ORGANIZATIONAL BEHAVIOUR

Definition

Organizational behaviour is defined as the behaviour of human beings in their workplace.It studies the impact that an individual has on behaviour within the organization and how groups work together so that the knowledge can help in explaining and predicting behaviour to improve workplace performances and effectiveness.

According to Keith Davis "organizational behavior is the study and application of knowledge about how people act within organizations. It is human tool for the human benefit. It applies broadly to behavior of people in all type of organization such as business, government, schools, etc. it helps people, structure, technology, and the external environment blend together in to an effective operative system".

Stephen Robins defines organizational behavior as a "field of study that investigates the impact that individuals, groups, and structure have an organization for the purpose of applying such knowledge improving an organization's effectiveness".

K Aswathappa, defines "OB is the study of human behaviour in organisational setting, of the interface between human behaviour and organisation and of the organisation itself."

According to Fred Luthans "Organisational behaviour is directly concerned with the understanding, production and control of human behaviour in organisations."

Characteristics of Organisational Behavior:

1. Behavioural Approach to Management:

Organisational behaviour is that part of whole management which represents the behavioural approach to management. Organisational behaviour has emerged as a distinct field of study because of the importance of human behaviour in organisations.

2. Cause and Effect Relationship:

Human behaviour is generally taken in terms of cause and effect relationship and not in philosophical terms. It helps in predicting the behaviour of individuals. It provides generalizations that managers can use to anticipate the effect of certain activities on human behaviour.

3. Organisational Behaviour is a Branch of Social Sciences:

Organisational behaviour is heavily influenced by several other social sciences viz. psychology, sociology and anthropology. It draws a rich array of research from these disciplines.

4. Three Levels of Analysis:

Organisational behaviour encompasses the study of three levels of analysis namely individual behaviour, inter-individual behaviour and the behaviour of organisations themselves. The field of organisational behaviour embraces all these levels as being complementary to each other.

5. A Science as well as an Art:

Organisational behaviour is a science as well as an art. The systematic knowledge about human behaviour is a science and the application of behavioural knowledge and skills is an art. Organisational behaviour is not an exact science because it cannot exactly predict the behaviour of people in organisations. At best a manager can generalize to a limited extent and in many cases, he has to act on the basis of partial information.

6. A Body of Theory, Research and Application:

Organisational behaviour consists of a body of theory, research and application which helps in understanding the human behaviour in organisation. All these techniques help the managers to solve human problems in organisations.

7. Beneficial to both Organisation and Individuals:

Organisational behaviour creates an atmosphere whereby both organisation and individuals are benefitted by each other. A reasonable climate is created so that employees may get much needed satisfaction and the organisation may attain its objectives.

8. Rational Thinking:

Organisational behaviour provides a rational thinking about people and their behaviour. The major objective of organisational behaviour is to explain and predict human behaviour in organisations, so that result yielding situations can be created.

The Elements Of Organisational Behaviour

The key elements of organisational behaviour include people, structure, technology, and the environment.

- **People:** They form the internal and social system of the organisation. People include the employees, the organisation's stakeholders (those affected by the actions of an organisation), and groups. The groups can be big or small, formal or informal, official or unofficial.

- **Structure:** It is the formal and informal set of rules and practices that govern how work gets done in an organisation. It also includes policies, procedures, guidelines, hierarchies, communication networks, etc.
- **Technology:** It constitutes the tools employed in an organisation for achieving its objectives, including the machines, work processes, software, tools, gadgets, etc.
- **Environment:** It can be defined as the social factors outside an organisation that affect its employees. It includes cultural, economic, technological, political and legal factors.

The Three Levels Of Organisational Behaviour

OB focuses on studying three key levels of human behaviour within an organisation. These levels are:

- **Individual Level:** This level of organisational behaviour focuses on studying employees' values, attitudes, perceptions and personal traits to determine their behavioural patterns in the workplace. Human psychology forms the basis of individual-level analysis.
- **Group Level:** The group-level or team-level analysis studies the behaviour of employees while working in groups. Factors like communication, <u>leadership</u>, initiative, group dynamics, conflicts, power etc., are studied at this level. It determines how people individually and collectively interact in a group. Sociology and social psychology form the basis of team-level analysis.
- **Organisation-level:** This level deals with analysing the organisational structure, culture and climate within an organisation. It studies how organisations differ based on their organisational structure, work environment, human resource policies etc. Sociology and political science form the basis of organisation system-level analysis.

OBJECTIVES OF ORGANIZATIONAL BEHAVIOR

There are many objectives of organizational behavior some are given below:

- To establish a social system in the organization.
- To determine the motivation level of employees.
- To encourage the people, to work enthusiastically in the organization.
- To create an environment for the development of effective leadership.
- To develop effective group behaviour among the employees.
- To identify the reasons for conflict and to resolve the conflict.
- To find out the reasons for frustration and reduce or eliminate the reasons.
- To increase the morale of employees of the organization.
- To maintain the organizational environment favourable for the work.

Importance Of Organisational Behaviour

Organisational behaviour's importance lies in the fact that it helps organisations to

- Discover and understand human behaviour,
- Properly motivate their employees to perform better,
- Create a conducive work environment to bring about higher employee productivity,
- Ensure effective communication along with its elements,
- Maintain ethical workplace practices, and
- Build positive relationships among employees for cooperation.

Challenges To Organisation Behaviour

Organisational behaviour helps the company evolve by directly impacting the conduct of its workers. However, there are many challenges that it faces. These are:

- **Workforce diversity:** A workplace is diverse, run by cooperating with people belonging to different cultural, regional, ethnic and gender groups. However, it makes it difficult for the top management to acknowledge the needs of all the groups and bring them on the same page for decisions.
- **Worker rights:** Protecting worker rights pose a challenge to organisational behaviour. It is the duty and responsibility of the company to provide a safe, healthy and congenial work environment for its employees where they can perform without any fear of exploitation. However, it becomes difficult when workers form unions and demand collective bargaining. It becomes even more difficult to manage the company's own interests along with that of its employees.
- **Innovation and evolving technologies:** With the advent of new business models and technologies, the company has to constantly update its policies, design work environment and work on new strategies to keep up with changing industry trends. It is difficult for organisational behaviour experts to keep abreast with these changes and make sure that it benefits both the employees as well as the organisation.
- **Globalisation Response:** The entire world has become a global village. The organisation's success is dependent upon its ability to stay competitive in the market and benefit from international trade. This calls for organisational behaviour experts to have a sound understanding of international business practices, cultures, and languages to bring about the desired changes within the company and enable better customer service.
- **Government Policies:** Dynamic economy causes the government to change its policies and regulations frequently. These amendments usually have a direct impact on the working conditions of the employees. For example, compensation regulations, fixing the number of working hours etc., directly impact employee productivity and should be assumed diligently.

Factors influencing organisational behaviour

Individual behaviour

Individual behaviour refers to the way in which an individual reacts or behaves at his place of work. It can be defined as a combination of reactions to internal and external stimuli. Individual behaviour defines how a person will respond under distinct conditions and will express different emotions such as happiness, rudeness, love, anger etc.

Factors Influencing Individual Behaviour

Various factors affecting the individual behaviour is classified into following categories: –

1. **Personal Factors**
2. **Environmental Factors**
3. **Organizational Factors**

Personal Factors

Personal factors are of 2 types: Biographic and Learned Characteristics

Biographic Characteristics*:* Biographic characteristics are genetic nature and are inherited by individual by their parents or forefathers. These are gifted features that an individual possesses by birth. All of these biographic characteristics are listed below: –

- **Psychical Characteristics-** Personal characteristics relates to skin, complexion, vision, height, weight, size of nose etc. which influence the performance of individual. A person with good physical characteristics have an attractive personality, they dress well and behave gently in an organization.
- **Age-** Age is an individual inherited characteristic that is determined by date of birth. Young people are expected to be more efficient, energetic, risk-taking, innovative and ambitious.
- **Gender-** Gender is an inherited characteristic as being a men or women is genetic in nature. Woman are expected to be more emotional than men and generates high turnover rates. It is due to more likeness of woman quitting their job citing personal reasons.
- **Religion-** Religious values of individual influence distinct aspects of his/her behaviour in organization. Highly religious person is stricter towards following moral values, ethics and code of conduct while performing their roles.
- **Marital Status-** Researcher indicated that with marital status, responsibilities of individual get inclined and for them having steady proper job becomes more important. Such employees have less absences, low turnovers and more job satisfaction.

Learned Characteristics*:*

Learned characteristics refers to the changes in persons behaviour that comes from his/her interactions with environment.

- **Personality-** Personality solely do not refer to physical characteristics of person but indicates the growth of individual's psychological system. These are the personal traits of persons that comprises of patience, extrovertness, dominance, aggressiveness etc.
- **Perception-** It is a viewpoint of individual through which it interprets a particular situation. Perception is defined as a process via which information enters mind and an interpretation takes place for providing some sensible meaning to world.
- **Values-** These are global beliefs that guides distinct actions and judgements in several situations. It comprises of idea of an individual that is based on good, right and desirable opinions.

Environmental Factors

The external environment has an effective role in influencing the individual behaviour.

- **Employment level-** Employment opportunities available within the country act as a major determinant of individual behaviour. In case of less employment opportunities, he/she will remain stick to same job level irrespective of how much satisfaction is attained. However, if there are more employment opportunities available then employees will shift to other jobs.
- **Wages Rate-** Monetary compensation is a major factor that every employee considers before joining any organization. Therefore, a decision whether to stay in a particular company or shift anywhere else is taken on the basis of wages he/she is getting.
- **General Economic Environment-** Economic cycle in a country greatly influences the behaviour of individual in an organization. They are subject to retrenchment and layoffs. Job security and a stable income are the most relevant factors of motivation for these type of employees. Whereas, employees of public sector undertakings are not affected by economic position within the country as they receive their fixed salaries irrespective of economic conditions.
- **Political Factors-** Political factors indirectly influences the behaviour of an individual. In a politically stable environment, there will be large opportunities of steady job positions. It will provide better freedom to individual which will influence their career choice, performance and jib design.

Organizational Factors

Wide range of organizational factors influence behaviour of individual which are listed below: –

- **Physical Facilities-**

Physical environment at work place have a great influence on behaviour of individual. It comprises of factors like lighting, cleanliness, heat, noise level, office furnishing, strength of workers etc.

- **Structure and Design-**

  It is concerned with set-up design of departments within an organization. Individual behaviour is influenced by where an individual perfectly fits in a hierarchy of organization.

- **Reward System-** Fair reward system adopted by company for compensating its employees enhances the overall performance and behaviour of individual.

INDIVIDUAL DIFFERENCES

It is defined as the differences among individuals, that distinguish or separate them from one another and make one as a unique individual in oneself.

Types of individual differences

1. Physical or physiological differences

2. Psychological differences

In total the differences may be found in the following respects. They are differences related to

- Physical differences

- Differences in intelligence

- Differences in attitudes

- Differences in achievement

- Differences in motor ability

- Differences on accout of sex

- Racial differences

- Differences due to nationality

- Differences due to economic status.

- Emotional differences

- Personality differences

Causes of Individual Differences:

There are various causes which are responsible in bringing individual differences.

They are narrated below:

i. Heredity:

Some heretical traits bring a change from one individual to other. An individual's height, size, shape and color of hair, shape of face, nose, hands and legs so to say the entire structure of the body is determined by his heretical qualities. Intellectual differences are also to a great extent influenced by hereditary factor.

ii. Environment:

Environment brings individual differences in behaviour, activities, attitude, and style of life characteristics. Personality etc. Environment does not refer only physical surroundings but also it refers the different types of people, society, their culture, customs, traditions, social heritage, ideas and ideals.

iii. Race and Nationality:

Race and Nationality is one cause of individual difference. Indians are very peace loving, Chinese are cruel; Americans are very frank due to race and nationality.

iv. Sex:

Due to sex variation one individual differs from other. Men are strong in mental power. On the other hand women on the average show small superiority over men in memory, language and aesthetic sense. Women excel the men in shouldering social responsibilities and have a better control over their emotions.

v. Age:

Age is another factor which is responsible in bringing individual differences. Learning ability and adjustment capacity naturally grow with age. When one grows in age can acquire better control over our emotions and better social responsibilities. When a child grows then this maturity and development goes side by side.

vi. Education:

Education is one major factor which brings individual differences. There is a wide gap in the behaviors of educated and uneducated persons. All traits of human beings like social, emotional and intellectual are controlled and modifies through proper education.

This education brings a change in our attitude, behaviour, appreciations, Personality. It is seen that uneducated persons are guided by their instinct and emotions where as the educated persons are guided by their reasoning power.

PERSONALITY

Definition of Personality

Macionis define as "It is the constant pattern of thinking, feeling and acting."

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

"Personality is the sum total of ways in which an individual reacts and interacts with others." — **Stephen P. Robbins**

Personality – Nature

The nature of every individual is attributed to his personality. Generally, an individual asserts through his behavioural characteristics. Matured persons with their longstanding experience, take an objective attitude towards themselves and others. They also introspect, so as to help improve upon their nature and behaviour.

i. Self-Conscious:

There is a vast difference between human being and other species. The special feature of his nature is 'self-consciousness', which makes him aware of his surroundings and self-identity.

ii. Adaptability to Environment:

Personality, off and on, does make adjustments according to the changes desired. Resistance to change means a conflict with tension and unpleasantness. Normally, people adapt to the changed situations and challenges. Adaptation to new situations often follows a modification in behavioural pattern leading to a smooth working condition and a conducive environment.

iii. Goal Oriented:

Persons strive for achievement of goal. Individuals do have the drive to achieve goals. Wants and needs lead to motive. The desire of an individual directs the behaviour for the fulfilment of the same. Both the physiological and social motives make behavioural changes.

iv. Integration of Personality:

Personality works in consistency by integrating various activities (of mental and also experiences of the individual) together. Personality differs in the form of its integration. Persons with developed personalities are highly integrated with values and experiences. This depends on the standards of behaviour, which they have acquired right from the childhood.

Stages involved in Personality Formation

Personality formation can mainly be divided into four stages, as given below:

1. Primary attachment

2. Family role and identification

3. Entering of a child into social world

4. Adolescent stage.

1. Primary Attachment:

It is a natural phenomenon that a child gets attached to a person(s) taking adequate care of the child. In this stage, the child after a few weeks starts responding with 'a smile' to whom it is attached. It also requires nourishment for proper growth. Normally, it resorts to crying for satisfaction of needs. During this period, a child is relatively passive and needs utmost care by those around.

2. Family Role and Identification:

This stage is between 2 and 6 years, during which the child understands the family interactions and some social normal, etc. It acquires sufficient knowledge to differentiate between father and mother (male and female). This is the stage of life, when child needs care, affection and recognition coupled with response to growth of personality.

3. Entering of Child into the Social World:

During this stage child starts adhering to the social norms by actively taking part in school life. He tries to be independent, as the major part of the day is spent outside home. The child imitates and adopts the qualities from friends, teachers and others.

4. Adolescent Stage:

The child's personality may show much flexibility. During this period, certain traits are set aside and adoption of new traits takes place. This is the time, when bodily and sexual developments do occur.

A child normally has logical thinking between 7 and 8 years of age. When he attains the age of 13, there is every possibility of an 'Abstract thinking' and the process of 'Reasoning' are evident. From this stage, a child enters into the 'Adult', the prime stage of life.

Normal development of personality occurs through the process of identification and displacement, when conflict appears, identification and displacement are a common phenomena. Conflicts arise mainly due to physiological growth, frustration, and threat from outside. Tension is normally created by conflicts and the individual resorts to identification and displacement.

This process may be either partial or total. For example, an individual may hold his father's role in high esteem in certain respects, however, in other respects, he may try to identify the qualities received from other people. Hence, the behaviour of an individual is the outcome of various identifications; likewise, the displacement also takes place in an individual.

Determinants of Personality

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

1. Biological Factors
2. Cultural Factors
3. Family Factors
4. Social Factors
5. Situational Factors

Biological Factors

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

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 the chromosomes.

Brain

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.

Preliminary results from the electrical stimulation of the brain **(ESB) research give an** indication that a better understanding of human personality **and behaviour might come from the study of the brain.**

Biofeedback

Until recently, physiologists and psychologists felt that certain biological functions such as brainwave patterns, gastric and hormonal secretions, and fluctuations in blood pressure and skin temperature were beyond conscious control.

Now some scientists believe that these **involuntary functions can be consciously controlled through biofeedback techniques**. In BFT, the individual learns the internal rhythms of a particular body process through electronic signals that are feedback from equipment that is wired to the body.

Physical Features

A vital ingredient of the personality, an individual's external appearance, is biologically determined. The f**act 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 a**ffect the self-concept**.

Cultural Factors

Among the factors that influence personality formation is the culture in which **we are raised, early conditioning, norms prevailing within** the family, friends and social groups and other miscellaneous experiences that impact us.

The c**ulture largely determines attitudes towards** independence, aggression, competition, cooperation and a host of other human responses.

According to Paul H Mussen, "each culture expects, and trains, its members to behave in ways that are acceptable to the group. To a marked degree, the child's cultural group defines the range of experiences and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned."

Family Factors

Whereas the culture generally prescribes and limits what a person can be taught, it is the family, and later the social group, which selects, interprets and dispenses the culture. Thus, the family probably has the most significant impact on early personality development.

A substantial amount of empirical evidence indicates that the **overall home environment created by the parents**, in addition to their direct influence, is **critical to personality development**.

The parents play an especially important part in the identification process, which is important to the person's early development.

According to Mischel, the process can be examined from three different perspectives.

- Identification can be viewed as the similarity of behaviour including feelings and attitudes between child and model.

- Identification can be looked at as the child's motives or desires to be like the model.

- It can be viewed as the process through which the child actually takes on the attributes of the model.

From all three perspectives, the identification process is fundamental to the understanding of personality development. The home environment also influences the personality of an individual. Siblings (brothers and sisters) also contribute to personality.

Social Factors

There is increasing recognition given to the role of other relevant persons, groups and especially organisations, which greatly influence an individual's personality. This is commonly called the socialization process.

Socialization involves the **process by which a person acquires, from the enormously wide range of behavioural potentialities** that are open to him or her, those that are ultimately synthesized and absorbed.

Socialization starts with the initial contact between a mother and her new infant. After infancy, other members of the immediate family – father, brothers, sisters and close relatives or friends, then the social group: peers, school friends and members of the work group – play influential roles.

Socialization process is especially relevant to organisational behaviour because the process is not confined to early childhood, taking place rather throughout one's life. In particular, the evidence

is accumulating that **socialization may be one of the best explanations for why employees behave the way they do in today's organisations**.

Situational Factors

Human personality is also influenced by situational factors. The effect of the environment is quite strong. **Knowledge, skill and language** are obviously acquired and **represent important modifications of behavior**.

An individual's personality, while generally stable and consistent, does change in different situations. The varying demands of different situations call forth different aspects of one's personality.

According to Milgram, "Situation exerts an important press on the individual. It exercises constraints and may provide a push. In certain circumstances, it is not so much the kind of person a man is, as the kind of situation in which he is placed that determines his actions". We should therefore not look at personality patterns in isolation.

PERCEPTION

The word <u>Perception</u> comes from the Latin words, "percipio" meaning "**receiving, collecting, action of taking possession, apprehension with the mind or senses**".

<u>Perception</u> is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world.

It is a cognitive process by which people attend to incoming stimuli, organise and interpret such stimuli into behaviour.

Nature of perception

1. Perception is the process by which an individual gives meaning to the environment.
2. People's actions, emotions, thoughts and feelings are triggered by their perceptions of their surroundings.
3. Perception has been defined in a variety of ways; it basically refers to the manner in which a person experiences the world.
4. Perception is an almost automatic process and works in the same way within each individual, yet it typically yields different perceptions.

Factors that Influence Perception

1. **Characteristics of the Perceiver**
2. **Characteristics of the Target**
3. **Characteristics of the Situation**

Characteristics of the Perceiver

Several characteristics of the perceiver can affect perception. When an individual looks at a target and attempts to interpret what he or she stands for, that interpretation is heavily influenced by personal characteristics of the individual perceiver.

The major **characteristics of the perceiver** influencing perception are:

1. Attitude
2. Motives
3. Interest
4. Experience
5. Expectation
6. Self-Concept

Attitude

The attitude and aptitude of employees influence perception formation. If they have positive attitudes towards the management, they directly perceive the stimuli given by management. In the case of negative attitudes, the employees suspect the management's approach. Employees of high aptitude have a desire and attitude for growth. They behave positively toward the management of an organization.

Motives

The motives and desires of employees cause them to view stimuli differently as per their level and angle. Helpful motives of the employees will always assist the management. If they desire to develop themselves and the organization, they will perceive objects and situations positively. Employees having low motives will not work sincerely. The perception will differ depending on different types of motives.

Interest

The interest of individuals draws more attention and recognition to stimuli. Less attention and recognition lowers the impact of stimuli or objects on behaviour. If employees lack interest, behaviour pattern will be less effective, and the perception will be weak.

Experience

The experience of employees results in different levels of perception. A young employee takes time to understand the object and situation. Experienced employees generally understand objects quickly and correctly. However, in contradictory situations, it is difficult to correct aged persons, whereas the young are easily moulded towards achieving the objectives of the organization.

Expectation

Expectations distort perceptions. People see what they expect to see. If they see the object and the situation differently from their expectations, they get frustrated. They are unable to modify their behaviour. The employees may expect more pay and so they perceive the management from that angle. The real stimuli are not properly perceived if expectations exist there on. The management has to evolve expectations for proper perception.

Self-Concept

Another factor that can affect social perception is the perceivers' selfconcept. An individual with a positive self-concept tends to notice positive attributes in another person. In contrast, a negative self-concept can lead a perceiver to pick out negative traits in another person. Greater understanding of self allows us to have more accurate perceptions of others.

Characteristics of the Target

Characteristics in the target that is being observed can affect what is perceived. Physical appearance plays a big role in our perception of others. Extremely attractive or unattractive individuals are more likely to be noticed in a group than ordinary looking individuals.

Motion, sound, size and other attributes of a target shape the way we see it.

1. Physical appearance
2. Verbal communication
3. Non-verbal communication
4. Objects

Physical appearance

Physical appearance plays a big role in our perception of others. The perceiver will notice the target's physical features like height, weight, estimated age, race and gender. Perceivers tend to notice physical appearance characteristics that contrast with the norm, that are intense, or that are new or unusual.

Verbal communication

Verbal communication from targets also affects our perception of them. We listen to the topics they speak about, their voice tone, and their accent and make judgements based on this input.

Non-verbal communication

Non-verbal communication conveys a great deal of information about the target. The perceiver deciphers eye contact, facial expressions, body movements, and posture all in an attempt to form an impression of the target.

Targets are not looked at in isolation; the relationship of a target to its background influences perception because of our tendency to group close things and similar things together.

Objects

Objects that are close to each other will tend to be perceived together rather than separately. As a result of physical or time proximity, we often put together objects or events that are unrelated.

People, objects or events that are similar to each other also tend to be grouped together. The greater the similarity, the greater the probability we will tend to perceive them as a group.

Characteristics of the Situation

Change in situation leads to incorrect perception about a person.

The factor that influence the perception are:

1. Time
2. Work setting
3. Social setting

Time

The situation in which the interaction between the perceiver and the target takes place has an influence on the perceiver's impression of the target.

For Example, a person decked up for a party may not be noticeable but the same dress in office would be noticed distinctly, though the person has not changed.

Work setting

You would have very frequently heard people say that their manager is different during working hours and 1800 opposite while in a social setting.

Social setting

The strength of the situational cues also affects social perception. Some situations provide strong cues as to appropriate behaviour. In these situations, we assume that the individual's behaviour can be accounted for by the situation and that it may not reflect the individual's disposition. This is the discounting principle in social perception.

GROUP DYNAMICS

UNIT-II

GROUP MEANING

Group is defined as consisting of individuals who perceive the existence of a group and their members in it.

A group is the aggregation of small number of people who work for common goals, develop a shared attitude and are aware that they are part of a group

Group is defined on the basis of a common motivation or goal.

Features of Group:

(1) The term group refers to two or more individuals who bear an explicit psychological relationship to one another.

(2) The group consists of two or more individuals and possesses some cohesiveness. It reveals some amount of interaction among its members who have definite ideas of their position and role in it.

(3) Relationships concentrating on status and roll along with common values or norms are characteristics features of the group.

(4) As the group operates on a common task, common attitudes develop and members become aware that they are part of it.

Reasons for Formation of Groups

Reasons for Formation of Groups

Companionship. The need for relationship with other people is one of the strongest and most constant of human drives. Many research studies have indicated that the employees who have no opportunity for close social contacts find their work unsatisfying and this lack of satisfaction often reflects itself in low productivity and high rate of absenteeism and turnover. Elton Mayo observed that the employees in a textile plant who worked on isolated jobs were highly dissatisfied and consistently failed to meet production standards and staggered rest period helped a little. But when the company permitted these workers to take rest period as a group, production and satisfaction both increased.

Sense of identification. Workers get identity in small groups and so small groups tend to enjoy high morale. Employees working in large departments where everybody does the same type of job, find it hard to form stable social groupings compared to those working in small groups.

Source of Information. Informal group is a source of information to its members. Informal communication is very fast. A piece of information available to a member will reach nearly all the members of the group instantly. The group may develop a special code or language for speedy communication. Psychological barriers to communication are also overcome by the group.

Job satisfaction. The group's solution to a problem may be different from what management expects and it may even be more efficient. Shortcuts are evolved and informal channels of communication are established to cut across department boundaries. Many jobs which appear superficially dull and routine are made interesting by the group and spontaneity is encouraged and protected by the group.

Protection of members. Groups help protect their members from outside pressures. Groups often resist management's demands for additional output, increased working hours, and higher quality. Group members often agree on the level of output that each will put forth so that no member may outperform the others.

Outlet for frustration. An individual at times, feels tremendous stress in life and gets frustrated. If he shares his feelings and anxieties with someone, his tension is released to a great extent. The social relations provide an important outlet for frustration. An informal group serves as a safety valve which helps release tension and frustration and checks the mental breakdown of the individual.

Perpetuation of cultural values. Sometimes, groups are formed by individuals belonging to a

common cultural background. Such people can preserve their cultural identify and also feel a sense of security by associating with those pursuing the same cultural values and social norms. Maintenance of cultural values will also provide them psychological satisfaction.

Generation of new ideas. Informal groups are a breeding ground for new ides as they provide a supportive environment in which the members can engage themselves in creative thinking. New product teams, task force, quality circles, etc. are important examples in this regard.

GROUP DYNAMICS

The word dynamics comes from a Greek word meaning force. Thus group dynamics refers basically to the study of forces operating within a group.

Group-dynamics is concerned with the formation and structure of groups and the way they affect individual members, other groups and the organisation."

Types of Groups

- Formal Group.
- Informal Group.
- Managed Group.
- Process Group.
- Semi-Formal Groups.
- Goal Group.
- Learning Group.
- Problem-Solving Group
- Friendship Group.
- Interest Group.

Formal Groups

Formal groups are created to achieve specific organizational objectives. Usually, they are concerned with the coordination of work activities.

People are brought together based on different roles within the structure of the organization. The nature of the task to be undertaken is a predominant feature of the formal groups.

Goals are identified by management and short and rules relationships and norms of behavior established. Formal groups chain to be related to permanent although there may be changes in actual membership.

However temporary formal groups may also be created by management, such as project teams in a matrix organization.

Informal Groups

Within the formal structure of the organization, there will always be an informal structure.

The formal structure of the organization and system of role relationship, rule, and procedures, will be augmented by interpretation and development at the informal level.

Informal groups are based more on personal relationships and agreement of group's members than on defined role relationships. They serve to Satisfy psychological and social needs not related necessarily to the tasks to be undertaken.

Groups may devise ways of attempting to satisfy members' affiliations and other social motivations that are lacing in the work situation, especially in industrial organizations.

Managed Group

Groups may be formed under a named manager, even though they may not necessarily work together with a great deal. They have the main thing in common, at least the manager and perhaps a similar type of work.

Process Group

The process group acts together to enact a process, going through a relatively fixed set of instructions. The classic environment is a manufacturing production line, where every movement is prescribed.

There may either be little interaction within process groups or else it' is largely prescribed, for example where one person hands something over to another.

Semi-Formal Groups

Many groups act with less formality, in particular where power is distributed across the group, forcing a more collaborative approach that includes- negotiation rather than command and control.

Families, communities and tribal groups often act as semi-formal ways as they both have nominal leaders yet members can have a high degree of autonomy.

Goal Group

The goal group acts together to achieve a shared objective or desired outcome. Unlike the process groups, there is no clear instruction on how they should achieve this, although they may use some processes and methods along the way

As there is no detailed instruction, the members of the goal group need to bring more intelligence, knowledge, and experience to the task.

Learning Group

The learning group comes together to increase their net knowledge. They may act collaboratively with discussion and exploration, or they may be taught with a teacher and a syllabus.

Problem-Solving Group

Problem-solving groups come together to address issues that have arisen. They have a common purpose in understanding and resolving their issue, although their different perspectives can lead to particular disagreements.

Problem-solving may range along a spectrum from highly logical and deterministic, to uncertain and dynamic situations there creativity and instinct may be better ways of resolving the situation.

Friendship Group

Groups often develop because individual members have one or more common characteristics. We call these formations of friendship groups.

Social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage, support for Kolkata Knight Riders cricket, or the holding of similar political views, to name just a few such characteristics.

Interest Group

People who may or may not be aligned into a common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

Employees who band together to alter their vacation schedules, support a peer who has been fired, or seek improved working conditions represent the formation of a united body to further their common interest.

Differences between Formal Group and Informal Group

Basis for Comparison	Formal Group	Informal Group
Meaning	Groups created by the organization, to accomplish a specific task, are known as	Groups created by the employees themselves, for their own sake are known as

	Formal Groups.	Informal Groups.
Formation	Deliberately.	Voluntarily
Size	Large.	Comparatively small.
Life	It depends on the type of group.	It depends on the members.
Structure	Well Defined.	Not well defined.
The importance is given to	Position.	Person.
Relationship	Professional.	Personal.
Communication	Moves in a defined direction.	Stretches in all the directions.

GROUP DYNAMICS CHARACTERISTICS:

(i) Group dynamics describes how a group should be organised and operated. This includes pattern of leadership and cooperation.

(ii) Group dynamics consists of a set of techniques such as role playing, brainstorming, group therapy, sensitivity training etc.

(iii) Group dynamics deals with internal nature of groups, their formation, structure and process, and the way they affect individual members, other groups and the organisation as a whole.

(iv) Group dynamics refers to changes which take place within groups and is concerned with the interaction and forces obtained between group members in a social setting.

Group Cohesiveness

"Cohesiveness refers to the extent of unity 'in the group and is reflected in members' conformity to the norms of the group, feeling of attraction for each other and wanting to be co-members of the group" Attraction, cohesiveness and conformity are all intertwined. The more the members feel attracted to the group, the greater will be the group cohesiveness. The greater the cohesiveness, the greater the influence of the group members to persuade one another to conform

to the group norms. The greater the conformity, the greater the identity of the members to the group and the greater the group cohesiveness.

Characteristics of a Cohesive Group

A cohesive group is characterised by:

- A small number of members
- Frequent interaction between members and effective interpersonal communication.
- Sharing of group goals and norms between members
- Mutual interest and common background.
- High level of group loyalty
- Unity among members against any external threat or pressure.
- Group has a history of past success.
- Members stick to each other.

Factors Affecting Group Cohesiveness

Group Cohesiveness is affected by different factors, which are discussed as under:

1. **Interdependency**: The degree of dependency of a person on the group will determine the attractiveness and ultimately its cohesiveness. When the number of individual needs satisfied by a group is higher, it determines his/her dependency on the group, which is reflected in its attractiveness and cohesiveness.
2. **Size of the Group**: The size of the group has a great impact on its cohesiveness, as it has an inverse relationship with the group cohesiveness. This is due to the fact that the group cohesiveness increases with the interaction between the members, and when the group size is large, the chances of interaction between the members will be quite less, leading to conflicts and chaos, due to difference in opinion. A group with a few numbers of members often have high cohesiveness.
3. **Homogeneity**: Groups having members with varied interests, attitudes, values and backgrounds are comparatively less effective than groups whose members have similar interests, opinions, attitudes, values and backgrounds.
4. **Stable Membership**: When there is stability in relationship amidst group members, it also adds to group cohesiveness, because, as the time passes group members know each other and develop a bond and common understanding of shared goals and values.
5. **Location of the Group**: The location of the group also greatly affects its cohesion, in the sense that when the group members are located close to each other, the frequency of meeting and interaction will be high, resulting in high cohesiveness. Moreover, when the group is isolated from other groups, then also the cohesion will be high.

6. **Group Status**: You might have observed that a group with status and previous success stories is more engaging to the group members. So, the group members exhibit unity among themselves, which develop high cohesiveness. Unlike, when the group is criticized by all, is less cohesive.
7. **Group Leadership**: A group leader plays an important role in group cohesiveness. He/She is the one who leads all the members and helps them to develop a bond with the group. A leader with charm, energy and influencing abilities motivates the members to work with enthusiasm and honesty, to attain the objectives in a timely manner. He/She seeks to develop and maintain group loyalty among the members.
8. **External Pressure**: Group members often stand together, to face challenges posed by external pressures. For this, the group members minimize their personal differences and conflicts, so as to combat the common enemy. Further, there are instances when the group is unable to overcome excessive pressure and it is not able to handle such pressure.
9. **Competition**: There are two types of competition – intragroup competition and intergroup competition. Intragroup competition, is the competition among the group members, whereas intergroup competition is the competition between the groups. Intragroup competition adversely affects its cohesiveness, because it increases differences among the members. Contrary to this, intergroup competition increases cohesiveness. The victory arising out of intergroup competition adds to the cohesion, but failures bring tensions and conflicts.

Group Decision Making

Group decision-making is a situation faced when individuals collectively make a choice from the alternatives.

Group decisions may involve assimilating a huge amount of information, exploring many different ideas, and drawing on many strands of experience.

Strengths of Group Decision Making

- Groups generate more complete information and knowledge.
- By aggregating the resources of several individuals, groups bring more input into the decision process.
- In addition to more input, groups can bring heterogeneity to the decision process. They offer increased diversity of views.
- A group will almost always outperform even the best individual. So, groups generate higher quality decisions.
- Finally, groups lead to increase acceptance of solutions. Many decisions fail after the final choice is made because people don't accept the solution. Group members who participated in making a decision are likely to support the decision and encourage others to accept it enthusiastically.

Weaknesses of Group Decision Making

1. Group decisions are time-consuming, and they typically take more time to reach a solution than making the decision alone.
2. Group decisions have conformity pressures in groups. The desire by group members to be accepted and considered an asset to the group can result in squashing any overt disagreement.
3. Group decision can be dominated by one or a few members. If this dominated coalition is composed of low and medium ability members, the group's overall effectiveness will suffer.
4. Finally, group decisions suffer from ambiguous responsibility. In an individual decision, it's clear who is accountable for the final outcome. In a group decision, the responsibility of any single member is watered down.

Group decision-making process (step by step)

Now that we've established the basics, below are the steps to implementing the most effective group decision-making process!

1. Planning

At the planning stage, you need to decide how you decide and know it is successful. This occurs in two phases:

First, choose which types of decision-making tools you will use – meetings, brainstorming sessions, etc. You can read more about these below.

Second, you need to determine how you will know that the decision made is a success. To understand that, you need to formulate the success factors or criteria for your decision.

For this, think of the criteria that reflect the goals, values, and objectives for each stakeholder. When considering your criteria, you can also address it from a variety of angles. You can ask yourself the following questions:

- How is it going to work?
- How much will it cost?
- How well will it comply with the existing system?
- How consistent will it be?
- How well will it fit in the existing schedule?
- Or create your own to meet the criteria.

2. Determining alternatives

At the determining alternatives stage, your expert group should generate and select several alternative decisions. They need to choose from 5 to 9 solutions that best meet the planning session's requirements. This step is important as it reduces the number of decisions and keeps the group focused on the most effective ones. You could also search for similar solutions in previous situations and consider if they suit the current issue.

3. Selecting the best alternative

It's time to choose the best alternative from the solutions selected at the determining alternatives stage. To do so, you need to compare each decision to the criteria set at the planning stage of your decision-making process. The solution that meets most criteria is the most effective one.

4. Deployment

At the deployment stage, you bring your decisions into reality. This involves determining the actions and tasks that follow the final decision. It also includes the guiding requirements on how to organize the process.

LEADERSHIP

UNIT III

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization.

Leadership involves making sound -- and sometimes difficult -- decisions, creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve those goals.

According to Koontz and Donnell, the act of leadership is the process of influencing people so that they will strive willingly and enthusiastically toward the achievement of the group goal.

"Leadership is the ability to secure desirable actions from a group of followers voluntarily without use of coercion." – **Alfred and Beatty.**

Characteristics of Leadership

1. It is a inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.
2. It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.
3. It is a group process. It involves two or more people interacting with each other.
4. A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.
5. Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

Importance of Leadership

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

1. **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
2. **Motivation-** A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.
7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

Leadership Styles

Autocratic leadership style: In this style of leadership, a leader has complete command and hold over their employees/team. The team cannot put forward their views even if they are best for the team's or organizational interests. They cannot criticize or question the leader's way of getting things done. The leader himself gets the things done. The advantage of this style is that it leads to speedy decision-making and greater productivity under leader's supervision. Drawbacks of this leadership style are that it leads to greater employee absenteeism and turnover. This leadership style works only when the leader is the best in performing or when the job is monotonous, unskilled and routine in nature or where the project is short-term and risky.

The Laissez Faire Leadership Style: Here, the leader totally trusts their employees/team to perform the job themselves. He just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his work. The team/employees are welcomed to share their views and provide suggestions which are best for organizational interests. This leadership style works only when the employees are skilled, loyal, experienced and intellectual.

Democrative/Participative leadership style: The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader. The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming.

Bureaucratic leadership: Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees' ability to adhere to organizational rules. This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented.

CHANGE MANAGEMENT

UNIT IV

CHANGE

Change is an act or process through which something becomes different.

CHANGE MANAGEMENT

Change management is a systematic approach to dealing with the transition or transformation of an organization's.

Important Of Change Managemet

Change management is important for the following reasons:

1. External factors

External factors play a big role in organisational change. Globalisation and the rapid developments in new digital solutions are forcing organisations to respond. Ignoring such external factors is likely to jeopardise your organisation's success.

Nokia was once the biggest mobile phone company in the world, but it almost went out of business. That's because it didn't keep up with changes in mobile technologies. As a result, Nokia's products didn't appeal to consumers and its market share rapidly declined.

2. Making ideas succeed

Many organisations use change management methodologies to enable ideas to succeed. Working alongside project managers who deliver new capabilities into an organisation, change managers and change agents help ensure staff are able to fully utilise the new capabilities.

3. Enabling cross-functional changes

Almost every functional unit within a modern organisation relies on change management to enable it to:

- Align the change plan to the business's overall strategy;
- Improve internal and external services and requests;
- Track and resolve issues.

4. Engaging people with the change process

A key part of managing change in an organisation is to engage those people affected by a change initiative. Staff will be involved in the change process eventually, therefore communicating and engaging with staff about a change plan early helps lay the groundwork for its later success.

5. Preparing for organisational transition

Change managers are often appointed to make organisational change go smoothly. They use change management models to make changes such as:

- Restructuring job roles;
- Restructuring business processes;
- Implementing new technologies.

6. Decreasing resistance to a change initiative

Resistance is inevitable in any change initiative because people often find it unsettling being asked to work in new and different ways. So, change managers can often expect a denial reaction from staff.

It takes time to overcome those reactions. When change managers are transparent from day one, the less resistance they are likely to face.

7. Improving performance and productivity

When an organisation adapts improved ways of working, it tends to increase productivity. At the same time, it encourages innovation.

As a result, it guarantees improved performance and places an organisation in a healthier environment better able to succeed.

8. Reducing costs

When positive change is applied correctly, it helps to reduce waste and therefore reduce costs. Effective change management helps an organisation make smart choices. It increases productivity, decreases risks, and helps to improve the profitability of an organisation.

RESISTANCE TO CHANGE

Resistance to change is the unwillingness to adapt to altered circumstances. It can be covert or overt, organized, or individual. Employees may realize they don't like or want a change and resist publicly, and that can be very disruptive.

Reasons for resistance to change

Resistance to change is common and can come in many forms. It can be subtle or overt, and it can be seen in both individuals or groups of people. Some examples might be missed meetings, sarcastic remarks, criticism, nitpicking, or even sabotage. The good news is, no matter what form it manifests, overcoming resistance to change is possible. However, organizations need to first understand the <u>causes of resistance</u> to more effectively address it.

1. Lack of trust

One reason for resistance to change is a lack of trust in the leadership team or the company as a whole. A lack of trust can have implications for turnover as well as employees giving leadership the benefit of the doubt when issues do arise.

Employees who resist a change initiative are often responding more to the person in the leadership position rather than the change itself. This comes about if those in leadership positions have not yet earned the trust of the employees, like when there is a new leader within the organization. It can also come about as a result of previous experiences that have caused employees to distrust leadership.

Distrust of the organization as a whole can also occur if employees feel their organization does not do as they say they will, changes too frequently, or employees generally don't feel valued. The most highly rated and financially successful companies are those that have the trust of their employees.

2. Poor communication

Lack of communication can greatly impact even the most well-thought-out and planned organizational changes. It is important to cultivate a culture of transparency whenever feasible and to share information as often as possible with employees, especially when trying to navigate a change. Without it, employees can become defensive, lack trust in leadership, and not have adequate time to process the information, which leads to further pushback.

If employees are not given information in a timely manner, especially in the fast-paced world of social media, misinformation and discontent can quickly spread through a workforce.

3. Emotional response

Emotions are a part of any organization and those that are employed in them. Ignoring or avoiding emotions does not make them go away. In fact, they are sure to surface in other (often confusing or overwhelming) ways if not addressed proactively.

Common emotional responses to change are fear, uncertainty, and worry. Employees might not be able to articulate how they are feeling. Or, they may not want to say it to leadership. But we get a sense of more negative emotions may be seen through comments they make or nonverbal cues. These signs of resistance might include eye-rolling or disengaging from conversations.

4. Fear of failure

Change can bring about a fear that it will be unsuccessful or that the individuals involved will personally fail as a result of the changes that were made. Employees often worry this will negatively impact their performance reviews, their job security, and even have implications for pay. In turn, this can lead to poorer outcomes at work, in both output and the quality of the work being completed.

Our minds are amazingly adaptive, but an individual's brain can have a hard time focusing if fear of failure is a concern. This is because while some parts of the brain are actively engaging with the new information, other parts of the mind are shutting down. Fear has both physical and mental implications.

5. Surprises

Some people like to be surprised, but many do not — particularly when it comes to work. They want predictability, including the ability to schedule their time accordingly. There is a natural law that explains this called homeostasis. It is the concept that there is a drive to get to a neutral or stable place. Implementing change can disrupt this potential homeostasis, causing alarm bells to go off.

Most employees have families and responsibilities outside of work that they have to manage in addition to their jobs. How will this change impact their lives both at work and outside of it? Are the deadlines or timelines for change manageable? Does it require a new skill set? Are they in danger of losing their job?

6. Constant change

Organizations can sometimes overlook the need to space multiple changes out. If you are constantly changing programs, leadership, or systems, employees are less likely to fully adapt to and accept future change. Furthermore, in a study that looked at change management in organizations, employees who were going through changes currently or within the previous year were more likely to feel stressed out, have less trust in their senior leaders, planned to find new jobs, and reported more health concerns. Timing of changes is important in order to minimize resistance to them.

Organizational Development

Organizational development can be defined as an objective-based methodology used to initiate a change of systems in an entity. Organizational development is achieved through a shift in <u>communication</u> processes or their supporting structure. Studying the behavior of employees enables professionals to examine and observe the work environment and anticipate change, which is then effected to accomplish sound organizational development.

Characteristics of Organizational Development

1. Planned and Long-Term
2. Problem-Oriented
3. Reflects a Systems Approach
4. Action-Oriented
5. Change Agents
6. Learning Principles
7. Performance
8. Humanistic

Concept of Organizational Development

The three main **concept of organizational development** (OD) are:

1. **Organizational Climate**

   It is defined as the mood or unique "personality" of an organization.

   Some of the climate features and characteristics may be associated with;
   • employee satisfaction, stress, service quality and outcomes and successful application of new processes.

   Organizational Culture

   It is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.

   The five basic elements of culture include:
   • Assumptions
   • Values
   • Behavioral Norms
   • Behavioral Patterns

• Artifacts

2. **Organizational Strategy**

It is the sum of the actions a company intends to take to achieve long-term goals. Together, these actions make up a company's strategic plan.

Strategic plans take at least a year to complete, requiring involvement from all company levels. The improvement consists of four steps:
• Diagnosis
• Action Planning
• Intervention
• Evaluation

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