit analysis. This can be achieved by establishing measurable objectives, proper decision making and formulation of derivative plans for the changing environment.

7. CONTROLLING:

Just as every automobile require brakes to stop the vehicle and a steering system to give a direction to it. Each and every organization requires a control system to direct the organization towards the goals also enhance effectiveness. Organizations use the technique of controlling to ensure that they are making a considerable progress towards their goals and utilizing the available resources. Controlling is a function of management that strives to measure the performances and take the remedial actions when needed. Controlling also ensure that an organizations resources are being used effectively and systematically for the achievement of pre-determined goals.

7.1: DEFINITION OF CONTROLLING

“Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and principles established”

- HENRY FAYOL

“Controlling is determining what is being accomplished that is evaluating the performance and, if necessary, applying corrected measures so that the performance takes place according to plans.”

-George R. Terry

IMPORTANCE OF CONTROL:

1. Basis for Future Action:

Control provides basis for future action. The continuous flow of information about projects keeps the long range planning on the right track. It helps in taking corrective action in future if the performance is not up to the mark. It also enables management to avoid repetition of past mistakes.

2. Facilitates Decision-making:

Whenever there is deviation between standard and actual performance the controls will help in deciding the future course of action. A decision about follow up action is also facilitated.

3. Facilitates Decentralization:

Decentralization of authority is necessary in big enterprise. The management cannot delegate authority without ensuring proper controls. The targets or goals of various departments are used as a control technique. If the work is going on satisfactorily then top management should not worry. The 'management by exception' enables top management to concentrate on policy formulation. Various control techniques like budgeting, cost control, pre action approvals allow decentralization without losing control over activities.

4. Facilitates Co-ordination:

Control helps in coordination of activities through unity of action. Every manager will try to co-ordinate the activities of his subordinates in order to achieve departmental goals. Similarly, chief executive will co-ordinate the functioning of various departments. The controls will act as checks on the performance and proper results will be achieved only when activities are coordinated.

5. Helps in Improving Efficiency:

The control system helps in improving organizational efficiency. Various control devices act as motivators to managers. The performance of every person is regularly monitored and any deficiency is corrected at the earliest.

6. Psychological Pressure:

Controls put psychological pressure on persons in the organization. Everybody knows that his performance is regularly evaluated and he will try to improve upon his previous work. The rewards and punishments are also linked with performance. The employees will always be under pressure to improve upon their work. Since performance measurement is one of the important tools of control it ensures that every person tries to maximize his contribution.

Limitations of Control:

1. Influence of External Factors:

There may be an effective control system but external factors which are not in the ambit of management may have adverse effect on the working. These factors may be government policy, technological changes, change in fashion, etc. The influence of these factors cannot be checked by the control system in the organization.

2. Expensive:

The control system involves huge expenditure on its exercise. The performance of each and every person in the organization will have to be measured and reported to higher authorities. This requires a number of persons to be employed for this purpose. If the performance cannot be quantitatively measured then it will be observed by the superiors. The exercise of control requires both time and effort.

3. Lack of Satisfactory Standards:

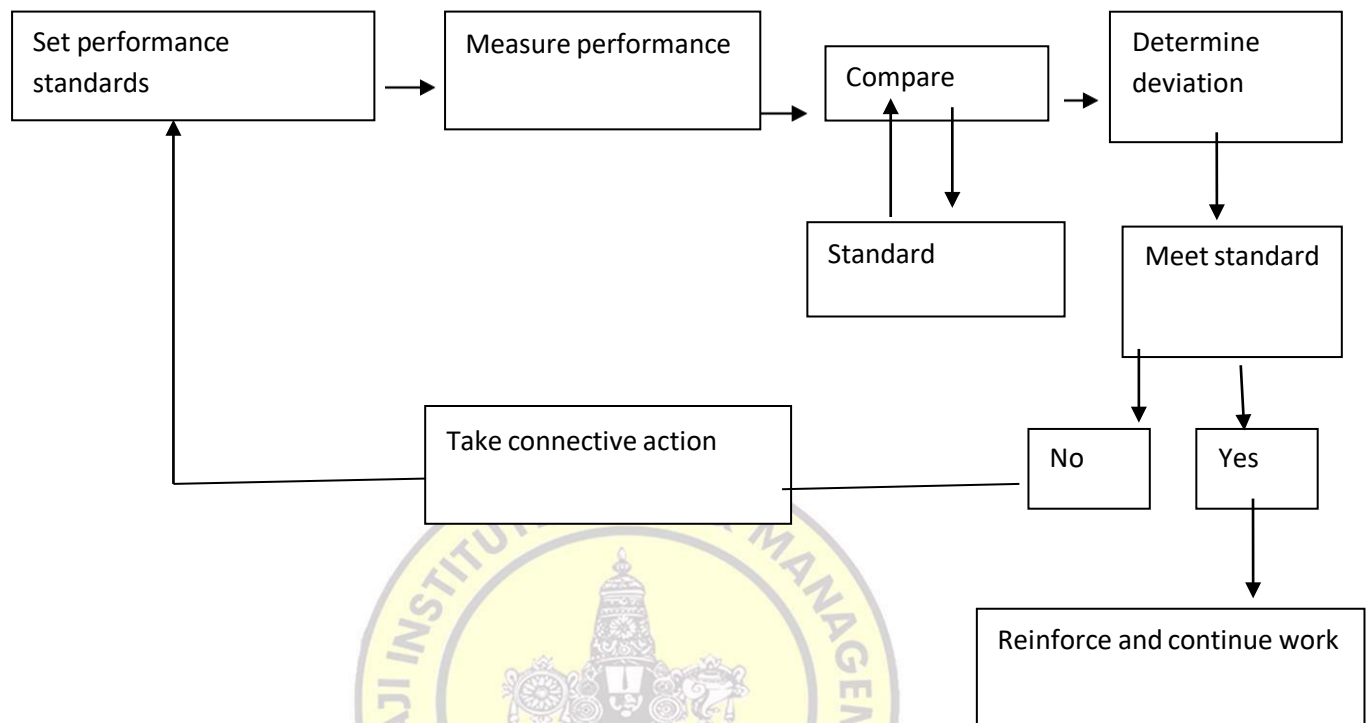
The performance of certain activities involving human behaviour cannot be fixed in terms of quantities. It is difficult to fix standards for activities like public relations, management development, human relations, research, etc. The evaluation of work of persons engaged in these activities will be difficult.

4. Opposition from Subordinates:

The effectiveness of control process will depend upon its acceptability by subordinates. Since control interferes with the individual actions and thinking of subordinates they will oppose it. It may also increase the pressure of work on subordinates

because their performance is regularly monitored and evaluated. These factors are responsible for the opposition of controls by subordinates.

8. SYSTEM OF CONTROLLING



A.SETTING PERFORMANCE STANDARDS: Evaluating an organizational performance is normally based on certain standards. These standards may be previous year's achievement or the competitor's records or the fresh standards established by the management.

Companies should establish the standards for evaluating the performance of the strategies taking several factors into consideration like,

- Quality of products /services.
- Quality of management.
- Creativity.
- Ability to attract develop and retain competent and skilled people.
- Corporate image among the customers and general public.
- Soundness of human resource management in terms of percentage of employee grievances redressed employee satisfaction rate, employee turnover rate etc.

B.MEASURE PERFORMANCE: Performance may be measured through quantitative terms or qualitative terms. Reports and statements help to measure the actual performance through quantitative terms and managerial observations help to measure performance through qualitative terms.

FOLLOWING ARE THE 3 SOURCES

WRITTEN REPORTS: With the help of computer and its data can be gathered and analyzed easily. This technology can provide enormous benefits to the managers in presenting written reports.

ORAL REPORTS: Oral reports are the presentations or summary provided by the managers to their superiors.

PERSONAL OBSERVATION: The person or manager goes to the place where the work is going on and observes what exactly is happening. It is possible for the manager personally observe methods adopted by the personnel (employee) their non-verbal language.

C.COMPARE PERFORMANCE WITH STANDARDS: Organization standards are yard sticks and bench marks that place organizational performance. The manager should set standards for all performance areas of the organization based on organizational goals and strategies. Normally the standards vary from one company to the other company. They also vary from time to time in the same company.

The Standards Developed By General Electrical Can Be Used Model Standards It Includes:-

1. PRODUCT LEADERSHIP STANDARDS:

They include the innovations and modifications in products to increase the new uses of existing product developing new products with new uses etc.

2. EMPLOYEE ATTITUDE STANDARDS:

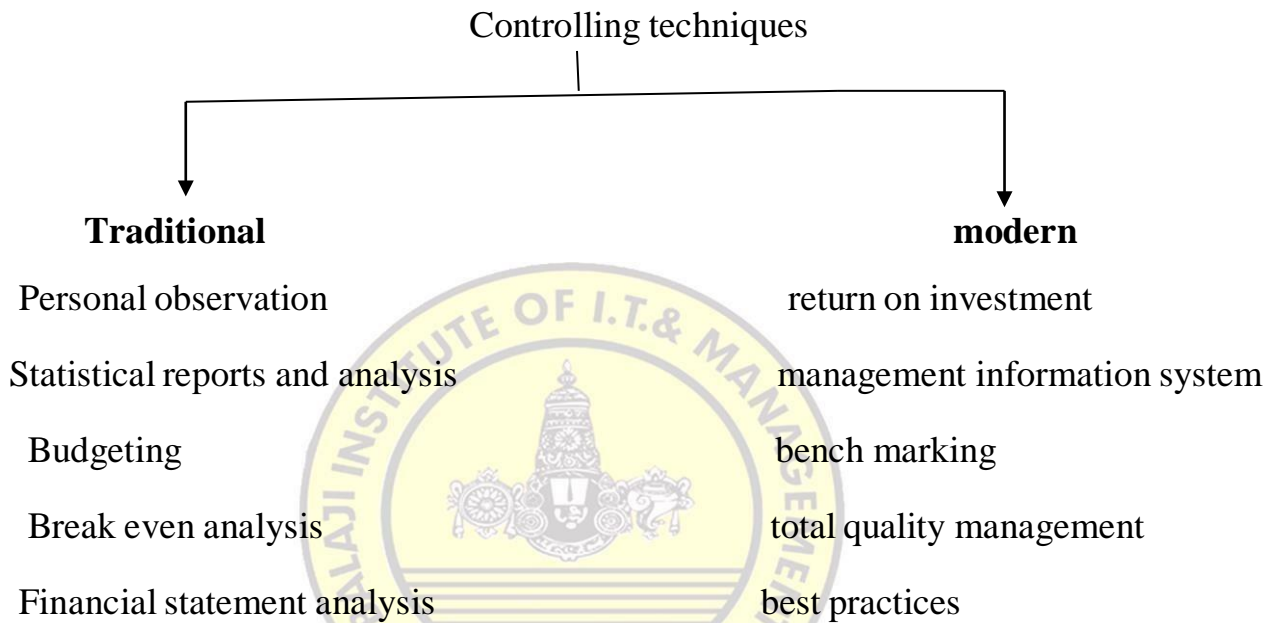
They include employee's favorable attitude towards the nature of work organization salaries quality of work like treatment by superiors etc.

3. PRODUCTIVITY STANDARDS

These standards indicate the performance of the organization in terms of convention of inputs into output. These standars include capital productivity, labor productivity material productivity etc.

D.TAKE CORRECTIVE ACTIONS: Managers should take necessary corrective action if performance is not in harmony with standard. The choice of the remedial measures relies on the nature of the issue.

9. CONTROLLING TECHNIQUES:



1. TRADITIONAL TECHNIQUES:

A.PERSONAL OBSERVATION: In this the supervisor monitor the performance of employees as well as inspects the proper execution of operations by observing the situation. Many problems are solved during supervision. It helps a manager to collect first hand information about the performance of the employees and it is time consuming process.

B.STATISTICAL REPORTS AND ANALYSIS: In this technique the managers compare and analyze various ratios, percentages, averages etc. this technique is widely used in inventory control production control etc.

C.BUDGETTING AND BUDGETERY CONTROL: Budget would be basis for delegation of authority and responsibility without loss of control. The budgetary control denotes the process of establishing the budgets for different operations and comparing the actual outcome against the budgets. Budgetary control helps in planning and decision making processes of an organization. The best is a techniques and budgetary control is the outcome.

D.BREAK-EVEN ANALYSIS : The techniques used by managers to study the relationship between sales volume, cost and profit are known as break-even analysis. It helps in making important managerial decisions. It is beneficial because it provides the information regarding the market potential and profit of products which helps in creating and deleting product lines. Break-even analysis finds out the sales mix, channels of distribution and sales promotion.

E.FINANCIAL STATEMENT ANALYSIS : Financial statement plays a vital role some of the important financial statements like profit and loss statement, balance sheet etc. These statements also help in analyzing the ratios that highlight the financial status of an organization.

2. MODERN TECHNIQUES:

A.RETURN ON INVESTMENT: It is very useful techniques for determine whether the capital invested in business has been effectively used or not for generating reasonable amount of return. The prime motive of calculating ROI is to optimize the revenue on investment capital rather than increasing the revenue.

$$\text{The formula is – ROI} = \frac{\text{Net income}}{\text{Sales}}$$

B.MANAGAEMENT INFORMATION SYSTEM: In MIS raw data are collected from direct and indirect sources after that data are classified. It provides timely information to the managers, so that they can take appropriate corrective measures in case of deviations from standards.

C.BENCH MARKING: Bench marking has become embedded in most organizations as part of the way they stay competitive. Bench marking is the process determines who is the very best ,who sets the standard and what that standard is. Now bench marking is a management tool that is being applied almost anywhere.

D.TOTAL QUALITY MANAGEMENT: TQM is a concept which is based on the notion of responsibility towards quality maintain throughout the firm. The primary objective of TQM is the active participation of the production staff to work for quality and to inculcate the attitude of constant improvement them.

E.BEST PRACTICES: A best practice is the process of finding and using ideas and strategies from outside your company and industry to improve performance in any given area.

F.THE STEPS FOR INSTALLING BEST PRACTICES INVOLVES: Identifying one business process or service to improve ,looking for one metric to measure. Collecting information on the successful best practices of other companies modifying the best practices for the situation. The benefits of best practices for small business include reduced cost, avoidance of mistakes, finding new ideas and improving performance.

10. MAKING CONTROLLING EFFECTIVE:

A. Accuracy

B. flexibility

C. Acceptability

D.Integration

E Corrective action

A. ACCURACY: Effective controls generate accurate data and information. Accurate information is essential for effective managerial decisions. Inaccurate controls would divert management efforts and energies on problems that do not exist

B. Flexibility:

The business and economic environment is highly dynamic in nature. Technological changes occur very fast. A rigid control system would not be suitable for a changing environment. These changes highlight the need for flexibility in planning as well as in control. Managers must make modifications in controlling methods, techniques and systems as they become necessary. An effective control system is updated quickly as the need arises.

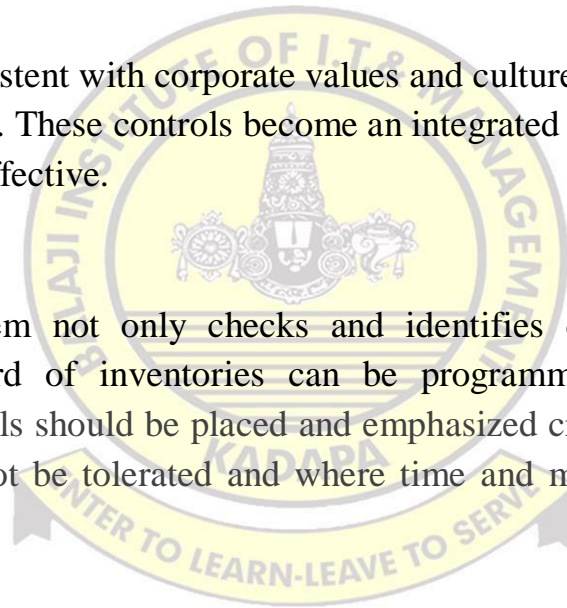
C. Acceptability: employees must agree that such controls are necessary and appropriate and will not have any negative effects on their efforts to achieve their personal as well as organizational goals.

D. Integration:

When the controls are consistent with corporate values and culture, they work in harmony with organizational policies. These controls become an integrated part of the organizational environment and become effective.

E. Corrective action:

An effective control system not only checks and identifies deviation For example, a computer keeping a record of inventories can be programmed to establish “if-then” guidelines. Effective controls should be placed and emphasized critical and strategic control points where failures cannot be tolerated and where time and money costs of failures are greatest.



CASE STUDY

Krishnamurthy, Plant Manager Of Frame Manufacturing Company, Is The Chairperson Of The Ad Hoc Committee For Space Utilization. The Committee Is Made Up Of Various Departmental Heads Of The Company. The General Manager Of The Company Has Given Murthy The Responsibility For Seeing Whether The Various Office, Operations And Warehouse Facilities Of The Company Are Being Optimally Utilized. The Company Is Beset By Rising Costs And The Need For More Space. However, Before Okaying An Expensive Addition To The Plant, The General Manager Wants To Be Sure That The Currently Available Space Is Being Utilized Properly. Murthy Opened Up The First Committee Meeting By Reiterating The Charge Of The Committee. Then Murthy Asked

The Members If They Had Any Initial Observations To Make. The First To Speak Was The Office Manager. He Stated “Well I Know We Are Using Every Possible Inch Of Room That We Have Available To Us. But When I Walk Out Into The Plant I See A Lot Of Open Spaces. We Have People Piled On Top Of One Another, But Out In The Plant There Seems To Be Plenty Of Room.” The Production Manager Quickly Replied, “We Do Not Have A Lot Of Space. You Office People Have The Luxury Facilities. My Supervisors Don’t Even Have Room For A Desk And A File Cabinet. I Have Repeatedly Told The Plant Manager We Need More Space. After All, Our Operation Determines Whether This Plant Succeeds Or Fails, Not Like You People In The Front Office Pushing Paper Around.’ Murthy Interrupted At This Point And Said, “Obviously We Have Different Interpretations Of The Space Utilisation Around Here. Before Further Discussion I Think It Would Be Best If We Have Some Objective Facts To Work With. I Am Going To Ask The Industrial Engineer To Provide Us With Some Statistics On Plant And Office Layots Before Our Next Meeting. Today’s Meeting Is Adjourned.

QUESTIONS:

1. What Perceptual Principles Are Evident In This Case ?

SOLUTION:

- a. Perception of persons vary from each other as every individual view comports as the prime interest. In this case it is evident that perception of production manager differs from that of office manager.
- b. Office manager said the space has been utilized in their department to the maximum extent and state that in plant, spaces are left without being made use of efficiently.
- c. Production manager emphasize on his point of view that the space has been made best use in his department where as in office department they are not utilizing the space provided and he also stressed that failures or success of an organization will be determined by the operating of the plant.

2. What Concept Was Brought Out When The Production Manager Labelled The Office Personnels A Bunch Of “Paper Pushers” ?

SOLUTION: The Production manager thinks that the office personnel's will be only having paper works they won't be having any much work to do physically they are enjoying the comforts without doing much physical work. According to production manager he feels that the office people is having more space just to keep their paper and files etc. He also thinks that the space giving for the office people is more for their nature of working comparing to his production work. He believes there is no much work to be performed compared to production department they just deal with paper work like recording day to day's activity which is an easy task.

UNIT II:

External Questions: (Old Question papers)

1. Enumerate on types of plans?
2. Define planning. Discuss the approaches to planning?
3. Elaborate on the steps involved in decision making?
4. Describe the process of controlling. Also state the essentials of control process?
5. What are the techniques of decision making?
6. Discuss the need for managerial control and explain various kinds of control?
7. Bring out the importance of control as a function of management. Write a brief note on controlling techniques?

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(Established by Govt. of A.P., ACT No.30 of 2008)
ANANTHAPURAMU – 515 002 (A.P) INDIA

MASTER OF BUSINESS ADMINISTRATION MBA; MBA (General Management); MBA (Business Management) COMMON COURSE STRUCTURE

Course Code 21E00101	MANAGEMENT & ORGANIZATIONAL BEHAVIOUR	L	T	P	C
		4	0	0	4
Semester		I			
Course Objectives:					
<ul style="list-style-type: none">To impart basic conceptual knowledge on Management theories and PracticesTo achieve higher productivity and accomplishing the goals of the organization.					
Course Outcomes (CO): Student will be able to					
<ul style="list-style-type: none">Understand concepts, theories and practicesApply theoretical knowledge in managing the organization and Know the behaviour of employees at individual, group and organisational levels at work place under different leadership styles.					
UNIT - I	Lecture Hrs: 8				
Role of Management – Concept – Significance – Functions – Principles of Management - Patterns of Management: Scientific – Behavioural – Systems – Contingency.					
UNIT - II	Lecture Hrs: 12				
Decision Making & Controlling – Process – Techniques. Planning – Process – Problems — Making It Effective Controlling - System of Controlling – Controlling Techniques – Making Controlling Effective.					
UNIT - III	Lecture Hrs:12				
Individual Behaviour & Motivation –Understanding Individual Behaviour – Perception – Learning – Personality Types – Johari window- Transactional Analysis- Motivation– Concept of Motivation - Motivational Theories of Maslow, Herzberg, David McClelland, and Porter and Lawler					
UNIT - IV	Lecture Hrs:12				
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.					
UNIT - V	Lecture Hrs:12				
Organisational Behaviour–Organizing Process – Departmentation Types – Making Organizing Effective –Organisational culture- Types of culture – Organisational Culture Vs Organisational climate - Conflict management -Change Management.					
Textbooks:					
<ul style="list-style-type: none">1. Principles of Management, Koonz,Weihrich and Aryasri, Tata McGraw Hill.2. Organizational Behaviour: Design, Structure and Culture, Gupta, Willey3. Management and Organisational Behaviour, Subbarao P, Himalaya Publishing House					
Reference Books:					
<ul style="list-style-type: none">1. Organisational Behaviour ,S.S.Khanka, S.Chand2. Organisational Behaviour, Stephen P. Robbins, Pearson Education3. Organisational Behaviour , Mishra .M.N ,Vikas4. Management and Organisational behaviour, Pierce Gordner, Cengage.5. Behaviour in Organizations, Hiriyaappa .B.New Age Publications6. Organisational Behaviour,Sarma, Jaico Publications.7. Principles of Management ,Murugesan ,Laxmi Publications					
Online Learning Resources:					



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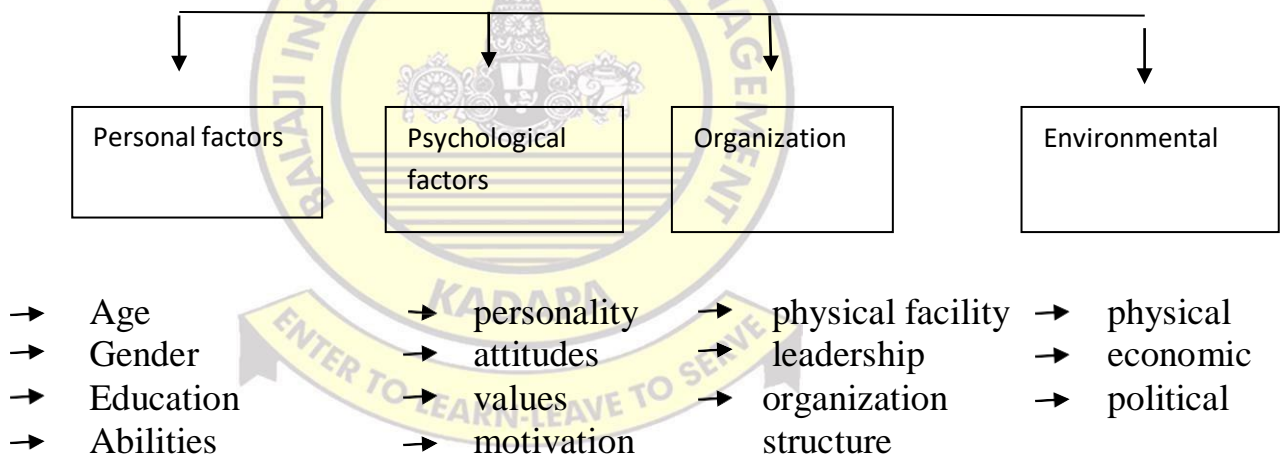
UNIT-3

INDIVIDUAL BEHAVIOUR & MOTIVATION

1. UNDERSTANDING INDIVIDUAL BEHAVIOUR:

Individual behavior is the set of actions performed by an individual. Performance of an organization depends on the individual behavior. Human behavior is affected by numerous factors like attitudes, culture, emotions, ethics, values etc. Humans may be physically but not behaviorally, infact the same person behaves differently in different situations. This is due to the influence of various factors. It is the responsibility of managers to ensure accomplishment of organization goals. Understanding of human behaviors is necessary for managers to become aware of how to motivate and encourage employees for better performance.

1.1: FACTORS AFFECTING INDIVIDUAL BEHAVIOUR:



1. PERSONAL FACTORS

AGE:

Age is a very important factor. Performance is dependent on age. With regard to productivity old age results in reduced productivity skill as he or she grows older in age. Age can also be factor of adaptability.

GENDER:

Experts say that in terms of job performance and mental abilities, men and women are equal. Without any male-female differences, some of the people have competitive drive, leadership, motivation, learning ability, analytical skills or problem solving ability.

EDUCATION:

Systematic knowledge and learning is called education. Increased levels of education serve to increase an individual's expectations about positive outcomes.

ABILITY:

Ability refers to an individual's capacity to perform various tasks in a job. It has a great impact on the performance and satisfaction level of employees.

2. PSYCHOLOGICAL FACTORS:**PERSONALITY:**

Personality generally refers to personal traits like aggressiveness, behavior and other qualities. Personality has both internal and external elements. The External traits are the observable behaviors that we notice in an individual's personality for example sociability. Internal states represent the thoughts, values.

ATTITUDES:

Attitudes are evaluative statements either favorable or unfavorable attitudes or values interrelated.

VALUES :

The fundamental beliefs about the way should behave or communicate are called values. Values affect an individual's personalities as well as his perception.

MOTIVATION:

Motivation is a process that starts with a physiological or psychological deficiency or need that activities behavior or a drive that is aimed at a goal or incentive.

3. ORGANISATIONAL FACTORS:**PHYSICAL FACILITIES:**

Physical facilities like air conditioning, space lighting, equipment given to employee's environment etc. also affect the employee's performance and his or her approach towards their work and the organization.

ORGANISATION STRUCTURE AND DESIGN:

Organizational configuration like line, staff functional organizations, duties and responsibilities of organization towards its employees that constitute the organizational structure.

LEADERSHIP:

Leader plays a pivotal role in an organization. Leadership is defined as the process whereby one individual influences other group's members towards the attainment of defined group or organizational goals.

4. ENVIRONMENTAL FACTORS:

ECONOMIC FACTORS: Economic position of a person influence different aspects of his development like motivational emotional social education carrier living with other etc.

POLITICAL FACTORS : Political factors influence investment, fiscal policy and job opportunities within a country. Political environment of the country will affect the individual behavior not directly, but through several other factors.

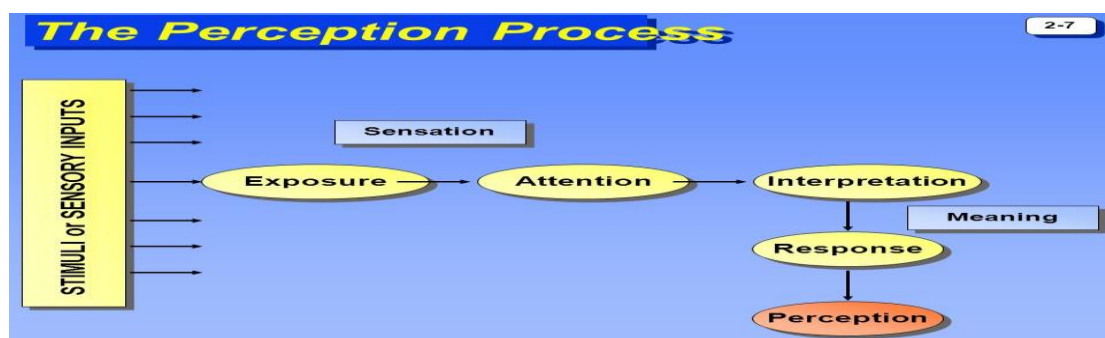
2. PERCEPTION:

Perception is the process of receiving information about and making sense of the world around us. Perception includes all those process by which an individual receives information about the environment seeing, hearing, feeling, tasting and smelling. Perception is the process of receiving, selecting, organizing, interpreting, checking and reacting to sensory stimuli or data. Perception is based on the psychology of individuals. Behavior of a person depends on how he perceives reality rather than what the reality actually it. In an organization people respond according to their perception about the fact rather than the actual fact.

DEFINITION OF PERCEPTION

“A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments.”

- STEPHAN P.ROBBINS



CHARACTERISTICS OF PERCEPTION

1. Perception is a selective process:

We do not perceive each and everything in the world or around us. We attend to only a part of the stimuli around us. We select only a limited range of stimuli to which we attend. Attention is a basic process in perception. It makes our perception selective in nature. What we select would depend upon our needs, interests, and motives or on the nature of stimuli to which we are exposed.

2. Perception requires sensation:

Perception is intimately related to sensation. In order for perception to occur, we must first experience some sensation.

3. Perception involves organisation:

Perception is not merely a collection of present sensations and memory traces of past experiences. It is a meaningful and integrated organization of past and present knowledge.

4. Perception involves past experience:

Perception involves past experience also. The present information can be meaningfully understood only when we integrate our past and interpret it in terms of present or future consequences.

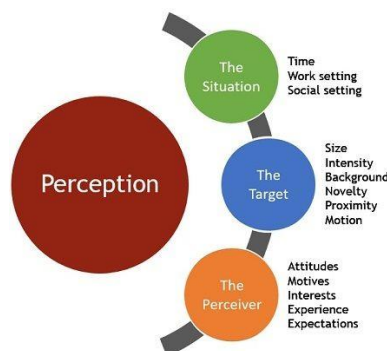
5. Change is the basis of perception:

Perception is always a response to some change or difference in the environment. If the world were uniformly the same we would experience no perception. E.g., change in the weather, style of dress, food, etc. is easily perceived. Any change in the normal routine is perceived quickly.

6. Perception is objective as well as subjective:

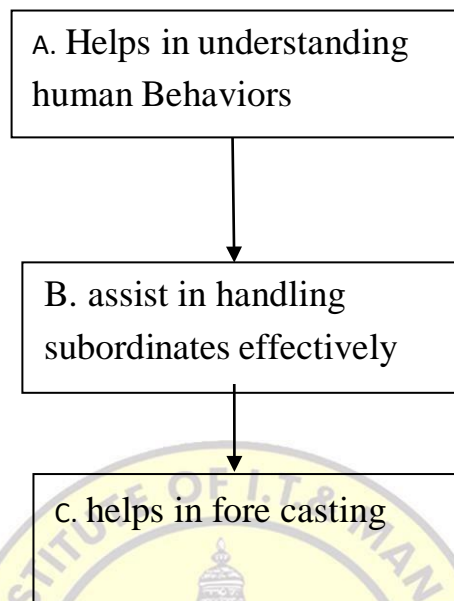
We all perceive certain things as the same e.g., table, chair, etc. are perceived by every one of us in a more or less similar manner. This is objective perception. In many cases our perception is considerably influenced by our thoughts, motives, interests, etc. Such perception is subjective in nature, e.g., an ambiguous event may be perceived differently by different individuals.

PROCESS OF PERCEPTION:



- **Reception:** In this process, a person receives the information through stimuli.
- **Selection:** This is governed by two types of factors:
 - **External factors:** These are size, intensity, proximity, motion and novelty.
 - **Internal factors:** These are attitude, motives, experiences, interests and expectations.
- **Organization:** It is the process by which we sort stimuli into a meaningful pattern. It involves the following:
 - **Grouping:** Assembling of stimuli on the grounds of similarity.
 - **Proximity:** This is the closeness of stimuli to one another that affects perception.
 - **Closure:** It is the ability to organize stimuli so that together they form a whole pattern.
- **Interpretation:** It is the formation of an idea about the information that is sensed, selected and organized. It involves the following phenomena: primacy effect, selective perception, stereotyping, halo effect, projection and expectancy effect. They are the types of perceptual errors.
 - **Primacy/ Recency Effect:** The first impression is given the most important which is known as the primacy effect. Recency effect, on the other hand, is that human beings remember latest events more than the less recent ones.
 - **Stereotyping:** It is the effect caused by forming a certain belief about a category of stimuli and generalizing that notion to encounters with each member of that category. In reality, there is a difference between the perceived notion of each category and the actual traits of the members. It may affect the interview process in an organization.
 - **Halo effect:** It is the process of generalizing from a comprehensive analysis to a single attribute or trait. A negative halo effect is known as the reverse halo effect. It affects the performance appraisal of employees in a company.
 - **Projection:** It is a psychological defence mechanism which makes a person compare his negative traits with other people and conclude that they are better off than others. Perceptual checking minimizes the negative effects of projection.
 - **Selective Perception:** This means a person sees, feels or hears what he wants to and skips other information which are inconsistent to his view.
 - **Expectancy effect:** It is the tendency of an individual to interpret any person or object based on how he expects the person or object to be in the first place. It is also called as Pygmalion effect.

IMPORTANCE OF PERCEPTION



A.HELPS IN UNDERSTANDING HUMAN BEHAVIOURS:

Every individual observes the world in a different way and clears with the problems differently. If a person purchase fruits from a particular vendor it's not due to the fact that vendor is selling the best fruits in the whole market. People's behavior is based on their perceptions.

B.ASSIST INHANDLING SUBORDINATES EFFECTIVELY:

Perception is very important for managers who want to avoid making errors when dealing with peoples and events in the work setting. In order to clear with the subordinates effectively, the managers must understand their perceptions property.

C.HELPS IN FORECASTING BEHAVIOURS:

Different individuals behave differently when facing the same situation as they view the same situation differently. A person's behavior can be predicted by understanding his current situation and current perception about the environment.

3. LEARNING:

Human resources play a critical role in implementing organizational strategies & need different kinds of employee behavior. Employees change their behaviors by learning new competencies, knowledge beliefs and values. Learning is a relatively permanent change in knowledge or observable behavior that results from practice or experience. This learning influences the individuals to change their knowledge or wisdom and / or observable behavior. Learning takes place through education, training, management development programmes, self-observation etc. Various organizations provide job training to prepare the candidates for jobs. Individuals learn by observing others while performing various activities. Similarly individuals learn through converting the ideas, imaginations and assumptions into practice as well as through various research activities.

LEARNING PRINCIPLES:

The principles of learning development by Sikula are as follows,

- a. All human being can learn
- b. Learning is active and not passive
- c. Time must be provided to practice learning.
- d. Learners may acquire knowledge more rapidly with guidance.
- e. Learning is based on past experience.
- f. Appropriate material (like case studies, tools, problem etc) should be provided is essential to effective learning.
- g. Learners need reinforcement of correct behaviors.
- h. Learning is a cumulative process.
- i. The rate of learning decreases when complex skills are involved.
- j. Standards of performance should be set for the learner.
- k. The learner must secure from learning.
- l. Learning is closely related to attention and concentration, learning requires motivation.
- m. Learning should be goal-oriented. Learning involves long-run retention and immediate equation of knowledge.
- n. Early success increase chances for effective learning. Continuous evaluation is essential to effective learning.

CHARACTERISTICS OF LEARNING:

1. Learning is a Continuous Process:

After birth, the child acquires skill from experiences obtained from the environment. Hence, learning goes on throughout life. Learning can be formal or informal and it may be direct or indirect. When a learner learns he develops, knowledge, skills, habits, attitudes, and aptitudes.

2. Learning is Change in behavior:

The result of the Learning process can be measured as behavioral changes. This change can be in any form. It can be desirable or undesirable. But in desirable form, i.e. these changes should occur in a positive direction. Learning includes all three aspects of human behavior. So, it includes cognitive, affective and cognitive aspects of mental process.

3. Learning is a universal process:

Learning is a universal process. It can happen everywhere. Learning is a process for all living creatures. Human being across all cultures learns as it is a lifelong process.

4. Learning is Purposive and Goal-oriented:

Learning is always has a purpose. It is goal-oriented in the sense that the teacher always has learning objectives in mind while teaching. If we don't have any aim and goal, then the process of learning will not show any effect. Through the process of learning, we can move towards pre-determined learning objectives. As the learner learn, he/she move towards a pre-determined goal.

5. Learning is the Organisation of Experiences:

The basis of learning is the acquisition of new experiences. Behaviors of learners change as a result of new experiences. New learning experiences evolve as a result of past experiences acquired by the learner.

6. Learning is the Fundamental process of Life:

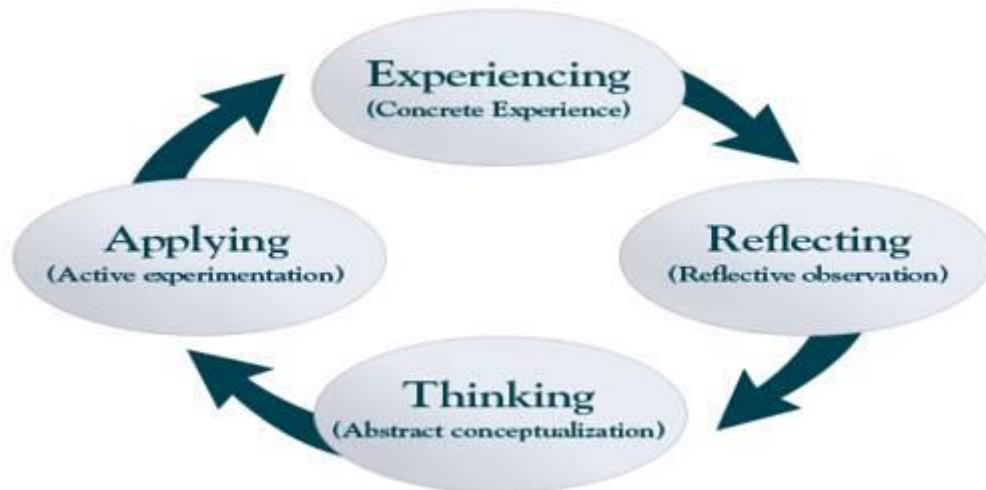
Without learning the progress of a person is not possible. It acts as the basis for the progress of society and civilization.

7. Learning is the Relationship between stimulus and Response:
Learning is generally, a relationship between stimulus and response. A person is considered as a learned-person if he reacts according to the task to be learned. Through learning, a person learns reactions according to the stimuli associated with the environment and other aspects of life.

8. Learning is transferable:

The learning acquired in one situation is capable of transfer to some other situation. The knowledge acquired in one situation proves helpful in acquiring knowledge in other situation. This is known as the transfer of learning. The learner should be careful not to let previously gained knowledge interfere in acquiring new knowledge and experiences.

LEARNING PROCESS:



Learning is a continuous process. There are many different learning types and approaches to learning. To learn effectively it is important to tailor your study habits to your own needs and style, this often means choosing techniques that help you learn. When we first become aware of what we're not good at—for example, managing our finances if we're in debt, playing an instrument if we never have, or working with our repressed emotions—it tends to bring up feelings of weakness and inadequacy.

It follows the following steps in sequence as shown below:

1. **Stimulus**

Stimulus refers those factors that motivate or inspire or induce learners to learn the required skills and knowledge. The factors that affect the learning process must be understood by the learner. Then only they can motivate themselves to learn. Stimulus exists in the environment in which the person lives and behaves.

2. **Response**

It means the amount of interaction by the learners. Response emphasizes that there should be a positive response from the learners with regard to learning process and program. Because the regular and timely response provides an opportunity to

determine the level of teaching. This also helps to explore to what extent learners are improving.

3. **Motivation**

Stimulus and response are not enough for an effective learning process, rather

the learners must be motivated to impart required skills and knowledge from the training. Hence, an effective motivation package consisting of rewards and prizes should be provided to the learners to motivate them.

4. **Reward**

It is an incentive which satisfies the learner from learning. If a motivated learner is rewarded, he/she will be inspired by the further performance. Reward further stimulates the learners.

➡ Therefore, the effective learning process will be completed only after the integration of different steps of learning stimulus, response, motivation, and reward. Then the only learner can learn effectively. As a result, the desired output can be obtained.

UNIT III:

External Questions: (Old Question papers)

1. What do you mean by learning? Discuss the elements which form the part of learning process?
2. Define the term organizational behavior. Explain the features of organizational behavior?
3. What is individual behavior? What are the factors that affect on individual behavior?

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UNIT-III

INDIVIDUAL BEHAVIOUR & MOTIVATION

4. PERSONALITY

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.

Personality can be defined as those inner psychological characteristics that both determine and reflect how a person think and act in an environment.

The inner characteristics of personality are specific qualities, attributes, traits, factors and mannerism that distinguish one individual from other individuals. Personalities are likely to influence the individual’s product and store choices. They also affect the way consumer responds to a firm’s communication efforts.

The personal quality is well known as personality

DEFINITION OF PERSONALITY

“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

“The dynamic organisation within the individual of those psychophysical systems that determine his unique adjustments to his environment”

-GORDON ALLPORT

PERSONALITY IN ORGANISATIONAL BEHAVIOR (OB):

Personality in Organisational Behaviour of an individual plays an extremely important role in assessing the behaviour of a person at an organization.

In case an individual who is holding a senior position in an organization has a wrong type of personality, it may lead to a very bad impact on the relationship and ultimately it may lead to protests and unrest at the workplace.

DETERMINANTS OF PERSONALITY:

The determinants of personality can be grouped in five broad categories:



1. BIOLOGICAL FACTORS

The study of the biological contributions to personality may be studied under three heads:

a) **HEREDITY:**

Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, sex, temperament, muscle composition and reflexes, energy level, and biological rhythms are characteristics that are considered to be inherent from one's parents.

The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in Brain.

b) **CONCENTRATE ON THE ROLE:**

The second biological approach is to concentrate on the role that the brain plays in personality. The psychologists are unable to prove empirically the contribution of the human brain in influencing personality.

c) PHYSICAL FEATURES:

A vital ingredient of the personality, an individual's external appearance, is biologically determined. The fact that a person is tall or short, fat or skinny, black or white will influence the person's effect on others and this in turn, will affect the self-concept.

PERSONALITY TYPES:



1. 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 Extroverts are assertive sociable talkative etc. they prefer relationships over quality and quality of output. Extroverts at workplace prefer variety and they don't mind the interruption of work place by people.

2.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.

3.AGREEABLE NESS:

Agreeableness is a personality trait which teaches individuals to be adjusting in almost all situations. They accommodate themselves to all situations and are friendly and kind hearted. People who score high on agreeableness are ready to help others and flash their trillion dollar smile whenever a problem arises. Individuals who score low on agreeableness on the other hand find difficulties in adjusting with others and are little unfriendly.

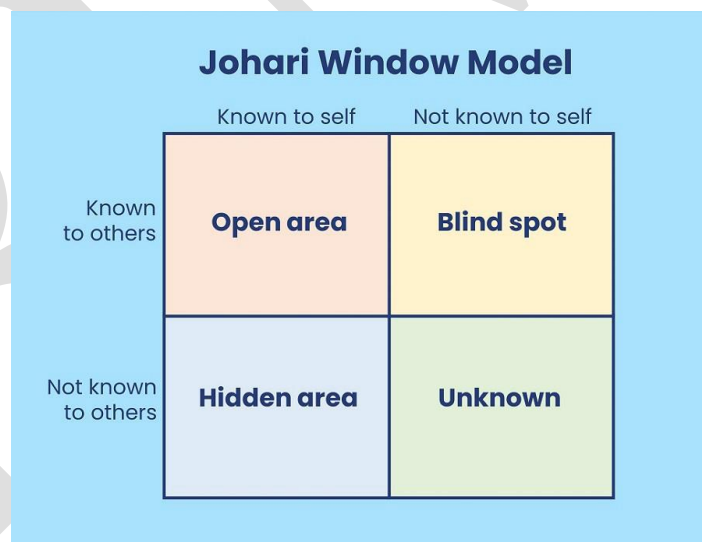
4. OPENESS TO EXPERIENCE:

Executives are expected to be open to new job experiences learn absurd and integrate them with previous experiences and knowledge.

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:

Here the information about the person his attitudes, behavior, emotions, feelings, skills and views will be known by the person as well as by others. This is mainly the area where all the communications occur and the arena becomes the more effectual and dynamic the relationship. **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. Information about yourselves that others know in a group but you will be unaware of it. 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. Information that is known to you but will be kept unknown from others. This can be any personal information which you feel reluctant to reveal. This includes feelings, past experiences, fears, secrets etc.

4. UNKNOWN SELF: The Information which are unaware to yourselves as well as others. This includes the information, feelings, capabilities, talents etc. 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. Open communication is also an effective way to decrease the unknown area and thus to communicate effectively.

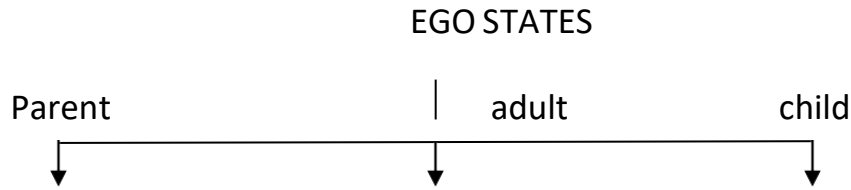
Example:

Linda got a job in an organization. Her co-workers knew a little about her and in this context the unknown and hidden areas will be larger and the open area will be small. As the others don't know much about her the blind spot also will be smaller. Linda spent most of her free time sketching in the office which was her preferred pastime and her co-workers found her very shy and elusive. With that evaluation she got the idea how she was and tried to be more talkative and interacted more with other co-workers. This helped her to increase her open area and thus making the hidden and unknown areas smaller. Through the feedback Linda got from her co-workers she could perform well in the office and her real capacity could be obtained as a result of an effective interaction among the colleagues.

6. TRANSACTIONAL ANALYSIS:

- ✚ Transactional analysis is theory of personality and human interactions.
- ✚ Transactional analysis proposed by the originator Dr. ERIC BERNERNE,.
- ✚ Transactional analysis is a technique used to help people better understand their own and others behavior especially in interpersonal relationship. Transactional Analysis is 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, never, should's, shouldn't, cant's, good, bad etc.)

The characteristics of a person with parent ego state are:

- Judgmental.
- Rule maker, Moralizing.
- 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".

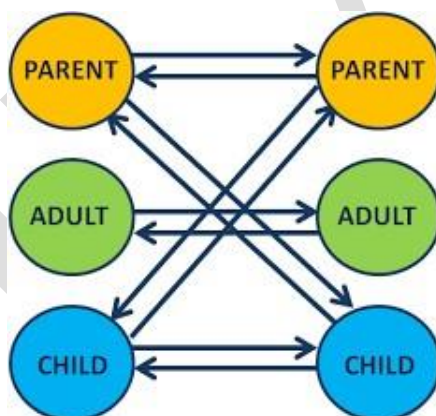
B.ADULT: The adult ego state behavior is rational, problem-solving and decision- making. It is the non feeling part of the personality. Functionally This Stage gathers the data from the parent, adult and child, For eg. How the child feels and what he wants; what the parent says, feels and how he reacts; what the adult has to say based on the past decisions;

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:

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 is the center of feelings and energy, the source of our creativity, curiosity and intuition and site of our early experiences



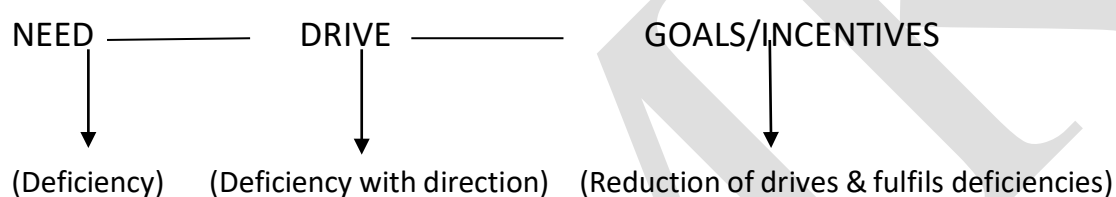
7. MOTIVATION:

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 person to achieve the target goal through performance or activity. Motivation is the reason for people's actions, willingness and goals

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 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: need is Deficiency ,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.

SIGNIFICANCE OF MOTIVATION:

Motivation identifies employee potentialities and makes the employees to know his potentialities. Motivation results in exploring potentialities, development of skills, knowledge and abilities. It converts 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.

CHARACTERISTICS OF MOTIVATION:

1. Motivation is Personal and Psychological Concept:

Motivation is a personal as well as a psychological concept; hence, the managers have to study the mental and psychological aspects of the individual. Motivating factors are always unconscious but they are to be aroused by managerial action.

2. Motivation is a Process:

Motivation is a process of inspiring, energizing, reducing and activating the employees to a higher level of performance. This process starts with unsatisfied needs, moves through tension, drives and goal achievement, finally, it ends with the reduction of tension aroused by unsatisfied needs.

3. Motivation is a Continuous Process:

Motivation is a continuous on-going process rather than one shot affair. Because an individual has unlimited wants and needs. Motivation is an unending process. Wants are innumerable and cannot be satisfied at one time. As satisfaction of needs is an unending process, so the process of motivation is also unending. As soon as the existing need is fulfilled, another will appear. Hence, motivation should go continuously.

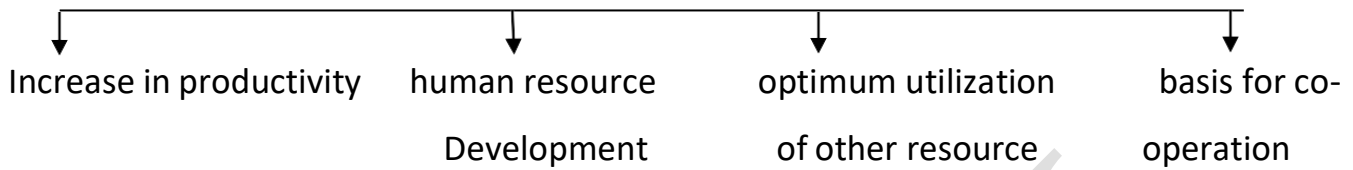
4. Motivation is a Complex Subject:

Motivation is a complex subject in the sense that the individual's needs and wants may be unpredictable. The level of need of a person depends on his/her psychological and physiological aspects.

5. Motivation is Goal Oriented:

Motivation should be directed towards the achievement of stated goals and objectives. Motivation causes goal-directed behavior, feeling of need by the person causes him to behave in such a way that he tries to satisfy himself. From the viewpoint of the organization, the goal is to achieve high productivity through better job performance.

Significance of motivation



A.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.

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

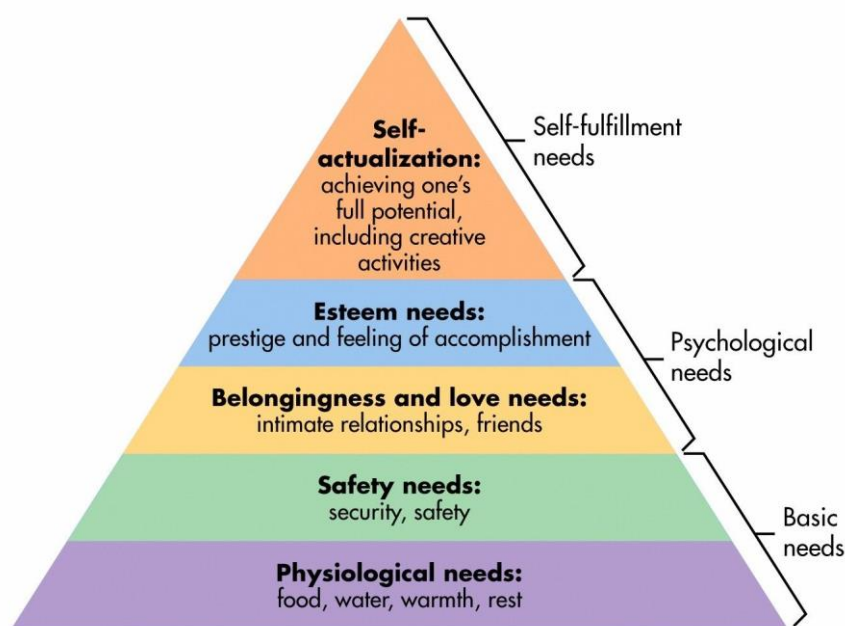
C.OPTIMUM UTILIZATION OF OTHER RESOURCES :All other resource without human resource can produce nothing. The motivated human resources utilize all other resources to the optimum extent & maximize productivity.

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

9. MOTIVATIONAL THEORIES:

MASLOW'S 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. 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 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.

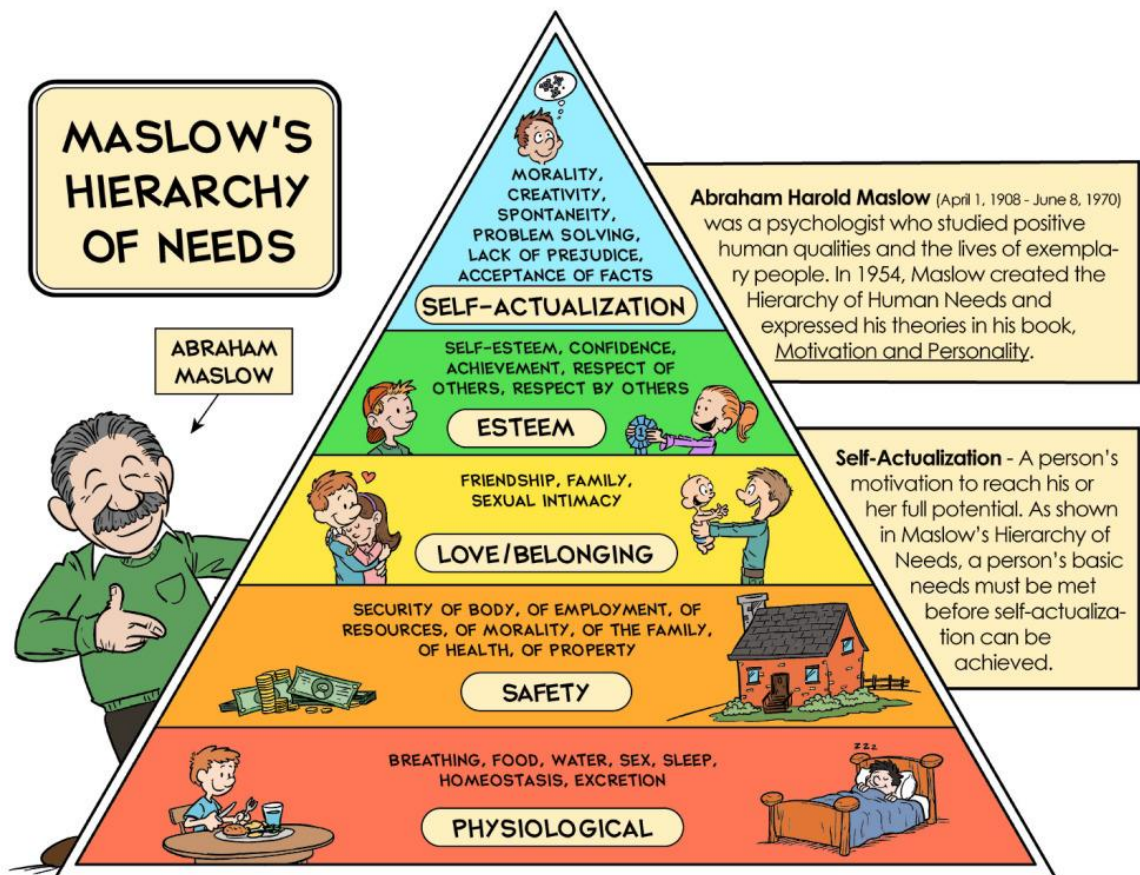
Merits of Maslow's Theory of Motivation:

- (i) Maslow's theory of motivation helps the managers in understanding how to motivate the employers.

- (ii) Maslow's theory of motivation theory is very simple, common and easily understandable.
- (iii) It accounts for both inter-personal and intra-personal variations in human behaviour.
- (iv) Maslow's theory of motivation theory is dynamic because it presents motivation as a changing force; changing from one level of needs to the other.

Criticisms of Maslow's Theory of Motivation:

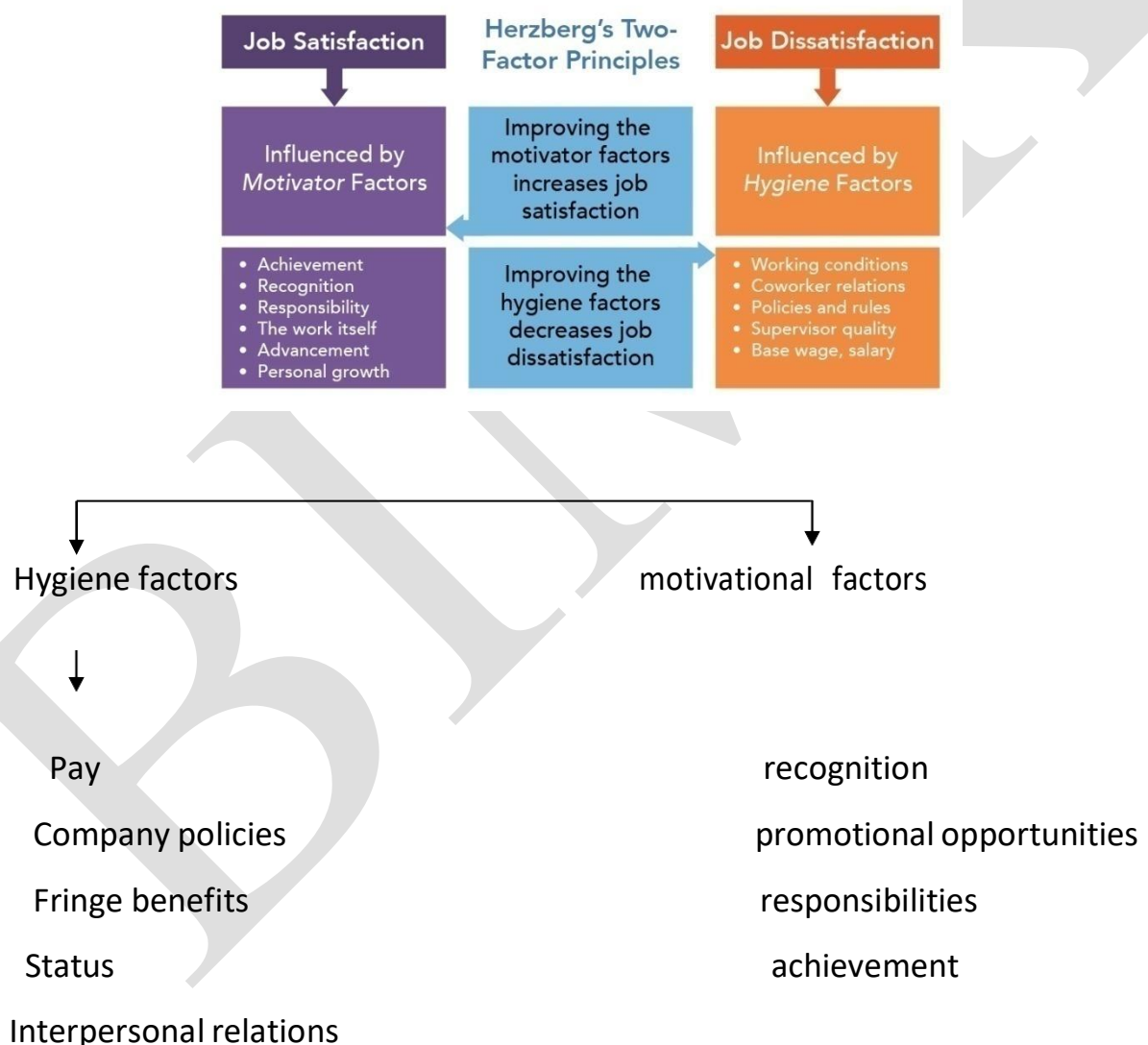
- i. lack of hierarchical structure of needs
- ii. Lack of direct cause and effect relationship between need and behaviour. One particular need may cause different type of behaviour in different persons.
- iii. Need and satisfaction of needs is a psychological feeling. Sometimes even the person may not be aware about his own needs.



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10. 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, 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, dress code, breaks, vacation, etc can make the working environment un-comfortable for the employees.
- iii. **FRINGE BENEFITS:** The employees should be offered health care plans (medical claim), benefits for the family members, employee help programmes, etc. 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. **INTERPERSONAL RELATIONS:**

The relationship between the employee and his colleagues his superiors and juniors should be healthy and understandable.

vi. PHYSICAL WORKING CONDITIONS:

The working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained.

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 responsible for their performance and must be provided with job ownership.

iv. ACHIEVEMENT :

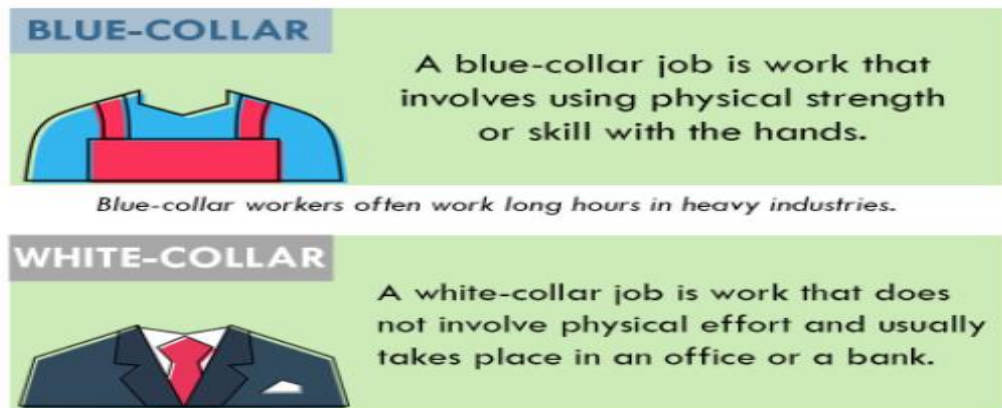
While performing any job employee's must develop a sense of achievement. They must realize that their hard work will be rewarded at the end of the day. For this managers can use some sort of rewards to motivate the employees.

Limitations of Two-Factor Theory

The two factor theory is not free from limitations:

1. The two-factor theory overlooks situational variables.
2. Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
3. The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.
4. No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.
5. The two factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.

6. The theory ignores blue-collar workers.



Implications of Two-Factor Theory

- ✓ The Two-Factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better. This theory emphasize upon job-enrichment so as to motivate the employees. The job must utilize the employee's skills and competencies to the maximum. Focusing on the motivational factors can improve work-quality.

6. 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. MC CLELLAND 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 need for 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.

11. 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.

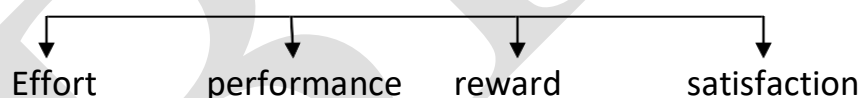
This model attempted to

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

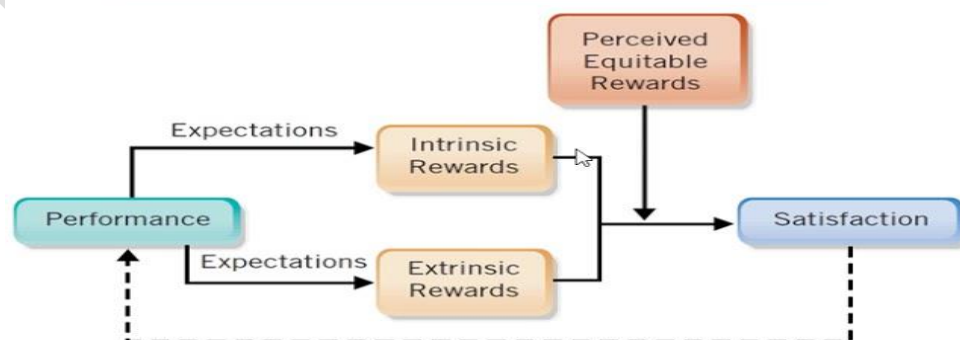
According to performance is a function of three important factors like

- 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



Porter and Lawler Motivation 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.

Significance of the Porter and Lawler Model:

1. Match the abilities and traits of individuals to the requirements of the job by putting the right person on the right job.
2. He should carefully explain to the subordinates their roles or what they must do to be rewarded. Then he must make sure that they understand it.
3. Prescribe in concrete terms the actual performance levels expected of the individuals and these levels should be made attainable.
4. To achieve and maintain motivation, the appropriate reward must be associated with successful performance.
5. Make sure that the rewards dispensed are valued by the employees. Thus, he should find out what rewards are attractive to the employee and see if such rewards can be given to him.

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 twofactor 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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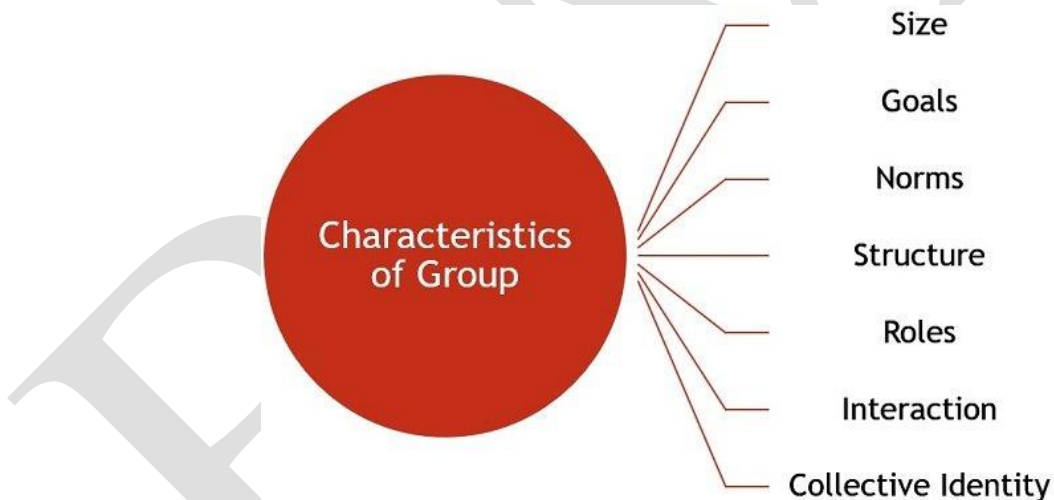
UNIT-4

GROUP BEHAVIOUR AND LEADERSHIP

1. BENEFITS OF GROUPS: INTRODUCTION 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. 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 consensus and agreement.

CHARACTERISTICS OF GROUPS:

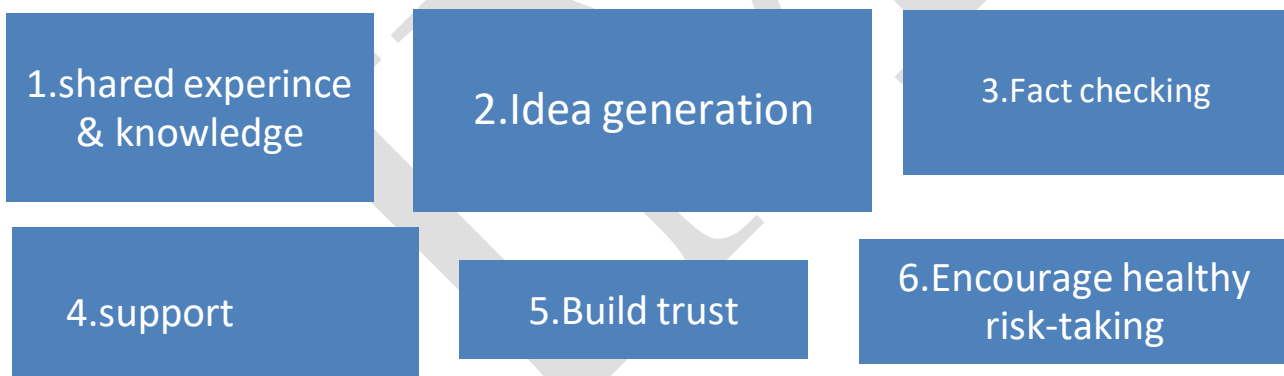


- **Size:** To form a group, it must be having at least two members. Practically, the number of group members ranges from 15 to 20. The more the members in the group, the more complex it is to manage.

- **Goals:** Every group has certain goals that are the reasons for its existence.
- **Norms:** A group has certain rules, for interacting with the group members.
- **Structure:** It has a structure, based on the roles and positions held by the members.
- **Roles:** Every member of a group has certain roles and responsibilities, which are assigned, by the group leader.
- **Interaction:** The interaction between the group members can occur in several ways, i.e. face to face, telephonic, in writing or in any other manner.
- **Collective Identity:** A group is an aggregation of individuals, which are separately called as members, and collectively called as a group.

BENEFITS 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 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 without any mistakes. 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 employeeesto 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.

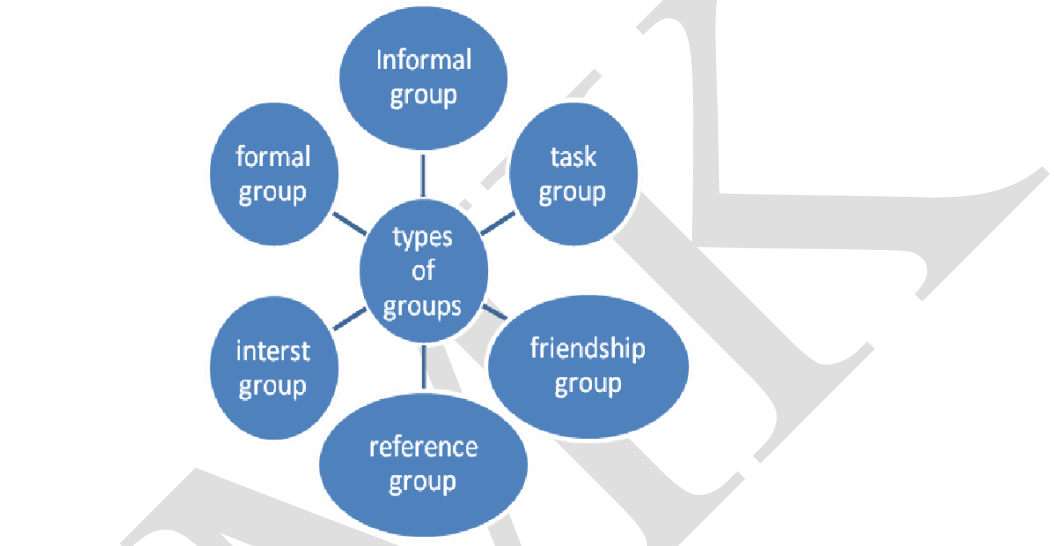
5. Builds Trust :

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. 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 :

If the project fails when working solo, that employee takes the full blunt of the blame. 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.

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- D. Socialize and train new common.

CONTRIBUTIONS TO INDIVIDUALS

- i. Satisfy needs for affiliation
- ii. Confirm identify and enhance self esteem
- iii. Reduce feelings of insecurity and powerlessness
- iv. Provide a mechanism for solving personal and interpersonal problem.

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 interests, 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 member's access to information.
- 4. Provide and enforce guideline for appropriate behavior.

CONTRIBUTION TO INDIVIDUALS

- i. Satisfaction of social and affliction needs & Satisfaction of needs for security and support.
- ii. Enhance feelings of self esteem if members are valued by other group members.

III. TASK GROUP :

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:

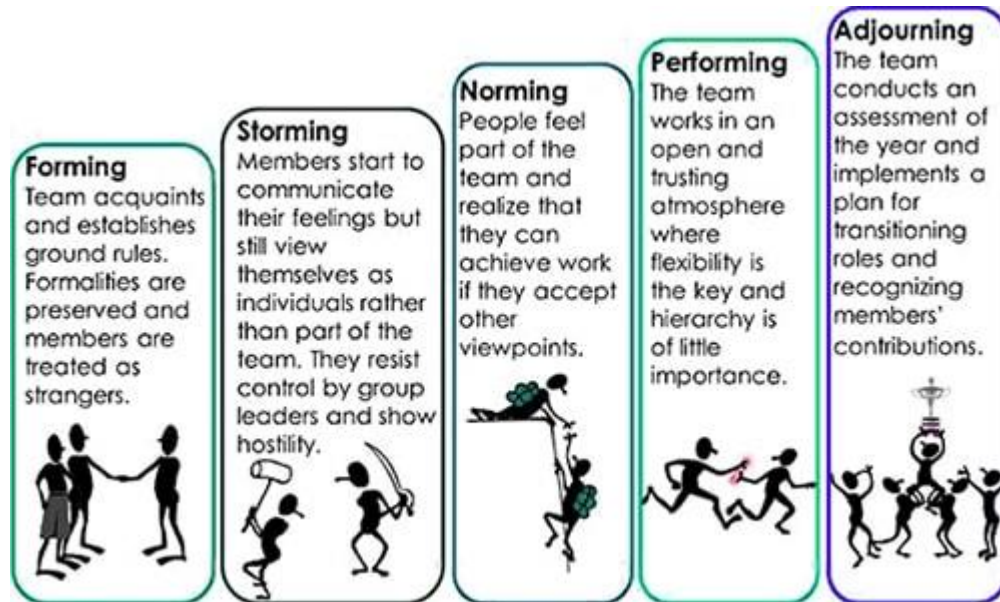
Reference groups are the bases for many interest and friendship groups. Reference groups are based on such factors as race, gender, policies, religion social class etc. It provides values for individual on which to base personal decisions.

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, Once members cross this stage they are clear of the hierarchy and relationships.

STAGE -2 STROMING :

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:

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.

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 committees, 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.

4. 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.

DEFINITION OF ORGANISATION CULTURE:

“Organization cultural refers to a system of shared meaning held by members that distinguishes the organization from other organization”.

-ROBBINS

CHARACTERISTICS OF ORGANIZATIONAL CULTURE:

1. Viability

Viability is all about financial stability, meaning that companies need to be financially stable in order to:

- Survive
- Compete
- Grow their client base
- Pay their bills and employees

2. Relationships

Most companies want their employees to get along. As a result, they support open communication, employee and customer satisfaction, and friendship among team members. Of course, some companies get it wrong, which we'll cover later.

3. Performance

This level focuses on achievement. For example, pride in performance and quality of products or services. At this level, companies want to make their mark and employees want to be a part of it.

4. Evolution

Today, technology is constantly evolving. As a result, the way people do things now could change by tomorrow. At this level, companies are continuously adapting, learning, and training employees.

5. Alignment

This characteristic takes building harmonious relationships to the next level. Above all, this characteristic focuses on building an internal community that's passionate about what they do and open with one another.

6. Collaboration

Once a company discovers its true sense of purpose, it can strike up strategic alliances. To form these partnerships, most organizations need to have “skin in the game.” For example, when Starbucks opened up kiosks inside Barnes & Noble, both chains benefited. On the other hand, they may work together for a larger cause, such as Subaru and the ASPCA, which have raised millions to help animals.

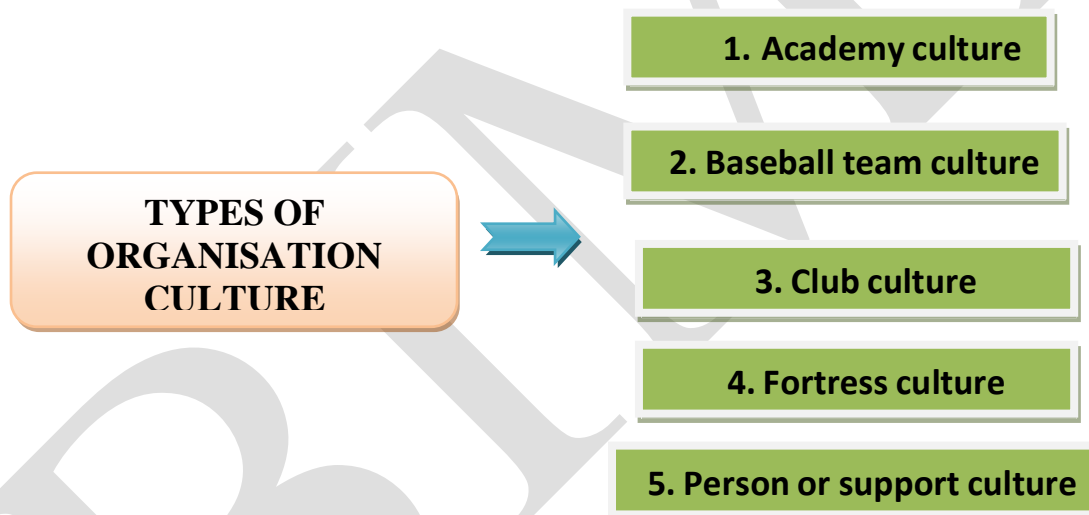
7. Contribution

At this level, companies take steps to ensure a better planet for future generations. For example, reducing their company's carbon footprint, recycling, or finding a cause. In short, contribution is about corporate social responsibility.

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 subtitle and overt barriers to productivity.
- D. Enhancing respect for all individuals.
- E. Enabling and encouraging different management style to flourish.

TYPES OF ORGANISATION CULTURE



1. ACEDEMY 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:

This culture is 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.

FUNCTIONS OF ORGANIZATION CULTURE:

- i. It distinguishes one organization from the other. It creates brand name for the organization. It develops a sense of identity amongst members.
- ii. The members associate themselves with the organization.
- iii. Employees of Earnest & Young feel proud to be part of the company because of its strong culture.
- iv. It promotes commitment amongst employees to achieve organizational goals.
- v. Employees subordinate individual interests for the larger corporate results.
- vi. It develops appropriate standards for employees and holds them together to achieve those standards.
- vii. It provides a control mechanism for shaping the attitude and behavior of employees.
- viii. 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**. 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. Each organization has an organizational climate that clearly distinguishes it from other organizations.

Basically, the organizational climate reflects a person's perception of the organization 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 organization.

DEFINITION

“organizational climate is a collective perception of the work environment by the individuals within a common system”.

-JAMES AND SELLS

IMPORTANCE OF ORTGANISATIONAL 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.

- Participation is a very effective tool to develop sound organizational climate and job satisfaction.
- An atmosphere of co-operation opens access among group members and creates individual motivation to exchange knowledge with group members resulting in more productivity.

OTHER POINTS-IMPORTANCE OF ORTGANISATIONAL CLIMATE

- Enhance employee performance
- Building strong relationship
- Indicates success or failure
- Builds confidence
- Minimize turn over

1. ENHANCE EMPLOYEE PERFORMANCE:

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.

The following techniques in improving the climate of the organization:

1. Effective Communication System:

There should be a two way communication in the organization 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 organization 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.

6. LEADERSHIP:

MEANING OF LEADERSHIP:

Leadership is essentially a continuous process of influencing behavior. It may be considered in context of mutual relations between a leader and his followers.

The leader tries to influence the behavior of individuals or group of individuals around him to achieve desired goals.

Leadership is a dynamic process, which deserves study. It is a relational process involving interactions among leaders, members and sometimes outside constituencies.

Good leaders are made not born. If you have the desire and willpower, you can become an effective leader.

Success of any organization depends on leaders. The quality of leadership provided by the managers determines the degree of success of business. **Leadership provides direction, guidance, restores confidence and makes the way easy for achieving the objective.**

For EX: today 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.

DEFINITIONS OF LEADERSHIP:

“Leadership is a relationship in which one person influences others to work together willingly on related tasks to attain what the leader desires.”

- George R. Terry

“Leadership is the process of influencing people so that they will strive willingly towards the achievement of group goals.”

- Koontz and O'Donnell

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.

CHARACTERISTICS OF LEADERSHIP:

1. There must be Followers:

A leadership cannot exist without followers. If a leader does not have followers, he cannot exercise his authority. Leadership exists both in formal and informal organisations.

2. Working Relationship between Leader and Followers:

There must be a working relationship between the leader and his followers. It means that the leader should present himself in a place where the work is actually going on. Besides, the leader should be a dynamic person of the concerned group. If he is not so, he cannot get things done.

3. Reciprocal Relationship:

Leadership kindles a reciprocal relationship between the leader and his followers. A leader can influence his followers and, in turn, the followers can influence the leader. The willingness of both the leader and the followers is responsible for the influence and no enforcement is adopted.

4. Guidance:

A leader guides his followers to achieve the goals of the organisation. A leader should take steps to motivate his followers for this purpose.

5. Related to a Particular Situation:

Leadership is applicable to a particular situation at a given point of time. It varies from time to time.

6. Shared Function:

Leadership is a shared function. A leader is also working along with his followers to achieve the objectives of the organisation. Besides, the leader shares his experience, ideas and views with his followers.

7. Power Relationship:

A leader has powers to exercise over his followers. The leader derives these powers from the organisation hierarchy, superior know-ledge, experience and the like.

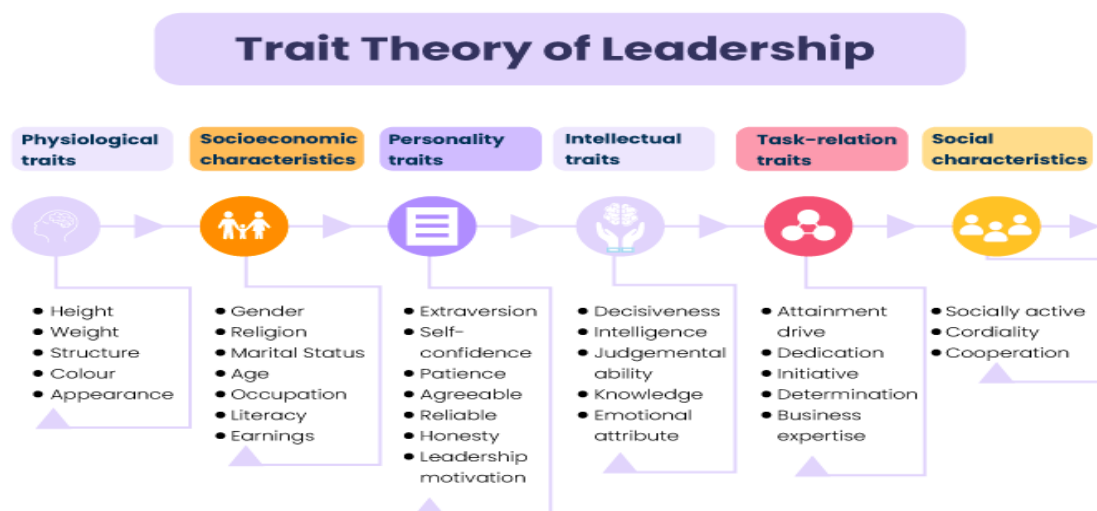
OBJECTIVES OF LEADERSHIP:

- (i) To develop the feeling of cooperation and coordination,
- (ii) To determine and provide the needful directions about good or bad as well as right or wrong conducts and behaviour as may be applicable in society.

- (iii) To determine and formulate the equitable and justified behavioural norm in society,
- (iv) To develop new, innovative and creative ideas, outlooks and approaches among people,
- (v) To determine and make the perspective visions and missions for the well-being of human life in society,
- (vi) To determine and develop the parameters on the basis of ethical values towards optimum and balanced behaviour between individual and group in any society,
- (vii) To determine some learning aspects to follow the concept of truth, purity, politeness, and justifications among every people in society,
- (viii) To develop enthusiasms, loyalty and devotional behaviour and attitudes,
- (ix) To determine and provide needful directions for making team spirit among people,
- (x) To provide due importance for common interest in a group or society,
- (xi) To provide some leading guidelines for developing better work environment.

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 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.

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 organize 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 in getting acceptance from the receivers. A successful leader is an extrovert.

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.

LEADERSHIP THEORIES

1. **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.
2. **GREAT MAN THEORY OF LEADERSHIP:** This is one of the earliest leadership theories and is based on the assumption that leadership is an inborn phenomenon and that leaders are "born" rather than "made." According to this theory, a person capable of leading has the personality traits of a leader — charm, confidence, intellect, communication skills, and social aptitude — from birth, which set them apart. This theory emphasizes leadership as a quality that you either possess or you don't; it isn't something that you can learn.

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.

9. MANAGERIAL GRID:

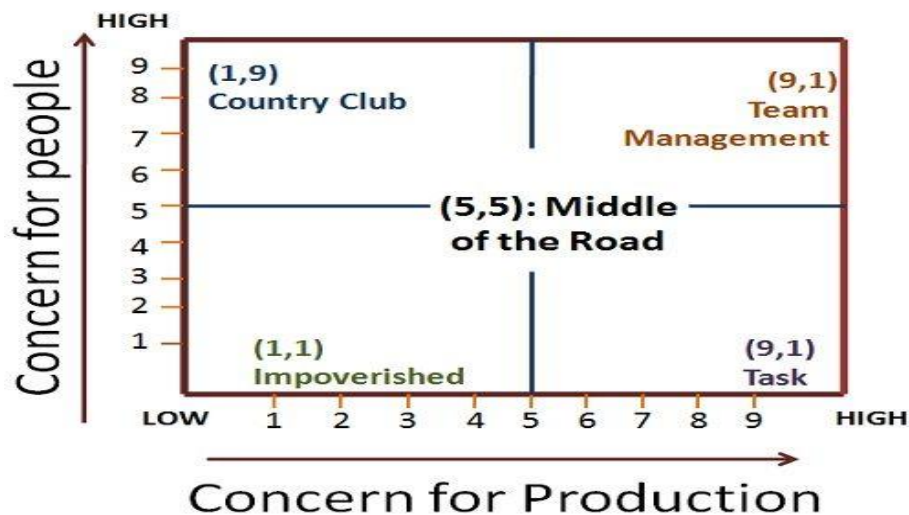
It describes the relationship between the leader's concern for task and concern for people, but this theory differs in its perspective. The managerial grid Considers leadership style based on their focus on task and people. The **managerial grid** model (1964) is a style **leadership** model developed 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“,

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.



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.

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.

10. TRANSACTIONAL VS TRANSFORMATIONAL LEADERSHIP



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.

TRANSFORMATION 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

BASIS FOR COMPARISON	TRANSACTIONAL LEADERSHIP	TRANSFORMATIONAL LEADERSHIP
Meaning	A leadership style that employs rewards and punishments for motivating followers is Transactional Leadership.	A leadership style in which the leader employs charisma and enthusiasm to inspire his followers is Transformational Leadership.
Concept	Leader lays emphasis on his relation with followers.	Leader lays emphasis on the values, ideals, morals and needs of the followers.
Nature	Reactive	Proactive
Best suited for	Settled Environment	Turbulent Environment

Works for	Developing the existing organizational culture.	Changing the existing organizational culture.
Style	Bureaucratic	Charismatic
How many leaders are there in a group?	Only one	More than One
Focused on	Planning and Execution	Innovation
Motivational tool	Attracting followers by putting their own self interest in the first place.	Stimulating followers by setting group interest as a priority.

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 with 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



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^[2]**
- **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) Explicate the operant conditioning of learning.(principles of learning)
- 2) “Johari window is a useful tool for understanding self and improving communication”. Explain indetail.
- 3) Discuss different leadership styles?
- 4) Define group? Explain the types of groups and process of formation of group?
- 5) Are groups useful to the organizations and its members? Present your viewpoints.(Benefits of groups answer)
- 6) Explain the types of culture in organization behavior?
- 7) Why transactional leadership is better than transformational leadership in present organizations?Explain with an example.

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UNIT-5

ORGANISATIONAL BEHAVIOUR

1. ORGANIZING PROCESS:

INTRODUCTION:

Organizing is the second key management function, after planning, which coordinates human efforts, arranges resources and incorporates the two in such a way which helps in the achievement of objectives. It involves deciding the ways and means with which the plans can be implemented.

It entails defining jobs and working relationships, assigning different tasks associated with the plans, arranging and allocating resources, design a structure which distinguishes duties, responsibilities and authorities, scheduling activities, in order to maintain smoothness and effectiveness in operations.

CHARACTERISTICS OF ORGANIZING PROCESS:



• Division of Labour:

Work is assigned to the employee who is specialised in that work.

• Coordination:

Different members of the organization are given different tasks to perform when all the tasks are put together logically and sequentially, it results in the objectives, so

coordination is required.

- **Objectives:**

Objectives need to be specifically defined.

- **Authority-Responsibility Structure:**

For an effective authority responsibility structure, the position of each manager and executive is specified, as per the degree of the authority and responsibility assigned to them, while performing the duties.

- **Communication:**

The techniques, flow and importance of communication must be known to all the members.

ORGANIZING PROCESS:



1. Identification and Division of work:

It 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 Departmentalization:

After dividing the work in smaller jobs, similar jobs are grouped together and put under one department. The departmentation or grouping of jobs can be done by the organization 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 organization 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 organization 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. Establishment of organizational hierarchy:

Deployment of work is not all, the employees must be aware of whom they have to report and who can give them orders. Hence, work relationships need to be established clearly, which helps in the creation of a hierarchical structure of the organization.

5. Provision of resources to the members:

Arrangement and deployment of resources such as money, materials, supplies, and machine, etc. which are important to carry out day to day operations of the organization.

6. Coordination of efforts and scheduling of activities:

The final step to this process is the coordination of efforts and scheduling the activities in a logical and systematic manner so that the common objectives can be achieved effectively.

IMPORTANCE OF ORGANIZING:

Organizing is integral to management as it facilitates the smooth functioning of the enterprise. The importance of organizing is as under:



- **Advantage of Specialization:**

Organizing helps in the classification of jobs systematically amongst the workforce, which helps in the reduction of workload, as well as improved productivity. This is because the organization will get the benefit of specialization wherein workers will perform specific work on a regular basis, according to their competency.

- **Describes work relationships:**

The definition of work relationships describes the flow of communication and determine the superior-subordinate relationship. This removes confusion and chaos, in getting orders and instructions.

- **Effective utilization of resources:**

Organizing function ensures the best possible utilization of resources whether it is human, material, financial or technical. This is because jobs are assigned to the employees which avoid overlapping and duplication of work.

- **Adaptation to change:**

Organizing process helps the organization to survive and adapt the changes, by making substantial changes in the strategies, hierarchy, relationships, etc.

- **Development of personnel:**

Organising encourages creativity in executives. Delegation of authority reduces their workload and they get time to identify new methods to perform the work. It also enables them to explore new areas for their growth and development.

2. DEPARTMENTATION:

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.

TYPES OF DEPARTMENTATION:

There are several bases of Departmentation. The more commonly used bases are—function, product, territory, process, customer, etc.

These are explained below:

(A) DEPARTMENTATION BY FUNCTIONS:

The enterprise may be divided into departments on the basis of functions like production, purchasing, sales, financing, personnel etc. This is the most popular basis of

departmentation. If necessary, a major function may be divided into sub-functions. For example, the activities in the production department may be classified into quality control, processing of materials, and repairs and maintenance.



Fig. 4.10: Functional Departmentations.

Advantages:

- It is a very simple, natural and logical way of grouping activities.
- It promotes specialization and expertise in various functional areas and experts can be employed.
- It facilitates co-ordination both within the function and at the inter-departmental level.
- 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. It leads to excessive centralization and delay in decision making.
- C. It is unsuitable where emphasis lies on products more than the functions.

(B) DEPARTMENTATION BY PRODUCTS:

In product departmentation, every major product is organised as a separate department. Each department looks after the production, sales and financing of one product. Product departmentation is useful when the expansion, diversification, manufacturing and marketing characteristics of each product are primarily significant.

It is generally used when the production line is complex and diverse requiring specialised knowledge and huge capital is required for plant, equipment and other facilities such as in automobile and electronic industries.

In fact, many large companies are diversifying in different fields and they prefer product departmentation. For example, a big company with a diversified product line

may have three product divisions, one each for plastics, chemicals, and metals. Each division may be sub-divided into production, sales, financing, and personnel activities.

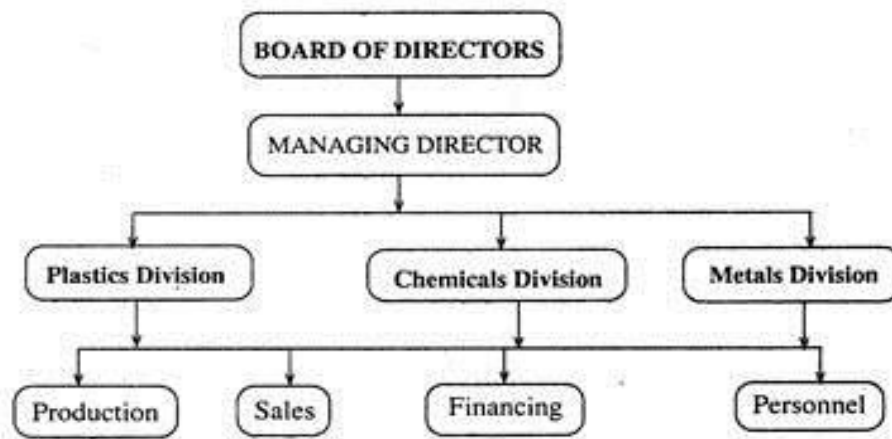


Fig. 4.11: Departmentation by Product.

Advantages:

- A. It ensures better customer service.
- B. Unprofitable product lines can be easily determined.
- C. It solves the co-ordination problem of functional departments.
- D. It makes control effective.
- E. It assists in the development of all-round managerial talent.
- F. 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.

(C) DEPARTMENTATION BY TERRITORY:

Territorial or geographical departmentation is especially useful to large-scale enterprises whose activities are widely dispersed. Banks, insurance companies, transport companies, distribution agencies etc. are some examples of such enterprises, where all the activities of a given area of operations are grouped into zones, branches, divisions etc.

It is obviously not possible for one functional manager to manage efficiently such widely spread activities. This makes it necessary to appoint regional managers for different regions.

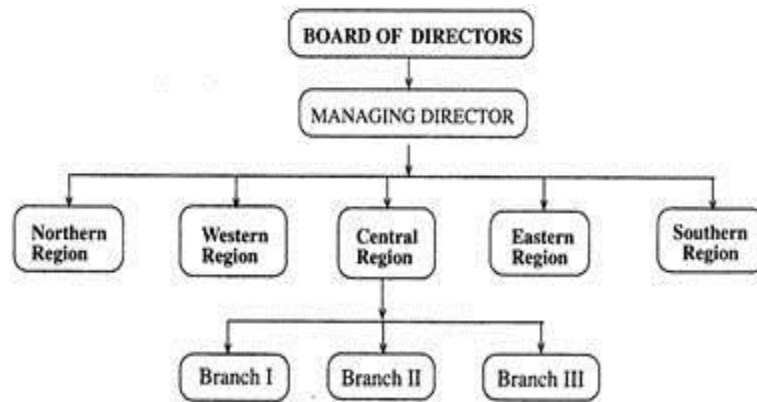


Fig. 4.12: Departmentation by Territory.

Advantages:

- It enables a concern to make use of locational advantages.
- It facilitates effective control.
- It facilitates effective co-ordination of activities within an area.
- It assists in the development of all-round managerial talent.

Disadvantages:

- It is an expensive method of creating departments and over head costs are also increased.
- It leads to duplication of activities which creates confusion and involves costs.

(D) DEPARTMENTATION BY CUSTOMERS:

In such method of departmentation, the activities are grouped according to the type of customers. For example, a large cloth store may be divided into wholesale, retail, and export divisions. This type of departmentation is useful for the enterprises which sell a product or service to a number of clearly defined customer groups. For instance, a large readymade garment store may have a separate department each for men, women, and children. A bank may have separate loan departments for large-scale and small-scale businessmen.



Fig. 4.13: Customer Departmentation.

(E) DEPARTMENTATION BY PROCESS OR EQUIPMENT:

In such type of departmentation the activities are grouped on the basis of production processes involved or equipment used. This is generally used in manufacturing and distribution enterprises and at lower levels of organization. For instance, a textile mill may be organized into ginning, spinning, weaving, dyeing and finishing departments. Similarly, a printing press may have composing, proof reading, printing and binding departments. Such departmentation may also be employed in engineering and oil industries.

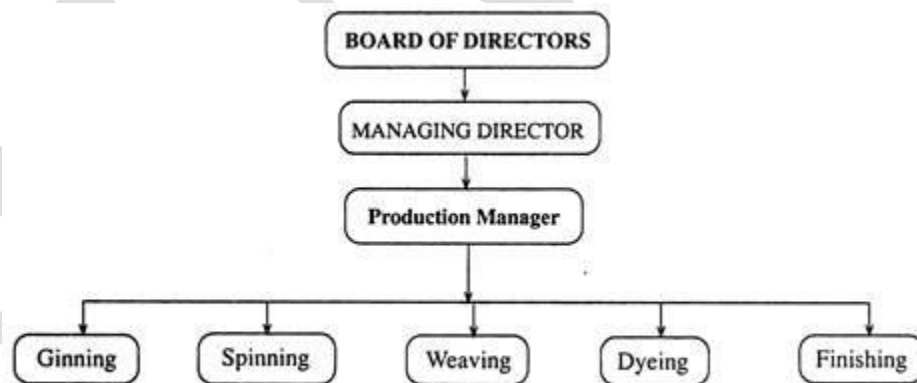
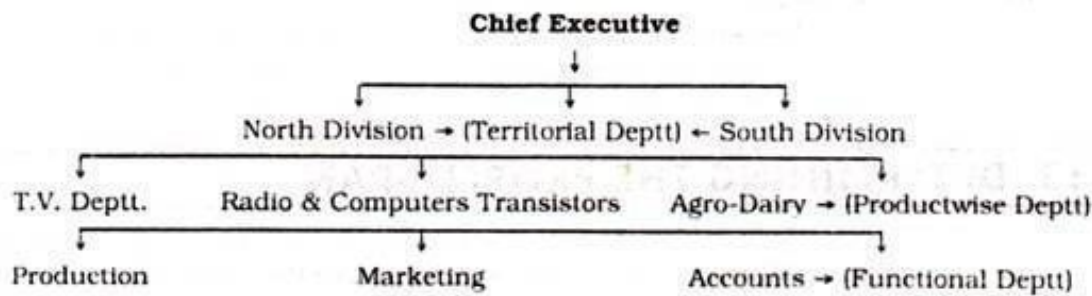


Fig. 4.14: Process Departmentation.

(F). 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.



FACTORS TO BE CONSIDERED IN DEPARTMENTATION:

1. SPECIALISATION:

The activities of an organization should be grouped in such a way that it leads to specialization of work. Specialization helps to improve efficiency and ensure economy of operations. It enables the personnel to become experts.

2. CO-ORDINATION:

Quite different activities may be grouped together under one executive because they need to be co-ordinate. So, the basis of departmentation should ensure that the dissimilar activities are put together in one department.

3. CONTROL:

Departmentation should be such that it facilitates the measurement of performance and adoption of timely corrective action. It should enable the managers to hold the employees accountable for results. Effective control helps to achieve organizational objectives economically and efficiently.

4. PROPER ATTENTION:

All the activities which contribute to the achievement of subordinate results should be given adequate attention. This will ensure that all necessary activities are performed and there is no unnecessary duplication of activities. Key areas should be given special attention.

5. ECONOMY:

Creation of departments involves extra cost of additional space, equipment and personnel. So, the pattern and number of departments should be so decided that maximum possible economy is achieved in the utilization of physical facilities and personnel.

6. LOCAL CONDITION:

While forming departments adequate attention to the local conditions should be given. This is more important to the organization which operates in different geographical areas. Departmentation should be adjusted according to the available

resources. It should aim at full utilization of resources.

7. HUMAN CONSIDERATION:

Departmentation should also consider the human aspect in the organization. So, along with the technical factors discussed above, departments should be created on the basis of availability of personnel, their attitude, aspiration and value systems, informal work groups, cultural patterns, etc. Due attention to the human factors will make departmentation more effective and more efficient.

3. MAKING ORGANIZING 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 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

THE 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 reviews. These objectives 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.

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

5. 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.

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8. 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 that 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.

9. Evaluating results: In this final step, feedback about the outcomes would determine how well the implemented. 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 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 organization 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 organization'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 - 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



1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

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 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 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 ie 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, & providing support such as counseling services to help people navigate the situation. To help employees adjust to changes 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. 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?

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.

2.Assessment and Motivation: With a strategic change management plan, 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.

4.Maintaining Day-to-Day Operations :While some sacrifices may be necessary to reach desired future state, should be able to implement change without harming 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 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, 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 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?
- 5) "All conflicts are bad". Do you agree with the statement? Defend your argument.
- 6) What is organizational climate? Discuss the features of sound organizational climate?
- 7) Describe causes of conflicts in organization

12) Comment on the Porter and Lawler expectancy theory of motivation?

BALAJI

MBA I Semester Regular Examinations May 2022
MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

(Common to all)
(For students admitted in 2021 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 (a) Management is an art as well as science. Justify. 5M
(b) Elucidate behavioural theory of management. 5M
- OR**
- 2 (a) Explain about the functions of management with suitable examples. 5M
(b) Describe about Fiedler's contingency theory of management. 5M
- OR**
- 3 (a) Elucidate the different techniques in decision making. 5M
(b) Demonstrate the system of controlling in management. 5M
- OR**
- 4 (a) Problems may be encountered on decision making. Elaborate the problems that an organization may face on decision making. 5M
(b) Management ought to use different techniques in controlling for effective control. Describe the various controlling techniques in management. 5M
- OR**
- 5 (a) Demonstrate Johari window and its relevance to an organization. 5M
(b) Elucidate Herzberg's two factor theory. 5M
- OR**
- 6 (a) Transactional analysis theory gives a deep understanding into one's behaviour. Interpret. 5M
(b) Explain about McClelland's three needs theory. 5M
- OR**
- 7 (a) Groups are administrative structures that organize assets. Explain how groups are formed and developed in an organization. 5M
(b) Elucidate the qualities of a good leader. 5M
- OR**
- 8 (a) Does inborn or innate qualities and characteristics make someone a leader? Discuss in the light of trait theory. 5M
(b) Transformational leadership is way better than transactional leadership. Judge. 5M
- OR**
- 9 (a) Elucidate organizational behaviour. What are the types of organizational behaviour? 5M
(b) Distinguish organizational culture and organizational climate. 5M
- OR**
- 10 (a) Define organizational culture and its types. 5M
(b) Discuss the principles of change management. 5M

Contd. in page 2

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case Study/Problem:** 10M
- ABC is one of the lowest employee turnover rates in the IT industry; however, there is room for improvement. Top talent is currently leaving ABC to pursue Internet start-ups or jumping ship to some other company. The loss of these key employees represents a serious threat to the success of the company in the future. Recognizing this problem, ABC is actively identifying its top talent and developing ways to make jobs more attractive. Employee engagement appears to be the buzz in corporate America/Studies show that employees who are engaged are more productive, profitable, and customer focused and less likely to leave the organization. Some of the factors that always rank at the top with regard to what gets employees engaged and what they value in a job include career opportunities and development, great people to work with, and a great boss. ABC is meeting the challenge of improving worker morale head on to retain its employees. ABC introduced a program to provide some of the attractive amenities that other IT companies offer employees. This program will include a wide range of incentives focused on improving the working conditions and culture of the company, such as a set of lifestyle perks and a management development program. ABC is meeting the challenge of improving worker morale head on to retain its employees. ABC's new program is an initial step to improve the morale of employees, but only time will tell if this program is attractive enough to retain employees.
- Questions:**
- (a) What are the factors causing the brain drain at ABC? Explain.
 - (b) Is ABC's organizational structure having an impact on its organizational commitment levels? Explain.

MBA I Semester Supplementary Examinations October 2022

MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

(Common to all)

(For students admitted in 2021 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 (a) Management's role in success of an organization is inseparable. Support. 5M
(b) Elucidate scientific theory of management. 5M
- OR**
- 2 (a) Describe the principles of management. 5M
(b) The systems approach implies that decisions and actions in one organizational area will affect other areas. Justify. 5M
- 3 (a) In an organization, the core function of the management is to make decisions on business operations and growth. Explain about decision making and its process in an organization. 5M
(b) Control is essential in making sure that a process or system is running effectively within an organization. Elaborate. 5M
- OR**
- 4 (a) Elucidate the significance of planning in an organization. 5M
(b) Demonstrate the efforts of an organization in making controlling effective. 5M
- 5 (a) Explain about the role of perception and learning on understanding Individual behaviour. 5M
(b) Describe about Maslow's need hierarchy theory with suitable example. 5M
- OR**
- 6 (a) Understanding personality traits is the key to predicting behaviour and understanding how situations can influence individuals. Explain about the various personality types. 5M
(b) Demonstrate Porter and Lawler's theory of motivation. 5M
- 7 (a) Explain about group behaviour. What are different types of groups? Briefly explain the benefits of groups. 5M
(b) Elucidate Blake and Mouton's managerial grid. 5M
- OR**
- 8 (a) Differentiate between transactional leadership and transformational leadership. 5M
(b) "Women held top management positions in only 6% of Indian corporates surveyed". Comment in light of women leadership in India. 5M
- 9 (a) Describe the organizing process in an organization. 5M
(b) Elaborate on how conflicts in an organization should be managed. 5M
- OR**
- 10 (a) Elucidate on effective management of an organization. 5M
(b) Discuss Kurt Lewin's change management model. 5M

Contd. in page 2

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study/Problem:** 10M

This case focuses on the organizational culture of Well-Mart. Primary emphasis is placed on how Well-Mart's culture developed and how it has been maintained. The roots of Well-Mart's culture date back to Sameer, who instilled the now famous "Saturday Morning Meeting". During these meetings, he encouraged his employees to offer suggestions for improvement and empowered them to follow through on those suggestions that he thought were worth pursuing. The Saturday Morning Meeting has continued at Well-Mart despite its growth into one of the largest corporations in the world. Discussion could focus on how Well-Mart's culture has been maintained over the years, with special emphasis on the importance of the Saturday Morning Meeting. In addition to the Saturday Morning serving as a company ritual, discussion could also focus on how the company chant serves as a cultural maintenance tool. A discussion of the strength of Well-Mart's culture relates to the notion of core values, which have been instrumental in sustaining its culture over the years. Perhaps as a partial result of this sharing of core values, Well-Mart is able to respond quickly to changes in the market place, as evidenced by the anecdote about the poker sets. In addition, the attraction-selection-attrition model could be applied to Well-Mart, as it may explain some of the similarities among Well-Mart's managers thus leading to a tight-knit culture. Finally, although Well-Mart's culture undoubtedly has been a strength, discussion could also focus on how it could be a weakness. The original practices and ideas of Sameer may not fit in today's business environment, so maintaining Well-Mart's culture may be detrimental to its growth. Moreover, increased public scrutiny may be pressuring Well-Mart to change its old practices.

Questions:

- (a) How would you describe Well-Mart's culture characteristics?
- (b) As a senior manager of Well-Mart, what steps could you take to either maintain or enhance the culture of Well-Mart?

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 (a) Explain the roles of a manager.
(b) Discuss different skills a manager should possess to perform his roles effectively.
OR
- 2 Write in detail the evolution of management thought.
- 3 (a) Discuss the problems encountered in planning.
(b) What measures have to be taken in order to make effective planning?
OR
- 4 Explain the steps involved in controlling process.
- 5 (a) 'Motivation plays a vital role in an organization'. Substantiate the statement.
(b) Explain the big five model of personality dimensions.
OR
- 6 (a) Discuss the factors that affect the perception of a person.
(b) Explicate the operant conditioning of learning.
- 7 (a) Explain various leadership styles and present the supporting argument for the most effective leadership style.
(b) Distinguish between transactional and transformation leadership.
OR
- 8 (a) Are groups useful to the organizations and its members? Present your viewpoints.
(b) Discuss the stages in group formation and group development.
- 9 (a) "All conflicts are bad". Do you agree with the statement? Defend your argument.
(b) In your opinion, what would make the biggest impact on organizational culture: Innovation and risk taking, Attention to detail, People orientation, Team orientation etc.? Why?
OR
- 10 (a) Discuss the stages in Kurt Lewin's model of change.
(b) Explain different types of departmentation.

Contd. in page 2

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study:**

The CEO of Syngony Technologies, Anish Vaidya (Vaidya), found himself confronted with the most challenging phase of his career in the industry. Established in 1956, Syngony began as a manufacturer of a variety of electrical appliances, and gradually spread its operations into various other industries such as consumer products, power generation, automobiles and insurance. Within four decades, it grew to become a global company serving customers across the world. In his first meeting as CEO of the company, Vaidya invited employees from the middle and top management level to pool their ideas to address a comprehensive list of problems faced by the organization. The meeting brought to the forefront different areas of concern:

The bureaucratic and hierarchical structure of the organization was stifling the creativity of its employees as a result of which they were no longer motivated to come up with ideas pertaining to new products or improvements in the existing organizational practices. The inability of Syngony's generic products to effectively penetrate the highly competitive market eventually resulted in blocking capital. Syngony's very survival was at stake as most of its subsidiaries were facing serious financial crises and increasing losses. The productivity of these subsidiaries was disproportionate to the number of employees they had and the employees' skills also were not updated. Inter-departmental conflicts were very much evident which were the stumbling blocks in taking any initiative. The employees' commitment levels were low as they were not happy with the communication flow and decision making process in the organization. They always had a complaint that there were communication gaps and they come to know about the decisions when they are implemented. Most important of all, Syngony also failed to adapt to the changes in the external environment. Because of this, it not only lost market leadership in various sectors, but also failed to maintain a decent market share in the industry. Realizing that change management was lacking in the organization, Vaidya, wanted to introduce certain measures to pull Syngony out of a probable debacle.

Questions:

- (a) Taking the example of Syngony technologies, describe the importance of change management in organizations.
- (b) Why did Syngony technologies landed into the current problematic situation?
- (c) What measures do you suggest in bringing about a planned change in Syngony technologies?

MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

(For students admitted in 2017, 2018 & 2019 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 Discuss the significance and critical functions of management.
OR
- 2 (a) Select any five principles of management proposed by Henry Fayol and state how these principles will enable managers to perform efficiently and effectively.
(b) Discuss the principles of scientific management.
- 3 Discuss in detail about the process of planning.
OR
- 4 Elucidate various techniques of controlling and discuss their role in effective management.
- 5 Compare and contrast Maslow's need hierarchy theory with Herzberg's two factor theory of motivation.
OR
- 6 Discuss the personality traits of a leader (of your choice) that made him/her so popular and successful.
- 7 (a) Are two heads better than one? Justify your answer.
(b) Explain various types of groups.
OR
- 8 (a) Discuss the contribution of managerial grid to effective leadership
(b) What leadership style would be best for the following business situations and why?
 - A company with routine and unskilled job functions.
 - A company preparing to disrupt an existing market with ground-breaking technology.
 - A company with teams having rich experience and expertise.
- 9 (a) Why do people resist change? Discuss the reasons.
(b) Explain various types of conflicts.
OR
- 10 Discuss different types of culture. How is organizational culture created and sustained?

Contd. in page 2

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11

Case Study:

Helen Bowers was stumped. Sitting in her office at the plant, she pondered the same questions she had been facing for months: how to get her company's employees to work harder and produce more. No matter what she did, it didn't seem to help much. Helen had inherited the business three years ago when her father, Jake Bowers, passed away unexpectedly. Bowers Machine Parts was founded four decades ago by Jake and had grown into a moderate-size corporation. Bowers makes replacement parts for large-scale manufacturing machines such as lathes and mills. The firm is headquartered in Kansas City and has three plants scattered throughout Missouri.

Although Helen grew up in the family business, she never understood her father's approach. Jake had treated his employees like part of his family. In Helen's view, however, he paid them more than he had to, asked their advice far more often than he should have, and spent too much time listening to their ideas and complaints. When Helen took over, she vowed to change how things were done. In particular, she resolved to stop handling employees with kid gloves and to treat them like what they were: the hired help. In addition to changing the way employees were treated, Helen had another goal for Bowers. She wanted to meet the challenge of international competition. Japanese firms had moved aggressively into the market for heavy industrial equipment. She saw this as both a threat and an opportunity. On the one hand, if she could get a parts supplier to these firms, Bowers could grow rapidly. On the other, the lucrative parts market was also sure to attract more Japanese competitors. Helen had to make sure that Bowers could compete effectively with highly productive and profitable Japanese firms.

From the day Helen took over, she practiced an altogether different philosophy to achieve her goals. For one thing, she increased production quotas by 20 percent. She instructed her first-line supervisors to crack down on employees and eliminate all idle time. She also decided to shut down the company softball field her father had built. She thought the employees really didn't use it much, and she wanted the space for future expansion. Helen also announced that future contributions to the firm's profit-sharing plan would be phased out. Employees were paid enough, she believed, and all profits were the rightful property of the owner—her. She also had private plans to cut future pay increases to bring average wages down to where she thought they belonged. Finally, Helen changed a number of operational procedures. In particular, she stopped asking other people for their advice. She reasoned that she was the boss and knew what was best. If she asked for advice and then didn't take it, it would only stir up resentment.

All in all, Helen thought, things should be going much better. Output should be up and costs should be way down. Her strategy should be resulting in much higher levels of productivity and profits.

But that was not happening. Whenever Helen walked through one of the plants, she sensed that people weren't doing their best. Performance reports indicated that output was only marginally higher than before but scrap rates had soared. Payroll costs were indeed lower, but other personnel costs were up. It seemed that turnover had increased substantially and training costs had gone up as a result. Suddenly, Helen knew just what to do: She would announce that all employees who failed to increase their productivity by 10 percent would suffer an equal pay cut. She sighed in relief, feeling confident that she had finally figured out the answer. In desperation, Helen finally had hired a consultant.

Questions:

- (a) How successful do you think Helen Bowers's new plan will be?
- (b) What challenges does Helen confront?
- (c) If you were Helen's consultant, what would you advise her to do?
