



**CLASS: BBA-3<sup>rd</sup> SEM**  
**BATCH: 2018-21**

**ORGANIZATIONAL BEHAVIOUR**

*Notes as per IKGPTU Syllabus*

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**BBA 301- ORGANIZATIONAL BEHAVIOUR****UNIT I**

**Introduction:** Meaning of organizational behaviour and its relevance in today's business environment, contributing disciplines to Organization Behaviour, challenges and opportunities for OB.

**Individual behaviour in organization:** Foundations of individual behaviour, Factors influencing Individual Behaviour.

**Learning:** Meaning, characteristics and theories: Classical conditioning theory, operant conditioning theory, social learning theory, behaviour modification.

**UNIT II**

**Perception:** Nature, importance, perceptual process, factors influencing perception, perceptual errors. **Attitude:** Meaning, importance, components and types of work related attitude.

**Personality:** Meaning, determinants of personality, personality traits.

**Motivation:** Meaning, types of motivation, theories of work motivation given by Maslow, Herzberg, McGregor, Vroom and Porter – Lawler.

**Unit III**

**Group behaviour in organization:** Group dynamics, Types of groups, Group development, theories of group development, Group norms and roles, Group cohesiveness,

**Work Teams:** Meaning, characteristics, types of team, creating effective team.

**Leadership:** nature, leadership styles, Leadership theories: trait theory and behavioral theories.


#### **Unit IV**

**Conflict Management:** Meaning, types and sources of conflict, Process of conflict management, approaches to conflict management.

**Stress management:** sources of stress, approaches for stress management.

**Organizational culture:** meaning, concept, types of culture, dimensions of organizational culture

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## **ORGANIZATIONAL BEHAVIOUR**

### **UNIT-I**

#### ➤ **Concept and Meaning of Organization**

An organization refers to a formal social group that is deliberately created and maintained to achieve some intended goals. In other words, an organization is a place where a group of individual with different skills and background are brought together to perform specific duties. Their tasks are supervised and coordinated by managers

#### ➤ **Concept and Meaning of Behavior**

Behavior is a way of action. It is what a person does. More precisely, behavior can be defined as the observable and measurable activity of human being. It can include anything like decision making, handling of machine, communication with the other people, reaction or response to an order or instruction.

#### ➤ **Concept and Meaning of Organization Behavior (OB)**

- Organizational behavior is the study of the human behavior in an organization. Organization cannot be thought without human resources but human resources do act in the different ways. Human resource is the most dynamic resources among all resources of the organization because of its feeling and interpretation. No two individual are likely to behave in the same manner in a particular work situation. Managers should be able to predict and expected behavior of an individual in group. Thus, it is essential to know the way people interact within groups.
- The main objective to the study of organizational behavior is to apply scientific approach to manage human resources.

- Different theories of organization behavior are used for human resource management purpose to maximize the output from individual and group members. This study is most commonly applied to create more efficiency in business organization.

**Fred Luthans- "OB is directly concerned with the understanding, predicting and controlling of human behavior in organizations."**

➤ **FUNDAMENTAL ASPECTS OF ORGANIZATIONAL BEHAVIOR-**

**1) People:** This element is the soul of the Organization because people work to achieve the target of Organization and Organization works to fulfill the needs of individual or group of individuals. The word 'people' can be anyone who is working inside the Organization, like employees or any external person like supplier, customer, auditor, or any government official.

**2) Structure:** It is the body of the Organization which is to be taken care of to bring coordination between different levels of Organization, because Organization does not work aloof and is dependent on people which again work on the concept of division of labor. So, there is always a hierarchy in Organization which if not properly dealt with can mess the system because of nil scrutiny and flow of control

**3) Technology:** Organizations work on technologies to help people in efficiently doing their work. Same technology does not apply to each Organization but different Organizations demand different technologies for their different line of businesses e.g bank needs mediating technology which connects customers and bankers, Manufacturing companies need long linked technology because of their assembly line process, and hospitals work on intensive technology because of their responsibility to provide specialized services in terms of doctors and medical equipments.

**4) Environment:** Organizations are influenced by the environment in which they work, at a substantial level. Environment is important to Organizations because of the following factors:

# Supply and demand comes from this environment.

# Human resource, competitors, government agencies, unions, and political parties comes from environment in which Organization is surviving.



➤ **CHARACTERISTICS OF ORGANIZATIONAL BEHAVIOR (OB)**

**1. Multidisciplinary Character**

Through OB concerns with the study of human behavior within organization, the area of study of OB is developed from different traditional disciplines like psychology, sociology, anthropology, political science, economics, industrial engineering and some emerging disciplines such as communication, information system, women's studies and machine etc. This covers such diverse area to understand the individual behavior in group. The concept like learning, perception, attitude, motivation, etc. is borrowed from psychology, sociology and anthropology. Thus organizational behavior is multidisciplinary in nature.

**2. Goal Oriented Character**

OB is goal-oriented and action oriented discipline. Main concern of OB is to obtain the organizational goals with fulfilling individual goals of employees concerning with organization.

**3. Multi-Level Study Character**

OB is studied in different levels. It concerns with individual level, group level and organizational level. OB investigates the influence of each level in the overall organizational effectiveness.

**4. Situational Character**

OB is situational. It is very dynamic discipline. OB studies human behavior under a variety of situations. Every organization needs to operate in dynamic environment. Changes in political, legal, economic, socio-cultural and technological environment make the decision making and implementation more complex and challenging. By studying OB, we can predict the future

behavior and control deviant behaviors. For this, new issues and concepts need to be addressed in organization. This, makes the OB also situational.

### **5. Systematic and scientific study Character**

OB is the systematic study and it concerns with causes and effects relationship. Conclusions are drawn with evidence but not in intuitions of the managers. It completely follows system. Similarly, the study of OB follows scientific tools, techniques and decision making criteria.

### **6. Behavioural Approach to Management:**

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

### **6. Dynamic Character**

Organizational behavior is dynamic as it concerns with changing behavior of individual. Groups norms, values and interests are the matter of change which are directly or indirectly influence the individual behavior. In another way, OB tries to change the behavior of individual to make them socially acceptable. Its essence is reflected in change in behavior of individuals in organization.

### **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.

### **➤ IMPORTANCE OF ORGANIZATIONAL BEHAVIOR (OB)**

**OR**

## **RELEVANCE OF OB IN TODAYS BUSINESS ENVIRONMENT**

Success of every organization largely depends upon effectiveness of employees. Their understanding level, perception, attitude and behavior affect on job effectiveness. With globalization, attitude and behavior of employees are changing as they are getting opportunity in global organization. Managers need to understand their behavior in individual level, group level and organization level so that deviant behavior can be identified timely and changed to positive behavior. Thus, each manager must be able to understand and implement concept of OB in organization.

### ➤ **Importance of Organizational Behavior**

- It builds better relationship by achieving people's, organizational, and social objectives.
- It covers a wide array of human resource like behavior, training and development, change management, leadership, teams etc.
- It brings coordination which is the essence of management.
- It improves goodwill of the organization.
- It helps to achieve objectives quickly.
- It makes optimum utilization of resources.
- It facilitates motivation.
- It leads to higher efficiency.
- It improves relations in the organization.
- It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances

### **1. Understanding employee perception**

Perception is the factor leading to attitude and behavior of people. It is the way in which people understand and think towards people, things, events and situation. OB provides sufficient knowledge to employee in group and organization. OB provides particular antecedents

(background) cause behavior. This helps to identify controllable and uncontrollable antecedents of behavior.

## **2. Controlling human behavior**

OB provides knowledge to understand predict human behavior. It borrows theories from various disciplines so that overall characteristic of employees and change them as desired. Managers thus, can easily maintain good working environment to improve the effectiveness and productivity.

## **3. Better Industrial Relations**

OB helps to understand the perception, attitude and behavior of people involved in different responsibilities of organization. It helps managers to understand problems at individual level, group level as well as organizational level. Misunderstanding can be solved promptly so that mutual understanding and respect can be maintained. This helps to maintain good industrial relation.

## **4. Employee Motivation**

OB suggests number of tools and techniques to satisfy individual according to their needs and interests. OB identifies individual differences and similarities with understanding people at different levels. Such techniques motivate employees. Motivated employees increase the organizational effectiveness.

## **5. Better utilization of means**

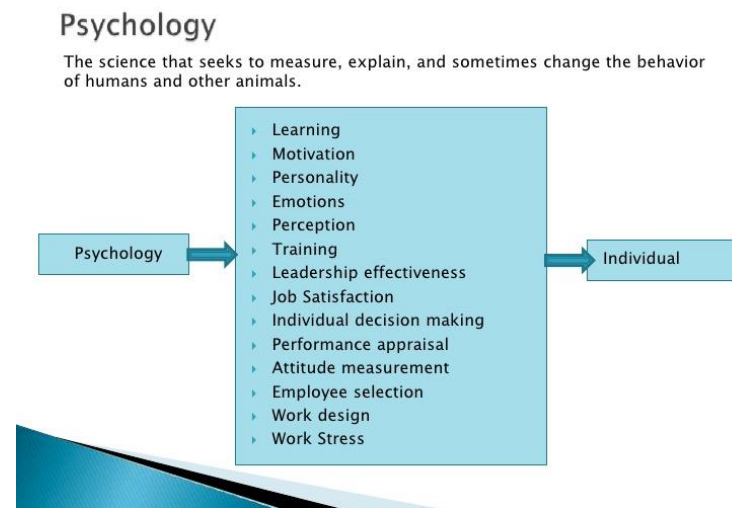
Organizations invest large capital in employee selection, training and development, reward management and HR maintenance. If it is done without understanding individual needs and interest, such activities may not work for purpose. OB helps managers to understand individual correctly so that required and effective programs can be initiated to increase effectiveness. Thus, OB increases in utilization of organizational means.

## **➤ CONTRIBUTING DISCIPLINES TO THE FIELD OF ORGANIZATION BEHAVIOR (OB)**

Organization behavior is consequences of different disciplines as it studies behaviors of individual, their impact in group dynamism and organizational performance. So, it considers the findings and assumptions of all the discipline under behavioral science. A number of behavioral science have contributed in the development of OB. They are discussed as:

## 1. Psychology

Psychology is the study of human mind to measure, explain and sometimes to change behavior. Study of fatigue, boredom, and other working condition was the initial contribution by industrial psychologist in OB which is now more concentrated in decision making processes, performance appraisal, reward management, attitude measurement, employee-selection process, training and development, motivation, work design and job stress. OB concerns regarding the study of individual psychology and behavior at work.



## 2. Social Psychology

Social psychology is the area of study of psychology in social setting i.e. group dynamism with the influence of individual influence. In OB, contribution of social psychologists is greatly shared specially for the study of group behavior, power and conflict. In order to measure, understand and change attitudes, identifying communication pattern and building trust by social psychology is must.

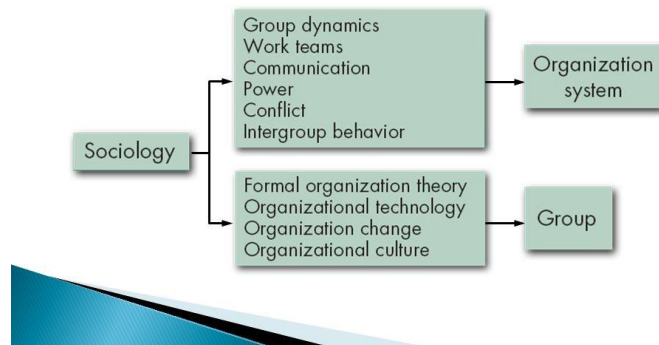
### 3. Sociology

Sociology is the area of study of people in relation to their social environment or culture. In order to understand and measure the group behavior in different organizational settings and to estimate their impact in organizational performance, contribution to sociology is being fruitful. Specially, OB uses the contribution of sociologists in studying organizational culture, organizational structure, organizational technology, communication, power, and conflict in group and organizational level analysis.

Contributing Disciplines to the OB Field (cont'd)

#### Sociology

The study of people in relation to their fellow human beings



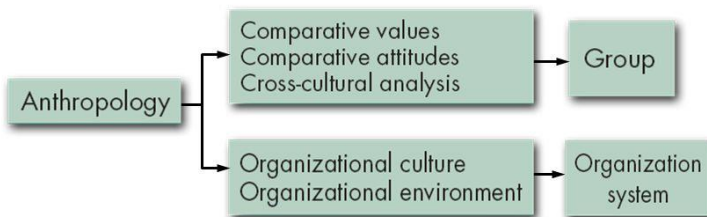
### 4. Anthropology

Anthropology is the area of study of people and their activities at work. This science focuses on cultures and environments to understand the fundamental differences in values, interest, attitudes and behaviors because of such culture and environments. In order to study the impact of national culture and organizational culture in activities, motivation and performance of employees, OB gets support of the contribution of anthropology.

## Contributing Disciplines to the OB Field (cont'd)

### Anthropology

The study of societies to learn about human beings and their activities



## 5. Political Sciences

Contributions of political scientist are significant to the understanding of behavior in organizations. Political scientists study the behavior of individuals and groups within a political environment.

They contribute to understanding the dynamics of power centers, structuring of conflict and conflict resolutions tactics, allocation of power and how people manipulate power for individual self-interest.

## Contributing Disciplines to the OB Field

### political science

The study of the behavior of individuals and groups within a political environment.



Political science provides an insight for the improvement and modification of the OB. The OB involves the application of political science at all levels. It may be at the highest level, like country, and at the lowest level, like an institute or organization. It involves the study of behaviour in a political environment.

## 6. Economics

Economics contributes organizational behavior to a great extent in designing the organizational structure. Transaction cost economics influence the organization and its structure.

Transaction costs economics implies costs components to make an exchange on the market.

This transaction cost economics examines the extent to which the organization structure and size of an organization varies in response to attempts to avoid market failures through minimizing production and transaction costs within the constraints of human and environmental factors.

Costs of transactions include both costs of market transactions and internal coordination.

A transaction occurs when a good or service is transferred across a ‘technologically separable barrier’ Transaction costs arise for many reasons.

So we can assume that there are various types of disciplines which involve organizational behavior. They, directly and indirectly, influence the overall activities of OB.

### ➤ MAIN CHALLENGES AND OPPORTUNITIES OF ORGANIZATIONAL BEHAVIOR

1. Improving Peoples’ Skills.
2. Improving customer service
3. Total Quality Management (TQM)
4. Managing Workforce Diversity
5. Responding to Globalization.
6. Empowering People.
7. Coping with Temporariness.
8. Stimulating Innovation and Change.
9. Emergence of E-Organisation & E-Commerce
10. Improving Ethical Behavior.
11. Helping employees balance work life conflicts

#### 1. Improving People’s Skills:



Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the targeted goals cannot be achieved in time. Two different categories of skills are – **managerial skills and technical skills**.

Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skill, decision-making skills etc.

These skills can be enhanced by organizing a series of training and development programs, career development programs, induction, and socialization etc.

**2. Improving customer service:** Many organization has failed because its employees failed to please customers. Management needs to create a customer responsive culture. Organizational behaviour can provide considerable guidance in helping managers create such cultures in which employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.

### **3.Total quality management:**

It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process.

The components of TQM are;

- (a) An intense focus on the customer,
- (b) Concern for continual improvement,
- (c) Improvement in the quality of everything the organization does,
- (d) Accurate measurement
- (e) Empowerment of employees.

### **4. Managing Workforce Diversity**

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, relation, community, physically disadvantaged, elderly people etc.

The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce

workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations.

The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs, and work styles.

### **5. Responding to Globalization**

Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic Conditions, the business

Operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region.

Company's products or services are spreading across the nations using mass communication, the internet, faster transportation etc.

More than 95% of Nokia (Now Microsoft) hand phones are being sold outside of their home country Finland.

Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe.

### **6. Empowering People**

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems.

Encouraging the employees to participate in work related decision will sizably enhance their commitment to work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.

Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

### **7. Coping with Temporariness**

In recent times, the product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major

change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change.

### **8. Stimulating Innovation and Change**

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.

**For example**, Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

### **9. Emergence of E-Organisation & E-Commerce**

It refers to the business operations involving the electronic mode of transactions. It encompasses presenting products on websites and filling the order. The vast majority of articles and media attention given to using the Internet in business are directed at online shopping.

In this process, the marketing and selling of goods and services are being carried out over the Internet.

In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders.

It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate.

**10. Improving ethical behavior:** In an organizational world characterized by cutbacks, expectations of increasing productivity, and tough competition, it's not surprising many employees feel pressured to cut corners, break rules, and engage in other questionable practices. Increasingly they face ethical dilemmas and ethical choices in which they are required to identify right and wrong conduct. Managers must create an ethically healthy climate for employees where they can do their work productively with minimal ambiguity about what right and wrong

behaviours are. Companies that promote a strong ethical mission can influence employee decisions to behave ethically and encourage employees to behave with integrity

**11. Helping employees balance work life conflicts:** Employees are increasingly complaining that the line between work and non-work time, has become blurred, creating personal conflicts and stress. Organizations are asking employees to put in longer hours. Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manage work life conflicts. Try to help employees to achieve work life balance in a bid to attract and retain the most capable and motivated employees.

## **INDIVIDUAL BEHAVIOUR**

### ➤ **FOUNDATIONS OF INDIVIDUAL BEHAVIOR**

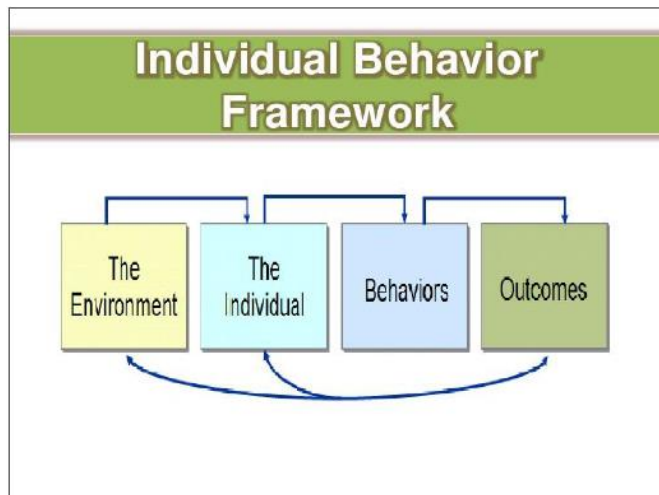
**Individual behavior** can be defined as a mix of responses to external and internal stimuli. It is the way a person reacts in different situations and the way someone expresses different emotions like anger, happiness, love, etc.

**Psychologist Kurt Lewin** stated the Field theory and outlined the behavior framework. This psychological theory studies the patterns of interaction between an individual and the environment. The theory is expressed using the formula

$$B = F(P,E)$$

where, **B – Behavior, F - Behavior Function, P – Person, and E - Environment around the person.**

Say for example, a well paid person who loses his job in recession may behave differently when unemployed.



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➤ **CHARACTERISTICS OF INDIVIDUAL BEHAVIOUR:**

Important characteristics of an individual which has a great influence on group behaviour in an organisation are listed below

**1. Qualities:**

Individual qualities have a strong influence on interaction among group members. The qualities and traits of an individual decide his way of **behavior**.

**Democratic, defensive and submissive attitudes** have a positive impact on group behavior. Similarly, authoritarian, offensive and abrasive outlooks create distrust among the members of a group.

**Extroversion and dominance** have an unhealthy impact on group behaviour. Self-reliance, introspection, sociability and helpful attributes of employees create a congenial atmosphere in the organization.

**2. Abilities:**

Expressed capacity is ability. A talented employee demonstrates high performing abilities. Trained, experienced and highly motivated employees can perform better because they develop high abilities for task performance.

Abilities indicate what the individual is able to do and how well he can interact with group members.

The relationship between abilities and performance is positive. Employees having more abilities perform the task in a better manner.

They behave well within the group and contribute significantly to the development of the organization.

If the abilities of these employees are accepted, they tend to contribute more happily to the organization. Task-related and personality-related abilities have shown positive contributions to group behaviour.

### **3. Personal characteristics**

Personal characteristics such as age, sex, physical features, personality, appearance and mental aptitude have an impact on group behaviour and performance.

An aged person is found more competent in group interaction than a younger person. A more pleasing atmosphere is created with pleasing faces.

Mentality and spirituality have a certain impact on group behaviour. The combined impact of personal characteristics may be positive, although the impact of a single characteristic is not accurately measurable. Positive attitudes have a positive impact on group performances.

### **4. Expectations:**

Employees' expectations have always been controlling factors of behavior. High hopes lead to poor performances, as high hopes are not fulfilled by management.

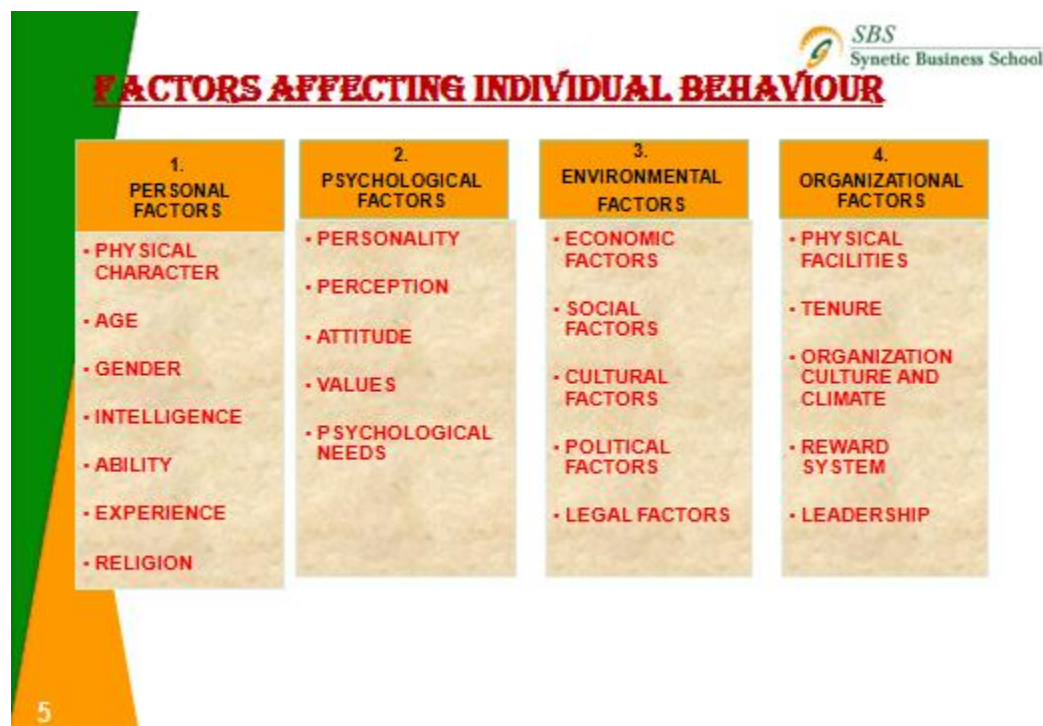
Similarly, if the employee's expectations are fulfilled, they get more satisfaction. Expectations of employees influence interpersonal relationships, rewards and performances.

Unsatisfied expectations or ambiguous expectations cause frustration, disappointment and low turnover. Proper guidance, autonomy and feedback lead to proper behaviour.

Employees' expectations should not only be linked with performance, but with the following of standard rules, procedures and policies. It is expected that employees will follow the organizational policies and practices.

➤ **FACTORS AFFECTING BEHAVIOR OF AN INDIVIDUAL IN THE ORGANIZATION**

Every individual is different from each other, as the behavior of the human is considered as the most complex one. There are various challenges in an effective organization that could directly or indirectly affect the behavior of the employees. In certain situations, the manager of the organization have to first analyze the particular task, determine the skills required and gather a team that could complement and match the skills of each other. For addressing various factors, safety settings, capabilities of people and limitations have to be analyzed first. There are various factors that could affect the **organizational behavior of an individual**, some of them are:



A. **Personal factors** – The personal factors that can influence the behavior of an individual is further categorized into 2 parts that includes **Biographic and learned characteristics**.

**1. BIOGRAPHIC CHARACTERISTICS** – Every human being have certain type of characteristics which are inherited and genetic in nature. These characteristics cannot get changed. In an organization, if the manager will come to know about the limitations and qualities each person possess, then they can easily make use of their behavior techniques of an organization in an effective manner. These characteristics include:

**(i) Physical Characteristics** – It mainly consists of skin, vision, height, complexion and many more. It creates impact on the performance of the individuals. Also, certain features includes tall, fat or slim. A person with good personality is always expected to dress and behave well in an organization, even if there is any correlation between the behavior and body structure or not.

**1. Age**– It is the inherited characteristic of an individual. In increasing performance, it is considered as an issue. Young people are expected to behave more energetic, adventurous, innovative, risk taking and ambitious. With the advancement in age, performance of a person is more likely to decline.

**2. Gender** – It is a genetical feature. This concept has initiated lots of discussion, debates and opinions. It is a traditional view that women are more emotional. A small difference between men and women can affect their job performance. Without any male-female differences, some of the people have competitive drive, leadership, motivation, learning ability, analytical skills or problem solving ability. A study have been conducted which says that the female employees generate more turnover rates. This is because there are more chances of females to quit their job for their personal reasons.

**3. Religion**– In determining some of the aspects of individual behavior, religion and its related cultures plays a significant role especially that have the basic concern with ethics, morals and code of conduct. It also helps in identifying the attitude of an individual towards their work and **financial management incentives**. But nobody can deny from the fact that people who are highly religious have more moral values than others.

**4. Marital Status** – A recent research says that the responsibilities of the person inclined with their marital status and it has become difficult to stable in a particular job for the longer period



of time. Employees that are married have fewer absences, more job satisfaction and fewer turnovers.

**5. Experience** – The tenure or the experience of an employee plays a significant role within the organization. It creates lot of speculations and misconceptions due to the seniority factor. Also, work experience is considered as a good indicator that helps in increasing productivity with greater efficiency and effectiveness. There is a positive relationship between the job performance and the seniority. The turnover of an employee is also considered as negative in relation to the seniority.

**2. Learned Characteristics** – Learning is defined as a permanent change in the behavior of an employee that results in the interactions with the environment. The biographical features of a person are impossible to modify. Therefore, the managers of the organization paid a great interest in learning, studying and predicting the learned characteristics that include:

(1)**Personality**– Personality does not only lie with the physical appearance of the person. A person with a good personality comprised of smart person, smiling face and charming personality. This concept is considered as dynamic that describes the growth and development of the psychological system of the person. It is also refereed as personal traits or characteristics that include persistence, dominance, aggressiveness and other qualities that is reflected through the behavior of the person within the organization.

(2)**Perception**– It is the viewpoint that helps in the interpretation of some situation. Also, it is considered as the process which allows the information to enter in the minds and allowed to obtain sensible meaning for the whole world.

(3)**Values** – Values are considered as the global belief that instructs different judgments and actions across various situations. It consists of an individual's idea based on the right, good and desirable opinions. It is closely embedded in the people who could be reflected through their behavior. Also, most of time values are directly influenced from the teachers, parents, friends and various other external factors that completely changed the ideas, opinions and thoughts of the person. For an organizational behavior, values are very significant. It helps in understanding

the motivation and the attitude of an individual along with the influences of their perceptions or view point.

**B. ENVIRONMENTAL FACTORS** – On the behavior of a person, the external environment plays a significant role.

**1. Economic Factors** – In an economic environment, the behavior of an individual is largely affected due to certain factors including:

(a)**Employment Level** – The employment opportunities available to an individual directly influence the behavior of an individual. Even after the lack of job satisfaction, the individual have to stick to the same job as there are less job opportunities for him/her. In such cases, it is important that they may be loyal to the company in providing better productivity; they are only remaining in the same organization due to the monetary benefits offered to them.

(b)**Wage Rates** – Every employee is majorly concern with the wages offered to them by the company or the organization. The decision of a worker or an employee is directly affected by the monetary terms from the side of the company.

(c) **General Economic Environment** – There are various employees that does not have any effect of economic cycle whether in a public sector undertakings or government offices. Regardless of their economic position within the organization, they will receive their salaries. Employees in the private sectors are greatly affected by the stable income and job security but the former employees can be motivated from other factors.

Similarly, there are various other environmental factors in an organization that could affect the behavior of the employees, including social factors, political factors or legal environment.

**(d) Technological Development**

Though technology is not an economic factor, but we include it in the economic factors because of the impact it has on the individual job opportunities. The technological development has made the job more intellectual and upgraded. Some workers will be dislocated unless they are well equipped to work on new machines. This makes it the duty of management to retrain the

employees. For those, who pickup and acquaint themselves with new technology, the jobs will be rewarding and challenging.

## **2. Socio-cultural Factors:**

The social environment of an individual includes his relationship with family members, friends, colleagues, supervisors and subordinates. The behaviour of other people not with the individual, but in general, is also a part of his social environment. Similarly, every individual has a cultural background, which shapes his values and beliefs. Work ethics achievement need, effort-reward expectations and values are important cultural factors having impact on the individual behaviour.

## **3. Political Factors**

Political environment of the country will affect the individual behaviour not directly, but through several other factors. In a politically stable country there will be a steady level of employment (both in quantity and quality) and high level of capital investment. Whereas companies are reluctant to invest large sums of money in a politically instable country.

The political ideology of a country affects the individual behaviour through the relative freedom available to its citizens. A country can have a controlled society or less controlled society. The relative freedom available to the individuals can affect their career choice, job design and performance.

## **4. Legal Environment.**

Rules and laws are formalized and written standards of behaviour. Both rules and laws are strictly enforced by the legal system. Laws relate to all the members of the society e.g. Murder is a crime which is illegal and punishable by law and applies to all the people within the system. Observing the laws voluntarily allows for predictability of individual behaviour

**C. ORGANIZATIONAL FACTORS** – With wide variety of resources and organizational systems, individual behavior is influenced that includes:

**1. Physical Facilities** – At a workplace, the physical environment is considered as an arrangement of people and things positive that could also create influence on other people. There

are certain factors that influence the behavior of an individual including cleanliness, light, ventilation, noise level, nature of job, number of people working, etc.

**2. Organizational Structure and Design** – The way in which every department of the organization is set-up has direct concern with the structure and design. The performance and the behavior of an individual is directly influenced by the position at which person could perfectly fits in the whole organizational hierarchy.

**3. Leadership** – The management of the organization establish the system of leadership so that the proper assistance, advice, guidance, direction and coaching could be given to the individuals. The behavior of each employee is influenced to the large extent to the behavior of the leaders or the superiors of the same organization. The behavior of the leaders is more important than the qualities of the leaders.

**4. Reward System** – The performance and the behavior of individuals are directly influenced by the reward system that is established by the organization so that the employees could be able to compensate.

## **LEARNING**

- **LEARNING**

It is the process of acquiring new, or modifying existing, knowledge, behaviors, skills, values, or preferences.<sup>[1]</sup> The ability to learn is possessed by humans, animals, and some machines;

➤ **Learning is defined** as “any relatively permanent change in behaviour that occurs as a result of practice and experience”. This definition has three important elements.

a. Learning is a change in behaviour—better or worse.

b. It is a change that takes place through practice or experience, but changes due to growth or maturation are not learning.

c. This change in behaviour must be relatively permanent, and it must last a fairly long time.

- All learning involves activities. These activities involve either physical or mental activities. They may be simple mental activities or complex, involving various muscles, bones, etc. So also the mental activities may be very simple involving one or two activities of mind or complex which involve higher mental activities.

➤ **TYPES OF LEARNING:**

**1. Motor learning:**

Most of our activities in our day-to-days life refer to motor activities. The individual has to learn them in order to maintain his regular life, for example walking, running, skating, driving, climbing, etc. All these activities involve the muscular coordination.

**2. Verbal learning:**

This type of learning involves the language we speak, the communication devices we use. Signs, pictures, symbols, words, figures, sounds, etc, are the tools used in such activities. We use words for communication.

**3. Concept learning:**

It is the form of learning which requires higher order mental processes like thinking, reasoning, intelligence, etc. we learn different concepts from childhood. For example, when we see a dog and attach the term 'dog', we learn that the word dog refers to a particular animal. This learning is very useful in recognizing, identifying things.

**4. Discrimination learning:**

Learning to differentiate between stimuli and showing an appropriate response to these stimuli is called discrimination learning. Example, sound horns of different vehicles like bus, car, ambulance, etc.

**5. Learning of principles:**

Individuals learn certain principles related to science, mathematics, grammar, etc. in order to manage their work effectively. These principles always show the relationship between two or more concepts. Example: formulae, laws, associations, correlations, etc.

**6. Problem solving:**

This is a higher order learning process. This learning requires the use of cognitive abilities-such as thinking, reasoning, observation, imagination, generalization, etc. This is very useful to overcome difficult problems encountered by the people.

**7. Attitude learning:**

Attitude is a predisposition which determines and directs our behavior. We develop different attitudes from our childhood about the people, objects and everything we know. Our behaviour may be positive or negative depending upon our attitudes. Example: attitudes of nurse towards her profession, patients, etc.

➤ **CHARACTERISTICS OF LEARNING.**

**(1) Learning is growth**

The individual grows as he lives. This growth implies both physical as well as mental development of the learner. The individual gains experiences through various activities. These are all sources of learning. The individual grows through living and learning. Thus growth and learning are inter-related and even synonymous.

**(2) Learning is adjustment**

Learning enables the individual to adjust himself properly, with the new situations. The individual faces new problems and new situations throughout his life and learning helps him to solve the problems encountered by him. That is why; many psychologists describe learning as “a process of progressive adjustment to the ever changing conditions which one encounters.” The society in which we live is so complex and so dynamic that any one type of adjustment will not be suitable for all or many situations and problems. It is through learning that one could achieve the ability to adjust adequately to all situations of life.

**(3) Learning is purposeful**

All kinds of learning are goal-oriented. The individual acts with some purpose. He learns through activities. He gets himself interested when he is aware of his objectives to be realized through these activities. Therefore all learning is purposive in nature.

**(4) Learning is experience**

The individual learns through experiences. Human life is full of experiences. All these experiences provide new knowledge, understanding, skills and attitudes. Learning is not mere acquisition of the knowledge, skills and attitudes. It is also the reorganization of experiences or the synthesis of the old experiences with the new.

**(5) Learning is intelligent**

Mere cramming without proper understanding does not make learning. Thus meaningless efforts do not produce permanent results. Any work done mechanically cannot yield satisfactory learning outcomes. Learning therefore must be intelligent.

**(6) Learning is active**

Learning is given more importance than teaching. It implies self-activity of the learning. Without adequate motivation he cannot work whole-heartedly and motivation is therefore at the root of self-activity. Learning by doing is thus an important principle of education, and the basis of all progressive methods of education like the Project, the Dalton, the Montessori and Basic system.

**7) Learning is both individual and social**

Although learning is an individual activity, it is social also. Individual mind is consciously or unconsciously affected by the group activities. Individual is influenced by his peers, friends, relatives' parents and classmates and learns their ideas, feelings and attitudes in some way or others. The social agencies like family, church, markets, and clubs exert immense influence on the individual minds. As such, learning becomes both individual as well as social.

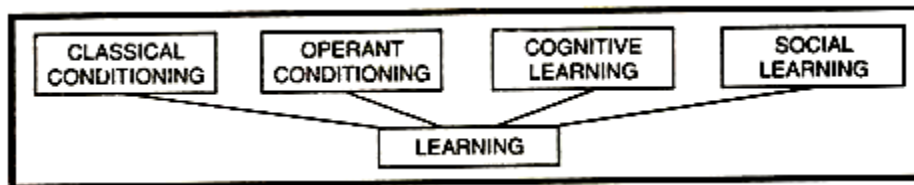
**(8) Learning is-the product of the environment**

The individual lives in interaction of the society. Particularly, environment plays an important part in the growth and development of the individual. The physical, social, intellectual and emotional development of the child is molded and remolded by the objects and individuals in his environment. Therefore, emphasized that child's environment should be made free from unhealthy and vicious matters to make it more effective for learning.

**(9) Learning affects the conduct of the learner**

Learning is called the modification of behavior. It affects the learner's behavior and conduct. Every learning experience brings about changes in the mental structure of the learner. Therefore attempts are made to provide such learning experiences which can mould the desired conduct and habits in the learners.

➤ **THEORIES OF LEARNING:**



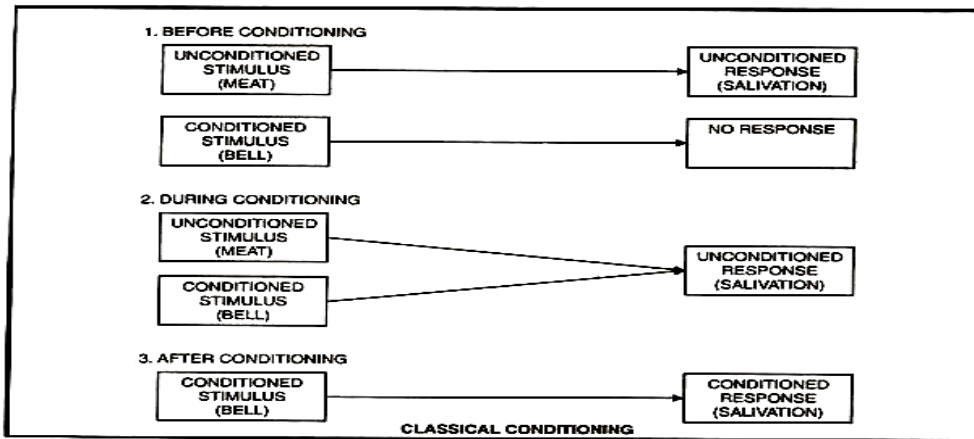
**1. Classical Conditioning:**

Classical conditioning is the association of one event with another desired event resulting in a behaviour. The most well known experiments on classical conditioning were conducted by Ivan Pavlov, the Russian psychologist, who won the Nobel Prize for his experiments on this subject. Pavlov conducted an experiment on dogs and tried to establish a Stimulus-Response (S-R) connection. He tried to relate the dog's salivation and the ringing of the bell. In his experiments, he put some meat in front of dogs.

The dogs responded to this stimulus by salivating. This response was instinctive or unconditioned. Pavlov next began to ring a bell at the same time as the meat was presented. Ringing the bell in itself, without the presentation of meat, was not connected to any responses. But by ringing the bell at the same time as presentation of meat, Pavlov established a relationship



between the two stimuli-the bell and the meat- in the mind of the dogs. By continuing this process, the ringing of bell alone was sufficient stimulus to elicit a response of salivating, even when no meat was presented. Thus, the bell became a conditioned stimulus, resulting in conditioned or learned response.



The above diagram explains that the meat was an unconditioned stimulus. It caused the dog to react in a certain way i.e. noticeable increase in salivation. This reaction is called the unconditioned response. The bell was an artificial stimulus or conditioned stimulus. But when the bell was paired with the meat (an unconditioned stimulus), it eventually produced a response. After conditioning, the dog started salivating in response to the ringing of the bell alone. Thus, conditioned stimulus led to conditioned response.

In an organizational setting we can see classical conditioning operating. For example, at one manufacturing plant, every time the top executive from the head office would make a visit, the plant management would clean up the administrative offices and wash the windows. This went on for years.

## 2. Operant Conditioning:

Operant is defined as behaviour that produces effect. Operant conditioning is based on the work of B.F. Skinner who advocated that individuals emit responses that are rewarded and will not emit responses that are either not rewarded or are punished. Operant conditioning argues that behaviour is a function of its consequences. Behaviour is likely to be repeated if the consequences are favourable. Behaviour is not likely to be repeated if the consequences are

unfavorable. Thus the relationship between behaviour and consequences is the essence of the operant conditioning.

Based upon this direct relationship between the consequences and the behaviour, the management can study and identify this relationship and try to modify and control behaviour. Hence, certain types of consequences can be used to increase the occurrence of a desired behaviour and other types of consequences can be used to decrease the occurrence of undesired behaviour.

One can **see examples** of operant conditioning in the organisations. For instance, working hard and getting the promotion will probably cause the person to keep working hard in the future. On the other hand, if a boss assures his subordinate that he would be suitably compensated in the next performance appraisal, provided the employee works over time.

However, when the evaluation time comes, the boss does not fulfill his assurance to his subordinate, even though the latter had worked overtime. Next time, the subordinate coolly declines to work overtime when the boss requests him to do so. Thus, it can be concluded that the behaviour consequences that are rewarding increase the rate of response, while the aversive consequences decrease the rate of response. Operant conditioning techniques are extensively used in clinical and educational research, control of alcoholism and control of deviant children in a class room.

### **3. Cognitive Learning:**

Cognitive learning is a style of learning that focuses on more effective use of the brain. To understand the process of cognitive learning, it's important to know the meaning of cognition. Cognition is the mental process of gaining knowledge and understanding through the senses, experience and thought. Cognitive learning theory merges cognition and learning to explain the different processes involved in learning effectively.

The cognitive learning process aims to chart the learning process for optimal thinking, understanding and retention of what we learn. When you master the fundamentals of cognitive learning, it becomes easy to maintain a lifelong habit of continuous learning.

➤ **ASPECTS OF COGNITIVE LEARNING:**

- **Comprehension:** Cognitive learning strategies emphasize comprehension. You need to understand the reason for learning the subject in the first place and the role your knowledge plays in your work.
- **Memory:** Cognitive learning **discourages rote learning** where you cram materials for memorization. In cognitive learning, **the goal is to understand the subject at a deeper level**. This creates an immersive effect that helps recall and improves your ability to relate new knowledge to past information.
- **Application:** Cognitive learning strategies encourage you to reflect on the material and how to apply it to current and future situations. With this, you develop improved problem-solving skills, critical thinking skills and visionary leadership traits that can help you see things others cannot see in a clear form.

➤ **BENEFITS OF COGNITIVE LEARNING**

Cognitive learning is an effective way of fostering a life-long love of learning and improvement in employees. Organizations can use cognitive learning strategies to impact the following benefits on their staff:

- **Enhance comprehension:** In cognitive learning, students learn by doing. This hands-on approach makes the learning immersive and promotes comprehension. Thus, you can develop a deeper understanding of the material and its application to your work and life.
- **Improves problem-solving skills:** Problem-solving skills are critical at any level of leadership. The cognitive learning approach enhances your ability to develop this core skill and helps them to apply it to every aspect of their job.
- **Boosts confidence:** Cognitive learning can also improve confidence in your ability to handle challenges at work. This is because it promotes problem-solving skills and makes it easier to learn new things within a short period.
- **Encourages continuous learning:** Cognitive skills promote long term learning as it allows you to connect previous knowledge with new materials. It helps you merge old and new information and apply both effectively.

Cognitive strategies promote a love of learning by making new knowledge exciting and fulfilling. This encourages you to develop a long-term appetite for knowledge acquisition in any environment

**The pioneer of cognitive learning theory is Edward Tolman.** He developed and tested this theory through controlled experiments. Using rats in his laboratory, he showed that they learnt to run through a complicated maze towards their goal of food. It was observed that rats developed expectations at every choice point in the maze. Thus, they learnt to expect that certain cognitive cues related to the choice point could ultimately lead to food. The learning took place when the relationship between the cues and expectancy was strengthened because the cues led to expected goals.

The cognitive theory recognizes the role of an organism in receiving, memorizing, retrieving and interpreting the stimulus and reacting to it. The cognitive explanation of learning differs from classical conditioning (stimulus response learning) and operant conditioning (response stimulus learning). According to Tolman, cognitive approach could be termed as stimulus approach i.e. one stimulus leads to another.

#### **4. Social Learning:**

Individuals can also learn by observing what happens to other people and just by being told about something, as well as by direct experiences. Much of what we have learned comes from observing and imitating models-parents, teachers, peers, superiors, film stars etc. we can learn through both observation and direct experience which is known as social learning theory.

This theory assumes that learning is not a case of environmental determinism (classical and operant views) or of individual determinism (The cognitive view). Rather it is a blending of both. Thus, social learning theory emphasizes the interactive nature of cognitive, behavioural and environmental determinants. The influence of model is central to the social learning view point. Four processes have been found to determine the influence that a model will have on an individual.

##### **a. Attention Process:**

People learn from a model only when they recognize and pay attention to its critical features. We tend to be most influenced by models that **are attractive, repeatedly available, important to us or similar to use in our estimation.**

#### **b. Retention Processes:**

A model's influence will depend upon how well the individual remembers the model's action after the model is not longer readily available.

#### **C Reproduction Processes:**

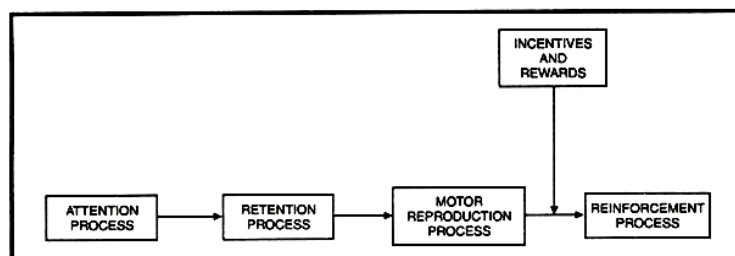
After a person has seen a new behavior by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.

**We reproduce previously learned information (behavior, skills, knowledge) when required. However, practice through mental and physical rehearsal often improves our responses.**

#### **d. Reinforcement Processes or motivation**

Individuals will be motivated to exhibit the modeled behavior if positive incentives or rewards are provided. Behaviours that are positively reinforced will be given more attention, learned better and performed more often. **We need to be motivated to do anything. Often that motivation originates from our observation of someone else being rewarded or punished for something they have done or said. This usually motivates us later to do, or avoid doing, the same thing.**

**The following diagram illustrates the effect of the social learning model on the individual:**



## 5. Behaviour modification:

The learning process of individuals takes place on the job as well as prior to the job. In any **organisation, managers will be concerned with how they can teach employees to behave in the ways that are most beneficial to the organisation.** When an attempt is made by the managers to mould individuals by guiding their learning in graduated steps he is shaping their behaviour.

A manager can shape the behaviour by systematical reinforcing each successive step that move the individual closer to the desired response. For example, an employee who chronically leaves the office half hour early starts leaving the office only twenty minutes early, the manager can reinforce his behaviour so that it comes more close to the desired behaviour to leave the office in time. The first theoretical treatment given to reinforcement in learning and the framework that still dominates today is E.L. Thorndike's classic law of effect.

### ➤ The Law of Effect:

In Thorndike's own words, the law of effect simply states that, "Of several response made to the same situation, those which are accompanied or closely followed by satisfaction (Reinforcement)-will be more likely to recur, those which are accompanied or more closely followed by discomfort (Punishment- will be less likely to recur." The operant conditioning or learning approach to behaviour is based on the law of effect.

## **PERCEPTION**

“Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to you. This input of meaningful information results in decisions and actions.”

**Perception** is a process by which people regard, analyze, retrieve and react to any kind of information from the environment. **For example**, some people feel happy about earning money while others feel happy about spending money.

It is the process of interpreting something that we see or hear in our mind and use it later to judge and give a verdict on a situation, person, group etc.

It can be divided into six types –

- **Of sound** – The ability to receive sound by identifying vibrations.
- **Of speech** – The competence of interpreting and understanding the sounds of language heard.
- **Touch** – Identifying objects through patterns of its surface by touching it.
- **Taste** – The ability to receive flavor of substances by tasting it through sensory organs known as taste buds.
- **Other senses** – They approve perception through body, like balance, acceleration, pain, time, sensation felt in throat and lungs etc.

- **Of the social world** – It permits people to understand other individuals and groups of their social world. **Example** – Priya goes to a restaurant and likes their customer service, so she will perceive that it is a good place to hang out and will recommend it to her friends, who may or may not like it. Priya's perception about the restaurant is good.

### ➤ **NATURE OR 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 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.

#### **3. 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.

#### **4. 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.



**5. Perception has affective aspect:**

Our perception often induces emotions in us. When we perceive an old friend we feel happy. When we perceive a snake we are afraid. Thus, perception produces feelings and emotions.

**6. Mental process:**

Perception is a mental process. Under it an individual chooses, organises and interprets information available in the environment. No individual can get attracted towards all the stimuli available in the environment. He selects only those stimuli which are related to him. After selecting the stimuli they are organised so that they are interpreted. In the end they are explained. In this way, one needs brain or intelligence at every step in the process of perception. Therefore, it will be quite right to call it a mental process.

**7. Affected by many factors**

The concept of perception is influenced by many factors factors which affect it are as follows. Major

- (i) **Internal Factors:** These factors are related to the perceiver. They mainly include needs, values, experiences, understanding, etc.
- (ii) **External Factors:** These factors are related to external environment which chiefly includes intensity, size, repetition, motion, etc.

**8. Basis of human behavior**

Understanding of perception has an important contribution in the anticipation and control of the behavior of the employees. People's behavior is according to their perception. If the manager can

come to know how people perceive things, then he can anticipate organizational behavior and can also control it.

## **9. Unique interpretation**

Perception is a particular interpretation of a real situation and is not an actual representation of reality. In other words, it can be said that perception is not a photocopy presentation but is only a description of some object, event or individual according to an individual's understanding. Every individual interprets the real world in a different manner. Two individuals can have difference of opinion on any single point. Out of these both the two or any one of them can be wrong.

### **➤ PERCEPTUAL PROCESS**

Important stages involved in perception process, i.e., (1) Perceptual Inputs, (2) Perceptual Mechanism, and (3) Perceptual Outputs.

#### **I. Perceptual Inputs:**

A number of stimuli are constantly confronting people in the form of information, objects, events, people etc. in the environment. These serve as the inputs of the perceptual process. A few of the stimuli affecting the senses are the noise of the air coolers, the sound of other people talking and moving, outside noises from the vehicular traffic or a street repair shop or a loud speaker playing somewhere plus the impact of the total environmental situation. Some stimuli do not affect the senses of a person consciously, a process called subliminal perception.

#### **II. Perceptual Mechanism:**

When a person receives information, he tries to process it through the following sub processes of selection, organisation and interpretation.

##### **(A) Perceptual Selectivity:**

Many things are taking place in the environment simultaneously. However, one cannot pay equal attention to all these things, thus the need of perceptual selectivity. Perceptual selectivity refers to the tendency to select certain objects from the environment for attention. The objects which

are selected are those which are relevant and appropriate for an individual or those which are consistent with our existing beliefs, values and needs. For this, we need to screen or filter out most of them so that we may deal with the important or relevant ones.

**The following factors govern the selection of stimuli:**

(i) External Factors

(ii) Internal Factors

**B. Perceptual Organization:**

After having selectively absorbed the data from the range of stimuli we are exposed to at any given time, we then try to organize the perceptual inputs in such a manner that would facilitate us to extract meaning out of what we perceive. Or in other words, person's perceptual process organizes the incoming information into a meaningful whole. While selection is a subjective process, organizing is a cognitive process.

**How we organize the stimuli is primarily based on the following principles:**

**(i) Figure and Ground:**

Figure-Ground principle is generally considered to be the most basic form of perceptual organisation. This principle simply implies that the perceived object or person or event stands out distinct from its back ground and occupies the cognitive space of the individual. For example, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to understand what the white spaces amidst the black letters could mean.

Likewise, in the organizational setting, some people are more noticed or stand out than others. For example, an individual in the organization might try to focus his entire attention on his immediate supervisor, trying to be in his good books, completely ignoring his colleagues and how they feel about his behaviour. According to this principle, thus, the perceiver tends to organize only the information which stands out in the environment which seems to be significant to the individual.

**(ii) Perceptual Grouping:**

Grouping is the tendency to curb individual stimuli into meaningful patterns. For instance, if we perceive objects or people with similar characteristics, we tend to group them together and this organizing mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with so many details. This tendency of grouping is very basic in nature and largely seems to be inborn.

**Some of the factors underlying his grouping are:****(a) Similarity:**

The principle of similarity states that the greater the similarity of the stimuli, the greater the tendency to perceive them as a common group. The principle of similarity is exemplified when objects of similar shape, size or colour tend to be grouped together. For example, if all visitors to a plant are required to wear white hats while the supervisors wear blue hats, the workers can identify all the white hats as the group of visitors. Another example is our general tendency to perceive minority and women employees as a single group.

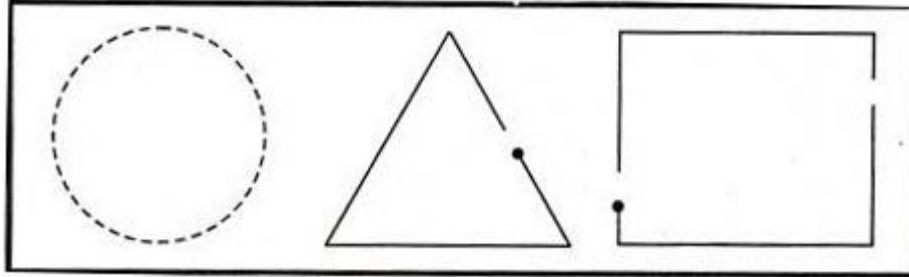
**(b) Proximity:**

The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. **For example**, several people working on a machine will be considered as a single group so that if the productivity on that particular machine is low, then the entire group will be considered responsible even though, only some people in the group may be inefficient. The following figure demonstrates the proximity principle.

**(c) Closure:**

The principle of closure relates to the tendencies of the people to perceive objects as a whole, even when some parts of the object are missing. The person's perceptual process will close the gaps that are unfilled from sensory input.

For example, in the following figure the sections of the figures are not complete, but being familiar with the shapes we tend to close the gaps and perceive it as a whole:



Speaking from the point of view of an organisation, if a manager perceives a worker, on the whole, a hard worker, sincere, honest, then even, if he behaves in a contradictory way sometimes (which is a kind of a gap), the manager will tend to ignore it, because it does not fit in with the overall impression, that he has about the worker.

**(d) Continuity:**

Continuity is closely related to closure. But there is a difference. Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern. The continuity may lead to inflexible or non creative thinking on the part of the organisational participants. Only the obvious patterns or relationships will be perceived. Because of this type of perception, the inflexible managers may require that employers follow a set and step by step routine leaving no ground for implementation of out of line innovative ideas.

**(iii) Perceptual Context:**

The highest and most sophisticated forms of organisation are context. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment. The organisational structure and culture provide the primary context in which workers and managers

do their perceiving. **For example**, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organisation.

**(iv) Perceptual Defence:**

Closely related to perceptual context is the perceptual defence. A person may build a defence against stimuli or situational events in a particular context that are personally or culturally unacceptable or threatening. Accordingly, perceptual defence may play a very important role in understanding union-management and supervisor-subordinate relationship. Most studies verify the existence of a perceptual defence mechanism.

The general conclusions drawn from these studies are that people may learn to avoid certain conflicting, threatening or unacceptable aspects of the context. The various defenses may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change.

**C. Perceptual Interpretation:**

Perceptual interpretation is an integral part of the perception process. Without interpretation, selection and organization of information do not make any sense. After the information has been received and organised, the perceiver interprets or assigns meaning to the information. In fact, perception is said to have taken place only after the data have been interpreted. Several factors contribute towards the interpretation of data.

More important among them are perceptual set, attribution, stereotyping, halo effect, perceptual context, perceptual defence, implicit personality theory and projection. It may also be noted that in the process of interpretation, people tend to become judgmental. They may tend to distort what they see and even ignore things that they feel are unpleasant.

**D. Checking:**

After data have been received and interpreted, the perceiver tends to check whether his interpretations are right or wrong. One way of checking is for the person himself to indulge in introspection. He will put a series of questions to himself and the answers will confirm whether his perception about an individual or object is correct or otherwise. Another way is to check the validity of the interpretation with others.

**E. Reacting:**

The last stage in perception is the reaction. The perceiver shall indulge in some action in relation to the perception. The action depends on whether the perception is favourable or unfavourable. It is negative when the perception is unfavourable and the action is positive when the perception is favourable.

**III. Perceptual Outputs:**

Perceptual outputs encompass all that results from the throughout process. These would include such factors as one's attitudes, opinions, feelings, values and behaviours resulting from the perceptual inputs and throughputs. Perceptual errors adversely affect the perceptual outputs. The lesser our biases in perception, the better our chances of perceiving reality as it exists or at least perceiving situations with the minimum amount of distortions.

This will help us to form the right attitudes and engage in appropriate behavioural patterns, which in turn will be beneficial for attaining the desired organisational outcomes. It is essentially important for managers who are responsible for organisational results to enhance their skills in order to develop the right attitudes and behaviours.

➤ **FACTORS INFLUENCING PERCEPTION:**

**A. EXTERNAL FACTORS**

**1. Intensity:** The intensity of stimulus implies that the more intense the stimulus audio or visual, the more is the likelihood it will be perceived. A loud noise, strong odour or bright light or bright colours will be more readily perceived than soft sound, weak odour or dim light. It is because of this advantage that advertisers employ intensity to draw the consumers' attention.

**2. Size:** The size of the object or stimulus has a greater impact on the perception process because the size influences attention and recognition in a more effective manner. A Great Dane dog which is tall attracts the attention. At the same time a pocket dog also attracts attention because of its size. However, generally the larger the object the more likely it will be perceived. The amount of

attention enhances with the size of the newspaper advertisement exposed to the individuals although the increase in attention may not be directly proportional to the increase in size.

**3. Contrast:** Contrasting objects have more impact on behaviour. The contrast principle states that external stimuli, which stand out against the background or which, are not what the people expect will receive attention. Plant safety signs, which have black lettering on a yellow background or white lettering on a red background, are attentions getting.

Any change in the accustomed atmosphere attracts attraction. His if one or more of the machines should come suddenly to a halt, the supervisor would immediately notice the difference in noise level. Also a person who has fallen asleep in a bus because of the drone of the engine wakes up immediately the engine stops.

**4. Repetition:** Repeated stimuli have more impact on performances than a single statement. Repetition has the advantage of being attention catching. Perhaps, it is because of this that supervisors tend to repeat directions regarding job instructions several times for even simple tasks to hold the attention of their workers. **Advertisers while putting T.V. or radio advertisements repeat the brand name they are advertising.**

**5. Motion:** The factor of motion implies that the individuals attend to changing objects in their field of vision than to static objects. It is because of this advantage that advertisers involve signs, which include moving objects in their campaigns. At an unconscious level the animals in the jungles make use of this principle. A tiger lying in wait is motionless until his prey is nearer him and then jumps at an appropriate moment.

**6. Novelty and familiarity:** A novel object in the familiar situation or a familiar object in a novel situation tends to attract attention. Thus a white person or a black person in India catches attention faster. Job rotation is an example of this principle. Recent research indicates that job rotation not only increased attention but also employees' acquisition of new skills

**7. Situations:** Situations have a great influence on people's perceptions. A favourable work environment develops a positive attitude and work culture because the perception process is easily channelized and rightly directed



## B. INTERNAL FACTORS

**1. Personality:** The personality of the perceiver as well as the stimulator has an impact on the perception process. The age, sex, race, dress, etc of both the persons have a direct influence on the perception process.

**2. Habit:** Habits die hard and therefore individuals perceive objects, situations and conditions differently according to their habits. **e.g:** A Hindu will bow and do Namaskar when he sees a temple while walking on road, because of his well-established habit. These are several instances in life settings where individuals tend to react with the right response to the wrong signals. Thus a retired soldier may throw himself on the ground when he hears a sudden burst of car tyre

**3. Learning:** It refers to any relatively permanent change in behavior that occurs as a result of experience. Learning usually plays big role in developing perpetual set. A perpetual set is an expectation of a particular interpretation based on the past experience with the same or similar object. **For example: The phrase “turn off the the engine”** after a few seconds, you tend to notice that the word ‘the’ appears twice in the phrase.

**4. Economic and social background:** The employee perceptions are based on economic and social backgrounds. Socially and economically developed employees have a more positive attitude towards development rather than less developed employees.

**5. Motivation and interest:** It also plays a significant role in influencing the process of perception. **For example** a hungry person would react quickly by seeing the food than a non hungry person.

**6. Expectation:** It can influence your perception. In this you will see what you expect to see. If you imagine your boss unhappy with your performance you will likely to feel threatened by the termination notice. However if you imagine that your work is exceptionally good you will probably spend your weekend in a happy manner.

### ➤ PERCEPTUAL ERROR

Anything that inhibits or prevents us from making accurate perceptions is called a perceptual barrier or a perceptual error. Perceptual errors often result from the preconceived ideas perceivers hold about people and situations. Five of the most common perceptual barriers are selective perceptions, stereotypes, halo effect, projections, and expectations.

### 1. Selective Perception

In the organizational context, selective perception means paying attention to information that supports your ideas and ignoring the rest. For instance, if you dislike some teachers, you would tend to focus on their negative personality characteristics and ignore any positive qualities that would be inconsistent with your opinion of them. Another type of selective perception is perceptual defense. This is the tendency for people to protect themselves from ideas, objects, or situations that are threatening. For instance, you may ignore a person who has ideas that threaten your deeply held convictions.

### 2. Stereotypes

A stereotype is an oversimplified mental picture that is associated with a particular group (e.g., women are emotional, Scots are thrifty, and fat people are jolly). Or tendency to judge person/ object on the basis of our perception about the group to which it belongs.

Stereotypes persist because people who hold them tend to practice selective perception. **For example, a foreperson who believes that young people are lazy may notice that some of the younger workers are taking extra breaks, but fail to perceive that older workers are doing the same.** Positive stereotypes can be as misleading as negative ones. For instance, regardless of the reality, some of us tend to stereotype attractive people as warm, kind, sensitive, and honest.

### 3. Halo Effect

The halo effect occurs in organizations when managers provide overly favorable evaluations of employees based on their observations of isolated successes. It is a tendency of judging people on the basis of single trait. A typical halo error made by managers is to assume that a

person with a **good attendance** record is **responsible in all areas of performance**. Another is being influenced by the previous year's performance evaluations.

#### 4. Projection

Projection is the tendency to attribute one's own beliefs, feelings, tendencies, motives, or needs to other people. For instance, a manager who enjoys taking on new responsibilities may project this tendency onto employees by assigning them extra job duties without first consulting them. Managers can avoid the negative consequences of projection by cultivating empathy and developing their listening skills.

#### 5. Expectations

An expectation is the tendency to find in a situation or a person what one expects to find. Our expectations have a big impact on how we perceive the world around us. **For instance, when we ask people how they are doing, we expect them to answer, "Fine, thank you." If their response is accompanied by negative body language, we may choose to ignore the nonverbal information because it is not consistent with our expectations.**

#### 6. Impression:

There is a popular saying that **first impression is the last impression**. We frequently form the **impression of other on the first sight**. Even before knowing any of their personality traits, they start having impressions and perceive thereby. This sometimes leads to perceptual errors.

**For example: first bench students are disciplined and intelligent whereas last bench students are undisciplined and weak.**

### ATTITUDE

“Attitude is manner, disposition, feeling and position with regard to a person or thing, tendency or orientation especially in the mind.”

“**Attitude**” may be defined as the **mental state of an individual**, which prepares him to react or make him behave in a particular pre-determined way. It is actually an acquired feeling.

Attitude is the mixture of beliefs and feelings that people have about situations, specific ideas or other people.

It is defined as a more or less stable set of predispositions of opinion, interest or purpose involving expectancy of a certain kind of experience and readiness with an appropriate response.

Attitudes are also known as “**frames of reference**“. They provide the background against which facts and events are viewed.

#### ➤ CHARACTERISTICS OR FEATURES OF ATTITUDE

##### **(a) Attitudes affect Behavior.**

People have the natural tendency to maintain consistency between two attitudes or attitude and behavior. Attitudes can lead to intended behavior if there is no external intervention.

**(b) Attitudes are Invisible.**

Attitudes constitute a psychological phenomenon which cannot be directly observed. However, we may observe an attitude indirectly through observing its consequences. For example, if a person is highly productive, we may infer that he has a positive attitude towards his work.

**(c) Attitudes are acquired.**

Attitudes are gradually learnt over a period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person. For example, if the family members have a positive attitude toward business and negative towards service, there is a greater likelihood that child will inculcate similar attitudes towards these objects.

**(d) Attitudes are Pervasive.**

Attitudes are universal. It exists not only in a particular person but it is present in everybody and everywhere. Attitudes are formed in the process of socialization and may relate to any thing in the world.

**For example:** person may have positive or negative attitude towards religion, politics, work etc

**(e) Evaluative:** It refers to the magnitude or degree of favorableness or unfavorableness toward the object/event. If a person is relatively indifferent toward an object then his attitude has low valence

**(f) Multiplicity:** It refers to the number of elements constituting the attitude. **For example,** one student may show interest in studies, but another not only shows interest, but also works hard, is sincere, and serious.

**(g) Relation to Needs:** Attitudes vary in relation to needs they serve. For example, attitudes of an individual toward the pictures may serve only entertainment needs. On the other hand,

attitudes of an employee toward task may serve strong needs for security, achievement, recognition, and satisfaction.

➤ **IMPORTANCE OF ATTITUDE**



1. Career success
2. Productivity
3. Leadership
4. Teamwork
5. Decision making
6. Motivation
7. Interpersonal relations
8. Stress management

**1. Career success**

Performance is a parameter to measure employees' success in the workplace. Performance leads to success either through promotion or increased compensation. A positive attitude of an employee will help him to think of ways to accomplish their task in a well-defined manner

**2. Productivity**

An employee with a positive attitude tends to take more interest and responsibility and will provide better work, which in turn will improve productivity.

**3. Leadership**

Managing a diverse workforce is a crucial task for achieving the objective of an organization. Positive attitude demonstrated by leaders or employee will result in proper communication between the subordinate which will lead to efficient work.

**4. Teamwork**

A positive attitude of employees helps to appreciate each other's competencies and work as a team for achieving common objectives.

**5. Decision making**

An employee with a positive attitude and mindset will help employees to make better decisions, in an objective manner. It will enable employees to choose wisely and logically and avoid them to take an unambiguous decision.

**6. Motivation**

Motivation is an important factor for efficient work. An employee with a positive attitude will always be mentally prepared to face any obstacle in a job. The moment they are successful in overcoming obstacles, they are motivated to move forward.

**7. Interpersonal relations**

Customers prefer to make relation with someone who is positive in nature. A positive attitude helps in establishing valuable customer loyalty.

**8. Stress management**

Positive attitude and thinking will reduce the stress of an employee and with reduced stress employee can take a better decision and increase their productivity which results, employees, to enjoy better health and take fewer sick leaves.

**➤ COMPONENTS OF ATTITUDE****1. Informational or Cognitive Component:**

The informational component consists of beliefs, values, ideas and other information a person has about the object. It makes no difference whether or not this information is empirically correct or real. **For example, a person seeking a job may learn from his own sources and other employees working in the company that in a particular company the promotion chances are very favorable.** In reality, it may or may not be correct. Yet the information that person is using is the key to his attitude about that job and about that company.

## 2. Emotional or Affective Component

The informational component sets the stage for the more critical part of an attitude, its affective component. The emotional components involve the person's feeling or affect-positive, neutral or negative-about an object. This component can be explained by this statement.” **I like this job because the future prospects in this company are very good”.**

## 3. Behavioral Component

The behavioral component consists of the tendency of a person to behave in a particular manner towards an object. **For example, the concerned individual in the above case may decide to take up the job because of good future prospects.** Out of the three components of attitudes, only the behavioral component can be directly observed. One cannot see another person's beliefs (the informational component) and his feelings (the emotional component). These two components can only be inferred. But still understanding these two components is essential in the study of organizational behavior or the behavioral component of attitudes.

### ➤ TYPES OF WORK RELATED ATTITUDES

A person can have thousands of attitudes, but OB focuses the attention only a very limited number of job related attitudes. The following are some types of attitudes:



**1) Job Satisfaction:** It refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes towards the job, while a person who is not satisfied holds a negative attitude about the job.

**2) Job Involvement:** It measures the degree to which a person identifies psychologically with his or her job and considers his or her perceived performance level important to his or her self worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do on their job.

**3) Organizational Commitment:** It is defined as a state in which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization. So high job involvement means identifying with one's specific job, while high organizational commitment means identifying with one's employing organization.

## **PERSONALITY**

The term 'personality' is derived from the Latin word '**persona**' which means a mask. According to K. Young, "Personality is a patterned body of habits, traits, attitudes and ideas of an individual."

**G. W. Allport** defined it as "a person's pattern of habits, attitudes, and traits which determine his adjustment to his environment."

### **➤ NATURE OF PERSONALITY:**

**1. Personality is a dynamic whole:** The definition of Personality given by Allport reveals that the personality is the dynamic whole. The constituents of Personality are organised into units which are not static but active.

**2. Personality measures behavior:** Personality of an individual is more or less stable. It can be predicted by one's behavior.

**3. Outcome interaction of heredity and environment:** Most of the psychologists review that Personality is the net result of the interaction of heredity characters and environment factors. The growth and the development of physical, social, emotional and moral are affected by environmental factors.

**4. Motive Force:** There are many theories of motivation which contribute to the understanding of the dynamics of personality. Behavior is affected overall by motives, ego involvement, incentives, etc

➤ **DETERMINANTS OF PERSONALITY:**

**1. Biological Factors**

- ✓ **Physique and Personality:** Various things influence the development of the personality. Physical development influences the development of personality such as; height, weight, physical defects, etc.
- ✓ **Intelligence:** Intelligence is the thinking power of human. Due to intelligence, human is now in road towards development. Human beings can defeat anyone due to intelligence. Persons who are very intelligent can make better adjustment in around them and depicts good personality..
- ✓ **Gender Differences:** Generally boys are more assertive and tough minded. They show interest in winning also in outdoor activities. Girls are interested in less vigorous( physically and mentally strong) games. They remain quiet and show interest in personal or physical appearance. That is why, most of the girls have a better sense of fine art. Thus, gender differences play a vital role in the development of individual's personality.

- ✓ **Nervous System:** Other major system which plays important role is nervous system. Nervous System controls or limits one's learning capacity. It is evident that development of personality is influenced by nature of nervous system.

## **2. Social Factors of Personality**

When an individual interacts with other persons in his/her group, give and take relationship takes place and it affects the personality of an individual. Social factors of personality are responsible for the formation of personality, when an individual has group experience and contact with others, personality of an individual is influenced by others, may be bad or good but depends on the association in which he/she keeps. In a society every person plays a specific role and status.

**For example** in our society, younger are expected to be respectful for elders. Many other social factors like environment, group life, family, media with which an individual interacts in his/her society daily life mold their personalities. We can say that whatever comes in contact with an individual's social life affects personality of that individual and develops good or bad personality.

## **3. Cultural Factors of Personality**

An individual living in his/her culture adopts the traits consciously or unconsciously and acts accordingly. Culture of any society determines the behaviors and personality of an individual and he/she is expected to act according to the culture. A person follows all the social norms of a culture which results in the formation of good personality while non-conformity to the cultural rules develops abnormal or bad personality. So, the culture in which an individual seeks satisfaction adjusts himself/herself and develops personality.

## **4. Environment**

Physical environment also determines the personality of an individual. Environmental factors include land, river, mountains, hills, forests, plain area, atmosphere etc which affect the personality to be good or bad, healthy or weak.

- ✓ **Geographical environment:** Individual's personality is influenced by the geographical conditions. All the feelings, emotions, ideas, attitudes, habits and behavior as well as body structure is the result of physical environment of to which an individual belongs. For

example, body structure, physique, color and health of the rural people are different from urban people. These people have different environment due to which they develop variety of personalities. The people living in cities have facilities and modern ways of life which creates to develop delicate bodies and minds as compare to the rural people who are deprived of these facilities.

- ✓ **Childhood experiences:** It is of vital importance. When in childhood, the individual is hunted by tensions and emotions, it influences its development.

### **5. Situational Factors of Personality:**

Situational factors of personality also have a complete share in the formation of personality of an individual. Situational factors of personality are changing according to the social situations. Every person face many situations in his life which enables him/her to change his/her behavior. For example, a teacher may be rigid and strict with students but may not with his/her family. An officer may behave with the subordinates differently as compare to his/her friends. Personality is not the result of only one factor but every factor is responsible to give complete share in its formation. A person behave and his/her personality exists when interacts with environment, culture, society, parents, friends and to those who come in contact by chance.

### **➤ MAIN FIVE TRAITS OF PERSONALITY**

1. Openness
2. Conscientiousness
3. Extraversion
4. Agreeableness
5. Neuroticism

**(you can remember these traits with the OCEAN)**

The Big Five were developed in the **1970s** by two research teams. These teams were led by **Paul Costa and Robert R. McCrae** of the National Institutes of Health and **Warren Norman and**

**Lewis Goldberg** of the University of Michigan at Ann Arbor and the University of Oregon, according to Scientific American. The Big Five are the ingredients that make up each individual's personality. A person might have a dash of openness, a lot of conscientiousness, an average amount of extraversion, plenty of agreeableness and almost no neuroticism at all. Or someone could be disagreeable, neurotic, introverted, conscientious and hardly open at all.

Here's what each trait entails:

### **1. Openness**

Openness is shorthand for "openness to experience." People who are high in openness enjoy adventure. They're curious and appreciate art, imagination and new things. The motto of the open individual might be "Variety is the spice of life."

People low in openness is just the opposite: They prefer to stick to their habits, avoid new experiences and probably aren't the most adventurous eaters. Changing personality is usually considered a tough process, but openness is a personality trait that's been shown to be subject to change in adulthood.

### **2. Conscientiousness (thorough, careful in ones task performance)**

People who are conscientious are organized and have a strong sense of duty. They're dependable, disciplined and achievement-focused..

People low in conscientiousness is more spontaneous and freewheeling. They may tend toward carelessness. Conscientiousness is a helpful trait to have, as it has been linked to achievement in life and career.

### **3. Extraversion( who is outgoing, social person)**

Extraversion and introversion is possibly the most recognizable personality trait of the Big Five. The more of an extrovert someone is, the more of a social butterfly they are. Extroverts are chatty, sociable and draw energy from crowds. They tend to be assertive and cheerful in their social interactions. A person who scores high in extraversion on a personality test is the life of the party. They enjoy being with people, participating in social gatherings, and are full of energy.

**Introverts (reserved person)** on the other hand, need plenty of alone time, perhaps because their brains process social interaction differently. Introversion is often confused with shyness, but the two aren't the same. Shyness implies a fear of social interactions or an inability to function socially. Introverts can be perfectly charming at parties — they just prefer solo or small-group activities.

#### **4. Agreeableness**

Agreeableness measures the extent of a person's warmth and kindness. The more agreeable someone is, the more likely they are to be trusting, helpful and compassionate. Disagreeable people are cold and suspicious of others, and they're less likely to cooperate

#### **5. Neuroticism (nervous and worried person):**

It is one of the Big Five higher-order personality traits in the study of psychology. Individuals who score high on neuroticism are more likely than average to be moody and to experience such feelings as anxiety, worry, fear, anger, frustration, envy, jealousy, guilt, depressed mood, and loneliness. People high in neuroticism worry frequently and easily slip into anxiety and depression. In contrast, people who are low in neuroticism tend to be emotionally stable and balanced.

### ➤ **IMPORTANCE OF PERSONALITY DEVELOPMENT**

#### **1. Ensures Continuous Improvement/Growth—**

one should always aim to be better than yesterday. As an individual, you should always keep on improving yourself. If you feel that there some things you don't like about yourself work on changing them. Don't stagnate always seek a better you.

#### **2. Helps in Better Management—**

Personality development helps to have the right personality and social skills. With this two, team participation becomes easier because you can interact effortlessly with colleagues. With a good personality, your employees will enjoy working with you and most likely perform better because you're a good boss, who is full of positive energy.

### **3. Builds Balance in Life–**

Personality development can help to be more organized, punctual, a person who keeps his word, etc. When you acquire such skills, you are able to plan every area of your life so none suffers. You create time for your family, time to exercise and meditate, work and so on. Every area benefits from a good and developed personality.

### **4. Ensures Excellence in one's Field–**

If you are constantly developing yourself you will ultimately become the best version of yourself. You become the go-to person on any matter in your field. That is why you find many CEO's are very keen on theirs and staff development. You must keep learning new things to keep up with the ever-changing world. Personality development improves your chances of success in any undertaking-because you have the right mindset are goal oriented and likable.

### **5. Personality development improves the confidence level.**

Personality development helps a person to understand the self. It helps him/her to develop characteristics and traits within them. It helps you to face all situations in life with a smile.

### **6. Personality development helps you to live a positive way of life.**

It help people to face difficult situations and find an appropriate solution to the same. This develop one to analyze situation in a correct manner and avoid negative attitude.

### **7. Personality development decreases stress.**

As personality development helps you to understand the ways to dealt with difficult situations, it decreases stress. It encourages you to look into the brighter side of the life

### **8. Personality development improves your skills.**

Improving skills and expanding knowledge is a method of personality development. As a result if you improve your personality, your skills will also enhance. Your communication skills, management skills, presentation skills, etc. are also improved by personality development.

## **MOTIVATION**

### **➤ MEANING:**

It is an important factor which encourages persons to give their best performance and help in reaching enterprise goals. A strong positive motivation will enable the increased output of employee but a negative motivation will reduce their performance.



**Motivation** can be defined as stimulating, inspiring and inducing the employees to perform to their best capacity.

➤ **DEFINITION:**

- ✓ **Berelson and Steiner:** “A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals.’
- ✓ **Lillis:** “It is the stimulation of any emotion or desire operating upon one’s will and promoting or driving it to action

➤ **PROCESS OF MOTIVATION**



1. **Unsatisfied need.** Motivation process begins when there is an unsatisfied need in a human being.
2. **Tension.** The presence of unsatisfied need gives him tension.
3. **Drive.** This tension creates an urge of drive in the human being and he starts looking for various alternatives to satisfy the drive.
4. **Search Behavior.** After searching for alternatives the human being starts behaving according to chosen option.
5. **Satisfied need.** After behaving in a particular manner for a long time then he evaluates that whether the need is satisfied or not.
6. **Reduction of tension.** After fulfilling the need the human being gets satisfied and his tension gets reduced.

**For example**, if an employee develops a need to earn more, this need will make him restless and he will start thinking how to satisfy his need. To satisfy his need he may think of working hard in organization and get promotion so he will start working hard. After sometime he will get incentives or increments or promotion which will satisfy his need.

### ➤ **NATURES/FEATURES/CHARACTERISTICS OF MOTIVATION**

#### **1. Motivation is an internal feeling:**

It is a psychological feeling which is present inside. First of all some needs are felt mentally which affects the behavior of a person. In other words he thinks of doing some work to satisfy those needs

**2. Motivators can be positive as well as negative.** To motivate employees managers use various motivators. Some motivators are positive and some are negative few examples of positive motivators are promotion, increment, bonus, respect, recognition etc. if employee does not improve his performance with positive motivators then manager uses negative motivators such as warning, issue of memo, demotion, stopping increments etc. sometimes fear of negative motivators also induces person to behave in a desired manner.

#### **3. Motivation is a complex process.**

Motivation is a complex and difficult task. In order to motivate people a manager must understand various types of human need. Human needs are mental feelings which can be measured accurately. If manager measures them accurately then also every person uses different approaches to satisfy his need. Some get satisfied with monetary incentives, some with non-monetary, some with positive and some with negative motivators. So it is not possible to make generalization in motivation.

#### **4. Motivation is a dynamic and continuous process.**

Human beings are ever-changing. Human needs are unlimited and go on changing continuously. Satisfaction of one need gives rise to another so managers have to continuously perform the function of motivation.

#### **5. It is an important function of management:**

It is an important function of management. If a manager is not efficient in this function, his efficiency in all other functions is useless. **For example:** the manager has made good plans for the achievements of the objectives, but if he does not succeed in motivating the employees to give practical shape to his plans, his efforts go waste.

#### **6. Related to human resources:**

Motivation is related to human resources and needs. It is concerned with the feelings, desires, motives and needs of a man. Of course, a man may be motivated but we cannot motivate other factors of production or resources like capital, land and machine

#### **7. Stimulates people to do work:**

A person is appointed on the basis of his educational qualifications but it is not necessary that he works with full capacity. Motivation stimulates him to do work with his full available ability.

#### **8. Helpful in securing industrial peace:**

Motivation helps the people to utilize their fuller capability which results in good and increased production. The enterprise earns profits and employee gets good salary and other facilities, as a result both employer and employees are satisfied with each other, which further results in industrial peace.

#### **9. Motivation creates morale:**

Morale means attitude of employee towards his work. Morale created among the employees by motivating them which converts their ability to their work into willingness to do the work. Thus motivation creates morale.

**10. It relates with all levels of the organization:**

All levels include people whether it is top level, middle level, or lower level. Hence motivation is required at each level for the smooth flow of the activities within the organization.

**➤ IMPORTANCE OF MOTIVATION**

Management tries to utilize all the sources of production in a best possible manner. This can be achieved only when employees co-operate in this task. Efforts should be made to motivate employees for contributing their maximum. The efforts of management will not bear fruit if the employees are not encouraged to work more. The motivated employees become an asset to the organisation. The following is the importance of motivation.

**1. High Performance:**

Motivated employees will put maximum efforts for achieving organizational goals. The untapped reservoirs, physical and mental abilities are tapped to the maximum. Better performance will also result in higher productivity. The cost of production can also be brought down if productivity is raised. The employees should be offered more incentives for increasing their performance. Motivation will act as a stimulant for improving the performance of employees.

**2. Low Employee Turnover and Absenteeism:**

When the employees are not satisfied with their job then they will leave it whenever they get an alternative offer. The dissatisfaction among employees also increases absenteeism. The

Employment training of new employees costs dearly to the organisation. When the employees are satisfied with their jobs and they are well motivated by offering them financial and non-financial incentives then they will not leave the job. The rate of absenteeism will also be low because they will try to increase their output.

**3. Better Organizational Image:**

Those enterprises which offer better monetary and non-monetary facilities to their employees have a better image among them. Such concerns are successful in attracting better qualified and experienced persons. Since there is a better man-power to development programme, the

employees will like to join such organizations. Motivational efforts will simplify personnel function also.

#### **4. Better Industrial Relations:**

A good motivational system will create job satisfaction among employees. The employment will offer those better service conditions and various other incentives. There will be an atmosphere of confidence among employers and employees. There will be no reason for conflict and cordial relations among both sides will create a health atmosphere. So motivation among employees will lead to better industrial relations.

#### **5. Acceptability to Change:**

The changing social and industrial situations will require changes and improvements in the working of enterprises. There will be a need to introduce new and better methods of work from time to time. Generally, employees resist changes for fear of an adverse effect on their employment. When the employees are given various opportunities of development then they can easily adapt to new situations.

**6. Higher morale of personnel:** Motivation increases the working efficiency of the workers. The workers having higher morale are asserted as the assets or the organization. By lowering turnover rate and keeping the absenteeism low, a motivated employee can contribute the organization.

## ➤ **TYPES OF MOTIVATION**

When a manager wants to get more work from his subordinates then he will have to motivate them for improving their performance. They will either be offered incentive for more work, or may be in the space of rewards, better reports, recognition etc., or he may instill fear in them or use force for getting desired work.

### **1. Positive Motivation:**

Positive motivation or incentive motivation is based on reward. The workers are offered incentives for achieving the desired goals. The incentives may be in the shape of more pay, promotion, recognition of work, etc. The employees are offered the incentives and try to improve their performance willingly.

### **2. Negative Motivation:**

Negative or fear motivation is based on force or fear. Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with demotions or lay-offs. The fear acts as a push mechanism. The employees do not willingly co-operate, rather they want to avoid the punishment.

### **3. Financial motivation:**

It refers to monetary rewards. Incentives are nothing but the inducements provided to employees in order to motivate them. There should be direct relationship between efforts and rewards, financial reward should be substantial in value and must be in parity with others. It includes: bonus, Incentive

### **4. Non-financial motivation:**

Non-financial incentives do not involve money payments. These are also important in motivating employees as they bring in psychological and emotional satisfaction to them. These include so many techniques. People do work for money-but they work even more for meaning in their lives. In fact, they work to have fun. **For example: Job security**, Challenging work, recognition of work done by the employees, increase in responsibilities etc.

➤ **THEORIES OF MOTIVATION**



**1. MASLOW'S NEED HIERARCHY THEORY (1943)**

**Abraham Maslow** postulated that a person will be motivated when his needs are fulfilled. The need starts from the **lowest level basic needs and keeps moving up as a lower level need is fulfilled.**

**a. Basic physiological needs:** the physiological needs relate to the survival and maintenance of human life. These needs include such things as food, clothing, air, water and other necessities of life, which are biological in nature. These needs are primary needs.

**b. Safety and security needs:** after satisfying the physiological needs, people want the assurance of maintaining a given economic level. They want job security, personal bodily security, security of source of income, provision for old age, insurance against risks, etc.

**c. Social needs:** man is a social being. He is, therefore, interested in conversation, sociability, exchange of feelings and grievances, companionship, recognition, belongingness, etc.

**d. Esteem and status needs:** these needs embrace such things as self-confidence, independence, achievement, competence, knowledge and success. These needs boost the ego of individual. They are also known as egoistic needs. They are concerned with prestige and status of the individual.

**e. Self-fulfillment needs:** the final step under the need priority model is the need for self-fulfillment or the need to fulfill what a person considers being his mission in life. It involves realizing one's potentialities for continued self-development and for being creative in the broadest senses of the word.

**Maslow proposed that all human needs are kept as per rank of importance and human behavior is to fulfill its needs as per importance rank and so he continuous in a proper sequence but after fulfillment of a need another need arise. Moreover satisfied need will no longer be a motivator and needs and wants are infinity.**

## **2. HERZBERG'S MOTIVATION HYGIENE THEORY:**



The psychologist Frederick Herzberg extended the work of Maslow and proposed a new motivation theory popularly known as **Herzberg's Motivation Hygiene (Two-Factor) Theory**. Herzberg conducted a widely reported motivational study on **200** accountants and engineers employed by firms in and around Western Pennsylvania.

**He asked these people to describe two important incidents at their jobs:**

(1) When did you feel particularly good about your job, and

(2) When did you feel exceptionally bad about your job? He used the critical incident method of obtaining data.

Analyzing the responses of 200 accountants and engineers who were asked about their positive and negative feelings about their work, Herzberg found 2 factors that influence employee motivation and satisfaction.

### **1. Motivator factors –**

Simply put, these are factors that lead to satisfaction and motivate employees to work harder.

**Examples:** Achievements, recognition etc

### **2. Hygiene factors –**

These factors can lead to dissatisfaction and a lack of motivation if they are absent. **Examples** include salary, company policies, benefits, relationships with managers and co-workers

### **3. MCGREGOR'S X AND Y THEORY:**

Douglas McGregor formulated two distinct views of human being based on participation of workers. The first basically negative, labeled Theory X, and the other basically positive, labeled Theory Y.

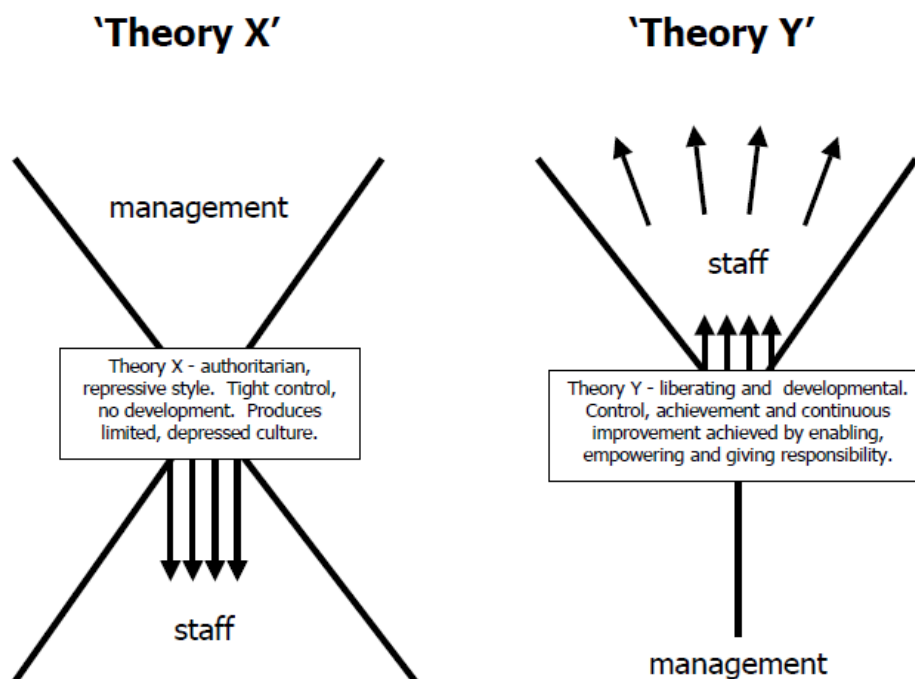
**Theory X is based on the following assumptions:**

1. People are by nature indolent. That is, they like to work as little as possible.

2. People lack ambition, dislike responsibility, and prefer to be directed by others.
3. People are inherently self-centered and indifferent to organizational needs and goals.
4. People are generally gullible and not very sharp and bright.

**On the contrary, Theory Y assumes that:**

1. People are not by nature passive or resistant to organizational goals.
2. They want to assume responsibility.
3. They want their organisation to succeed.
4. People are capable of directing their own behavior.
5. They have need for achievement



#### 4. VROOM'S EXPECTANCY THEORY:

One of the most widely accepted explanations of motivation is offered by Victor Vroom in his Expectancy Theory. It is a cognitive process theory of motivation. **The theory is founded on the basic notions that people will be motivated to exert a high level of effort when they believe there are relationships between the effort they put forth, the performance they achieve, and the outcomes/ rewards they receive.**

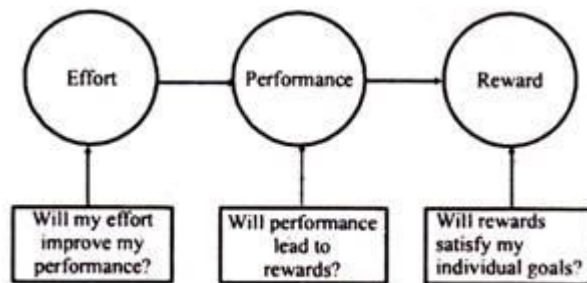


Fig 17.3: Vroom's Expectancy Model of Motivation

Thus, the key constructs in the expectancy theory of motivation are:

##### 1. Valence:

Valence, according to Vroom, means the value or strength one places on a particular outcome or reward

##### 2. Expectancy:

It relates efforts to performance.

##### 3. Instrumentality:

By instrumentality, Vroom means, the belief that performance is related to rewards.

Thus, Vroom's motivation can also be expressed in the form of an equation as follows:

$$\text{Motivation} = \text{Valence} \times \text{Expectancy} \times \text{Instrumentality}$$

Being the model multiplicative in nature, all the three variables must have high positive values to imply motivated performance choice. If any one of the variables approaches to zero level, the possibility of the so motivated performance also touches zero level

### **5. Porter and Lawler's Expectancy Theory:**

In fact, Porter and Lawler's theory is an **improvement over Vroom's expectancy theory**. They posit that motivation does not equal satisfaction or performance. The model suggested by them encounters some of the simplistic traditional assumptions made about the positive relationship between satisfaction and performance. They proposed a multi-variate model to explain the complex relationship that exists between satisfaction and performance.

**What is the main point in Porter and Lawler's model is that effort or motivation does not lead directly to performance.** It is intact, mediated by abilities and traits and by role perceptions. Ultimately, performance leads to satisfaction,.

**There are three main elements in this model. Let us briefly discuss these one by one.**

#### **a) Effort:**

Effort refers to the amount of energy an employee exerts on a given task. How much effort an employee will put in a task is determined by two factors-

- (i) Value of reward and
- (ii) Perception of effort-reward probability.

***b) Performance:***

One's effort leads to his/her performance. Both may be equal or may not be. However the amount of performance is determined by the amount of labour and the ability and role perception of the employee. Thus, if an employee possesses less ability and/or makes wrong role perception, his/her performance may be low in spite of his putting in great efforts.

***c) Satisfaction:***

**Performance leads to satisfaction.** The level of satisfaction depends upon the amount of rewards one achieves. If the amount of actual rewards meet or exceed perceived equitable rewards, the employee will feel satisfied. On the contrary, if actual rewards fall short of perceived ones, he/she will be dissatisfied.

Rewards may be of two kinds—**intrinsic and extrinsic rewards**. Examples of intrinsic rewards are such as sense of accomplishment and self-actualization. As regards **extrinsic rewards**, these may include working conditions and status. A fair degree of research support that, the intrinsic rewards are much more likely to produce attitudes about satisfaction that are related to performance.

### **UNIT-III**

#### **GROUP DYNAMICS**

➤ **MEANING:**

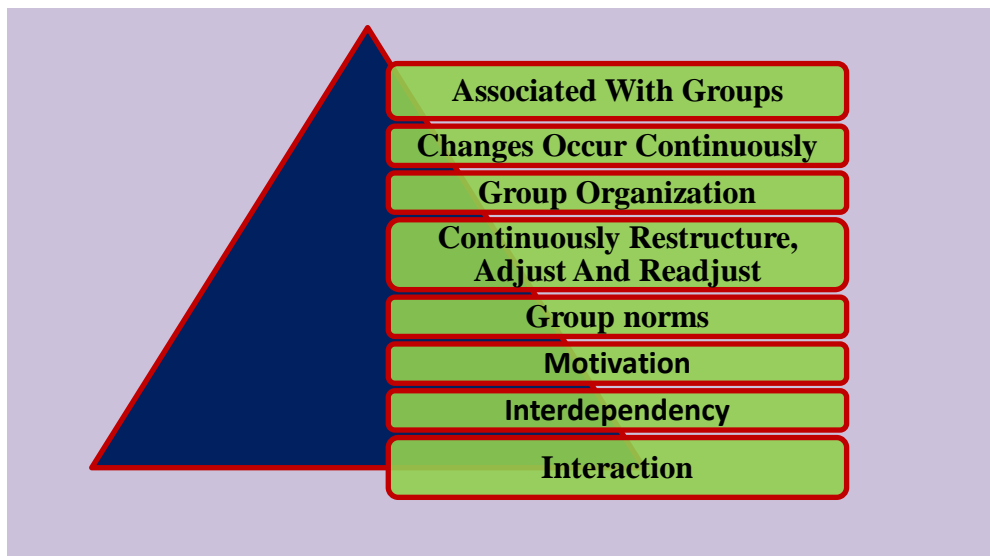
The term group dynamics **contains two terms: Group and Dynamics**. Group is basically a collectivity of two or more persons. Dynamics comes from **Greek word** meaning force. Thus Groups Dynamics refers to the interaction of forces between group members in a social situation.

**Group Dynamics** can be understood as a process, wherein the attitude and behavior of a member influence the behavior of another or other members of the group, either by choice or circumstances. Factors such as individual personality, cultural traditions and social situations, often affect the group dynamics.

➤ **DEFINITION:**

**Group dynamics** is a set of behavioral and psychological processes that occur within a social **group** or between **groups**. It refers to the "nature of **groups**, the laws of their development, and their interrelations with individuals, other **groups**, and larger institutions" (Cartwright and Zander, 1968).

➤ **FEATURES OF GROUP DYNAMICS**



**1. Associated with groups**

Group Dynamics is associated with groups, which means that if there exists a group, the members of such group tend to interact, change and adjust themselves according to the changing circumstances and their relationship with one another.

**2. Changes occur continuously**

Changes occur continuously in a group, i.e. entry and exit of members, change in leadership, type of task assigned, etc

### 3. Group organization

It leads to group effectiveness, **participation, cooperation and coordination of members**, as well as boosts morale.

### 4. Continuously restructure, adjust and readjust

Groups tend to continuously restructure, adjust and readjust members, so as to release stress, eliminating conflicts, better decision making and problem-solving, which affects the group members.

### 5. Group dynamics are affected by **rigidity or flexibility**

### 6. Group Norms

Another characteristic of group dynamics is the presence of group norms and values. Defined norms, established during the norming phase, assist the group in clarifying thinking and determining which behavior patterns are acceptable. Norms also keep the group functioning as a system and measure the performance of group members.

### 7. Motivation:

People join groups because they believe that **unity is strength** and that the group will help them in solving their problems. Issues like **promotion, pay, working environment** are tackled jointly with the help of groups.

### 8. Interdependency:

It is the main feature of group. If people have similar goals and are interdependent also, they form a group.

### 9. 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

Group dynamics describes how groups and group members act and react to dynamic circumstances. It deals with the changes that occur within the groups along with the interaction and forces operating with the group in a social organization.

➤ **PRINCIPLES OF GROUP DYNAMICS**

**1.Principle of Belongingness**

**2. Principle of Perception**

**3. Principle of Conformity**

**4. Principle of Change**

**5. Principle of Readjustment**

**6. Principle of Common Motives**

**7. Principle of Power**

**8. Continuous Process Principle.**

**9. Goal Orientation Principle**

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**1. Principle of Belongingness:**

An essential group dynamic is for the group members to have a **strong sense of togetherness**. Moreover, a group will not be able to function to its fullest without the coordination and belongingness that the members feel. It is very important for the group members to feel like they belong to the right group



Moreover, this feeling of belongingness is what drives the group to perform their best, in turn boosting the group morale. Therefore, the principle of belongingness is a rather important principle of group dynamics.

## **2. Principle of perception:**

This principle focuses on the prestige of group members and how the group members perceive this prestige. It is very similar to the principle of status. However, this principle of group dynamic states that the greater the prestige, the greater is the influence.

In addition, the principle of perception throws light on the importance of group perception. Moreover, this ensures coordination, a common direction and the successful completion of the objectives.

## **3. Principle of Conformity:**

This principle of conformity states the importance of the group members to conform to the **general group norms**. However, this principle is one of the most essential rules which is the most difficult to achieve.

## **4. Principle of Change:**

The principle of change is one such important principles of group dynamics that state the significance of the change. Every decision in a group is bound to change at a specific point in time.

A well-balanced and coordinated group would not suffer from this change. Moreover, this group dynamic principle stresses the importance of handling a change well.

### **5. Principle of Readjustment**

This principle is a result of the principle of change. Due to changes made in a group, the group norms, the group objectives or the group member delegation, readjustment of the entire group dynamics is crucial.

Therefore, this principle of readjustment emphasizes on the essentiality of readjusting the group dynamics after implementing a change. The readjustment should be in sync with the achievement of the group goal.

### **6. Principle of Common Motives:**

The main purpose behind the creation of groups is to aid the process of goal achievement. The group members have a common motive which involves the successful attainment of the pre-determined goal.

### **7. Principle of Power**

Being a part of a group can let a group member believe that they have powers vested in them. One of the more critical principles of group dynamics is the existence of power among the group members.

### **8. Continuous Process Principle:**

Group functioning is a continuous process. This principle states that every group so formed and every member who is a part of such a group is responsible for the continuous functioning of the same group.

Groups adjourn only upon the completion of the task or the achievement of the goal. Until then, the principle of the continuous process is widely applied to group dynamics.

**9. Goal Orientation Principle:** The survival of a group is ensured by placing the members into an operational hierarchy and a goal-oriented action.

In a nutshell, it deals with the constantly changing and adjusting relationship existing among group members. It encompasses all those affecting actions, processes and changes that take place within and between groups over the period of time.

### ➤ **TYPES OF GROUPS**

#### **1. Formal Groups:**

By formal groups, we mean those groups defined by the organization's structure, with designated work assignments and establishing tasks. In formal groups, the behaviors that one should engage in are stipulated by and directed towards organizational goals

#### ✓ **The features of formal groups are as follows:**

- (i) Formal groups are part of the organizational structure.
- (ii) These are created deliberately and consciously by the management to perform the assigned duties.
- (iii) **The pattern of communication** is also defined and the rules are laid down to regulate the behavior of group members.

These groups may be either permanent in the form of top management team such as Board of Directors or staff groups providing specialized services to the organisation and so on; or these formal groups may be constituted on temporary basis for **fulfilling certain specified objectives**. When such objectives are fulfilled, these disappear. These may be in the form of temporary committees, task force etc.

#### ✓ **The Formal Groups may further be sub classified into the following groups:**

**(i) Command Groups:**

The command group is the most frequent type of formal group. It is **relatively permanent** and is specified by the organisation chart. **It comprises of managers or supervisors and subordinates**, who meet regularly to discuss general and specific ideas to improve product or service. In business organizations, most employees work in such command groups.

**(ii) Task Forces:**

Task groups are also organizationally determined. But it is a **temporary group** representing the employees who are working together to complete a job task or particular project. However, a task group's boundaries are not limited to its immediate hierarchical superior. For example, if a problem involving many departments arises, a task force made up of representatives from each of the affected departments, might be formed to examine the problem and suggest solutions.

**(iii) Committees:**

The committees are also set up for some special projects. These **can be permanent** such as planning committee or a **budget committee** and may become an integral part of the

Organizational structure. A committee **can also be temporary** such as a special task force which is set up for a particular purpose and is disbanded when the purpose is achieved. For example, the committee constituted to elect the president of the company is temporary and is disbanded after the election.

**2. Informal Groups:**

Informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work response to the common interests of the organisation members such as self defense, work assistance and social interaction.

**✓ Informal organizations may be of different types as explained below:****(i) Interest and Friendship Groups:**

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

instance, the employees who group together to pressurize the management for subsidized transport constitute an interest group.

A friendship group includes close friends or relations. These groups arise because members know each other very well before joining the organisation and in the initial stages, they recognize each other only. These social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage or for holding similar political views or for having the same hobbies etc

#### **ii) Cliques:**

Another type of informal groups is called cliques. These groups consist of colleagues or those who commonly associate with each other and observe certain social norms and standards, but the number of members tends to be smaller, and only rarely exceeds five or six. The objective is to provide recognition to each other and exchange information of mutual interest.

#### **(iii) Sub-Cliques:**

This group consists of some members of a clique inside the organization forming a group along with persons outside the organization. The members of the cliques give these outsiders due recognition because of some members of their group being associated with them. Such groups are regarded as partially external to the organization.

### **GROUP NORMS**

#### **➤ MEANING:**

Group norms are the informal guidelines of behavior and a code of conduct that provides some order and conformity to group activities and operations. These rules are expected to be followed by all the group members. These norms and rules usually develop gradually and informally as group members learn as to what behaviors are necessary for the group to function effectively. These norms may include a code of dress for meetings or being on time for the meetings and behaving in a predictable manner both within and outside the group meetings.

### ➤ **TYPES OF GROUP NORMS**

#### **1. Behavior Norms**

These are rules and guidelines defining the day-to-day behavior of people at work. This behavior pattern may include punctuality as a habit, completing any given assignments within the required time framework, not losing temper, showing respect for other member's opinions, not monopolizing the conversation and so on. Certain professionalism is expected from all members and this professionalism is predictable form of behavior.

#### **2. Work Norms**

Work norms regulate the performance and productivity of individual members. An overly ambitious worker who produces more is considered as much a deviate from the norms as a worker who is an under producer. Work norms usually put an acceptable level of productivity, within reasonable tolerances so that comparatively poor performers can also be accommodated and that they do not become a burden on their peers.

Workers performing below the lower acceptable level are generally informally reprimanded and encouraged to produce more. On the other hand, rate-busters who perform above the upper acceptable limit set by the group are also ostracized for encouraging the management to raise its expectations.

In addition to productivity, work norms may also define the extent of time spent on the job. For example, if coffee breaks are allowed for 15 minutes in the morning, then those members who do

not take coffee breaks at all as well as those members who take longer coffee breaks are considered as disobeying the group norms.

### **GROUP COHESIVENESS**

#### ➤ **MEANING OF COHESIVENESS: (Togetherness)**

Group cohesiveness is one of the characteristic features of the groups, which is very important from behaviouristic point of view. **Cohesiveness is the degree to which the group members are attracted to each other and are motivated to stay in the groups. Cohesiveness defines the degree of closeness that the members feel with the groups.** It is understood as the extent of liking each member has towards others in the group and how far everyone wants to remain as a member of the group.

“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.”

#### ➤ **CONSEQUENCES OF GROUP COHESIVENESS:**

##### **1. More Participation:**

Higher the degree of group cohesiveness, closer will be the interpersonal relationships among the members. As a result members will participate actively in group affairs and activities. As the members consider the group as their own, **just like a family**, they will help other members of the group in times of need which will further strengthen their bonds. The turnover of members will be very low. If possible, all the members attend the group meetings and group activities and take active part in discussions relating to preparing of strategies for achieving individual and group goals.

##### **2. More Conformity:**

One of the factors which influence cohesiveness is similarity of **attitudes and values**. As a result, members tend to like each other and perceive themselves as similar. These characteristics

lead members to be relatively **dependent on the group for satisfaction** and, thus, they are susceptible to being influenced. For example, if any member is getting involved in organisational politics for enhancing his personal goals, the group might put social pressure on him and make him comply with the group norms.

### **3. More Success:**

Cohesiveness and success are mutually dependent upon each other. Cohesiveness makes the goal achievement easier and goal achievement adds to success. The reason for this relationship is that higher degree of cohesiveness leads to high degree of communication, participation and conformity to group norms. Such coordinated efforts result in agreement about the goals to be achieved, the methods of achieving them and finally achieving the final goals.

### **4. More Communication:**

Members of cohesive groups communicate with each other more than the members of non-cohesive groups. Because the members share common ideologies, goals, backgrounds or attitudes, they are inclined to greater communicativeness. Such communication is reinforcing as it tends to foster and cement positive social relations as well as depth in personal relationships.

### **5. More Personal Satisfaction:**

Members of cohesive groups are more satisfied as compared to members of non-cohesive groups. Thus is understandable because if members are not satisfied they will leave the group and join some other group. Members are more satisfied due to so many factors which include friendliness, respect, support, achievement, protection and a feeling of security.

### **6. High Productivity:**

**Cohesiveness may contribute to increased productivity because:**

- (i) People in cohesive groups experience fewer work related anxieties and tensions
- (ii) Highly cohesive groups tend to have lower absenteeism and turnover and



(iii) Cohesiveness decreases productivity differences among groups.

➤ **DISADVANTAGES OF GROUP COHESIVENESS:**

**1. Low level of productivity:**

Most of the time, working in a group cannot favour a company or an organization with the help of their own group, and that is because all the teams own their own thinking.

And in this case of production, group cohesiveness brings it down to a low level because most of the team members available in the team are from the same field of work.

Moreover, it is a fast moving generation and that is why it's necessary to understand the, low level of productivity among the team members.

**2. Lack of creativity:**

As most of the members of the team share a single and simple interest and eventually this type of similar interest can deliver the same sort of results each and every time.

Therefore, because of group cohesive behaviour the company can lack behind with their creative elements. Moreover, all the elements in the group cohesiveness provide a lower level of creativity among their group or a team.

**3. Lack of innovation:**

At most of the time people involved in a group can come up with a low level of innovation and that eventually lacks creativity in their field of work.

Therefore, it is necessary to understand all the things within this group cohesiveness. Moreover, this creates a lack of innovation among their members.

#### **4. Domination:**

The domination can be experienced because of the team leaders of each and every group. Most of these type of group leader domination can never benefit the company, moreover, it can damage the unity of the group.

Therefore, all the team leaders need to understand that if they need and want their team members to work according to their direction, then they need to treat as equals in the group

### **WORK TEAMS**

#### **➤ MEANING:**

**The team can be defined as a group of people who work together. “A work group is a number of persons usually reporting to a common superior and having some face to face interaction, who have some degree of inter dependence in carrying out tasks for the purpose of achieving organizational goals.”**

A work group's performance is what its members do as individuals. The performance is just the summation of each group member's individual contribution. There is no positive synergy in a group that would create an overall level of performance that is greater than the sum of the inputs.

#### **➤ IMPORTANCE OF TEAMS:**

##### **1. Improved Employee Motivation:**

Work teams help in enhancing the employee motivation. Because work teams encourage employee involvement, these make the jobs more interesting and fulfill the social needs of the employees. Individuals are likely to perform better when they are working in the presence of other people. Individuals will work harder and put in a lot of extra efforts to remain in the team's good graces.

**2. Positive Synergy:**

Teams have the potential to create high levels of productivity due to positive synergy created by them. The output in the form of performance productivities is generally more than the summation of inputs put in the form of employee efforts. There is a drawback of positive

synergy also. Sometimes, managements resort to cuts in staff to use the positive synergy to get the same or greater output from fewer people.

**3. Satisfaction of Social Needs:**

Man is a social animal. He always feels the need of affiliation. Teams can satisfy this need of the employees by increasing worker interactions and creating a feeling of brotherhood and friendship among team members. Such employees are always in a better position to cope with stress and they enjoy their jobs more.

**4. Commitment to Team Goals:**

Teams generally develop a common purpose, commitment to that purpose and agreement upon specific goals. All this combined with the social pressures exerted by the team; result in a high degree of commitment to common team goals. The individual members sublimate their individual goals for the **common goals** of the group.

**5. Improved Organizational Communication:**

As the teams encourage interactions, it will lead to improved communication. In case of self managed teams, interpersonal dependencies are created which require the members to interact considerably more than when they work on jobs alone. Cross functional teams create inter-functional dependencies and increase organisation wide communication.

**6. Benefits of Expanded Job Training:**

The implementation of team work always leads to expanded job training. Through this training employees build their technical, decision making and interpersonal skills.

**7. Organizational Flexibility:**

Management has found that teams are more flexible and responsive to changing events than are traditional departments or other forms of permanent groupings. Teams have the capability to

quickly assemble, deploy, refocus and disband. All this is because of the reason that teams focus on processes rather than functions. They encourage cross training so members can do each other's jobs and expansion of skills. This expansion of skills increases organisational flexibility.

Though the introduction of teams does not always achieve these benefits, but we can't ignore the reality that team movement currently has tremendous momentum and reflects management's belief that teams can be successful in a wide range of settings. There are obviously contingency factors that influence the acceptance and success of teams.

➤ **TYPES OF TEAM:**

**1. Executive Team**

An executive team is a management team that draws up **plans for activities** and then directs these activities.

**An example of an executive** team would be a construction team designing blueprints for a new building, and then **guiding** the construction of the building using these blueprints.

**2. Command Team**

The goal of the command team is to combine instructions and coordinate action among management. In other words, **command teams serve as the “middle man” in the task.**

For instance, messengers on a construction site, conveying instructions from the executive team to the builders would be an example of a command team.

**3. Project Teams**

A team used only for a **defined period of time** and for a separate, concretely **definable purpose** often becomes known as a project team. This category of teams includes negotiation, compassion and design team subtypes.

In general, these types of teams are multi-talented and composed of individuals with expertise in many different areas. Members of these teams might belong to different groups, but receive an assignment to activities for the same project.

#### 4. Advisory Teams

Advisory teams make suggestions about a final product. For instance, a quality control group on an assembly line would be an example of an advisory team. They would examine the products produced and make suggestions about how to improve the quality of the items being made.

#### 5. Work Teams

Work teams are responsible for the actual act of creating tangible products and services. The actual workers on an **assembly line** would be an example of a **production team**, whereas waiters and waitresses at a diner would be an example of a service team.

**6. A self-directed team** consists of volunteers who meet over a shared goal. Unlike a working team, a self-managed team does not have a leader; team members share responsibility, though it may not be equal. If you're having difficulty imagining what would spawn a self-directed team to form, think of a band, whose members are drawn together by a shared love of music. Self-directed workplace teams often convene over a shared interest or passion, too, such as mastering a new computer program. You might assume that a lack of structure could lead to clashes and infighting. And while this is possible, self-directed team members are usually drawn together because they like and respect each other and know better than to let petty differences jeopardize their bigger goal.

**7. A management team** consists of department leaders. Lower-level employees may refer to them as “**the big guns**,” but not necessarily in a pejorative manner. Presumably, these are the people you count on most. And presumably, they can rise to the occasion by bringing their different and valuable perspectives to a vexing workplace problem or dilemma.

### ➤ **THE MOST ESSENTIAL INGREDIENTS FOR CREATING EFFECTIVE TEAMS:**

#### **1. Ideal Size and Membership.**

The team should be the minimum size needed to achieve the team's goals and include members with the right mix of skills and talents to get the job done.

**2. Fairness in Decision-Making**

Ideally, teams will make decisions by consensus. When consensus is not feasible, teams will use fair decision-making procedures that everyone agrees on.

**3. Creativity**

Effective teams value original thinking and will produce new and unique approaches to organizational problems.

**4. Accountability**

Members must be accountable to each other for getting their work done on schedule and following the group's rules and procedures.

**5. Purpose and Goals**

Every team member must clearly understand the purpose and goals for bringing this particular group of individuals together.

**6. Action Plans**

Help the team determine what advice, assistance, training, materials, and other resources it may be needed.

**7. Roles & Responsibilities**

Teams operate most efficiently if they tap everyone's talents. All members understand their own duties and know who is responsible for what.

**8. Information Sharing**

Effective discussions depend upon how well information is passed between team members – hoarding information cannot be tolerated. A proliferation of new technologies has made this easier than it has ever been.

**9. Good Data**

With information sharing comes the requirement for good data. Teams that use good data for problem-solving and decision making have a much easier time arriving at permanent solutions to problems.

**10. Meeting Skills and Practices**

All team members must commit to a common method for conducting meetings. There is no 'best' method, but everyone must be on the same page.

**11. Decision Making**

This is really a subset of the 'Skills & Practices'. There is no 'one way' to reach a decision, but it must be a recognized path and transparent to all team members.

**12. Participation**

Since every team member has a stake in the group's achievements, everyone should participate in discussions and decisions, share a commitment to the team's success, and contribute their talents.

**13. Ground Rules**

Groups invariably establish ground rules (or "norms") for what will and will not be tolerated within the group. Many members will want to skip the laying of ground rules, but in the long run investment up front will head off major issues down the road.

**14. Clear Roles**

How we apportion the team purpose will in large measure determine the- team synergy. High-performing teams leverage individuals' different roles against collective work products. Therefore, it is essential that every team member is clear about his or her own role as well as the role of every other team member. Roles are about the design, division, and deployment of the work of the team.

While the concept is compellingly logical, many teams find it challenging to implement. There is often a tendency to take role definition to extremes or not to take it far enough.

**15. Accepted Leadership**

High-performance teams need competent leadership. When such leadership is lacking, groups can quickly lose their way. Whereas a common, compelling task might be the biggest contributor to team effectiveness, inadequate team leadership is often the single biggest reason for team ineffectiveness.

In most organizational settings, it is the leader who frames the team purpose and facilitates discussions on its meaning and nature. The vision, commitment, and communication of the leader govern the optics through which individual team members see the team purpose and become aligned to it.

## **16. Effective Processes**

Teams and processes go together. It would never occur to a surgical team, construction crew, string quartet, or film crew to approach tasks without clearly defined processes. The playbook of a football team or the score sheet of a string quartet clearly outlines the necessary processes.

Business teams have processes as well, which might include solving problems, making decisions, managing a meeting, or designing a product.

## **17. Solid Relationships**

One of the biggest misperceptions in the world of teams and teamwork is the belief that to work and communicate effectively, team members must be friends.

In fact, the diversity of skills, experience, and knowledge needed to divide tasks effectively almost precludes high levels of friendship, which is most often based on commonality — of the way people think, their interests, or beliefs.

## **18. Excellent Communication**

Communication is the very means of cooperation. One of the primary motives of companies choosing to implement teams is that team-based organizations are more responsive and move faster. A team cannot move faster than it communicates.

Fast, clear, timely, accurate communication is a hallmark of high levels of team performance. High-performance teams have mastered the art of straight talk; there is little motion wasted through misunderstanding or confusion.



## **LEADERSHIP**

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### ➤ **Meaning:**

**Leadership** can be defined as the ability of the management to make sound decisions and inspire others to perform well. It is the process of directing the **behavior** of others towards achieving a common goal. In short, **leadership** is getting things done through others.

Leadership is an important **element of the directing function of management**. Wherever, there is an organized group of people working towards a common goal, some type of leadership becomes essential.

Leadership can simply be defined as the ability to influence others. Leadership is that work which is done by the leader.

### ➤ **Definition:**

Koontz and O'Donnell, Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.

2. Dubin, R. Leadership is the exercise of authority and making of decisions.

3. Allford and Beaty, Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.

**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.

➤ **NATURE OR FEATURES OR 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. Leadership is essential for managing.**

The ability to lead effectively is one of the keys to being an effective manager because she/he has to combine resources and lead a group to achieve objectives

**4. Personal Quality:**

The character and behaviour of a man influence the works of others.

**5. Leadership and motivation are closely interconnected.**

By understanding motivation, one can appreciate better what people want and why they act as they do. A leader can encourage or dampen workers motivation by creating a favorable or unfavorable working environment in the organization.

**6. Leadership involves an unequal distribution of power between leaders and group members.**

Group members are not powerless; they can shape group activities in some ways. Still, the leader will usually have more power than the group members.

**7. Leaders can influence the followers' behavior in some ways.** In fact, leaders can influence workers either to do ill or well for the company. The leader must be able to empower and motivate the followers to the cause.

➤ **IMPORTANCE OF LEADERSHIP**

**1. It Improves Motivation and Morale:**

Through dynamic leadership managers can improve motivation and morale of their subordinates. A good leader influences the behaviour of an individual in such a manner that he voluntarily works towards the achievement of enterprise goals.

**2. It Acts as a Motive Power to Group Efforts:**

Leadership serves as a motive power to group efforts. It leads the group to a higher level of performance through its persistent efforts and impact on human relations.

**3. It Acts as an Aid to Authority:**

The use of authority alone cannot always bring the desired results. Leadership acts as an aid to authority by influencing, inspiring and initiating action.

**4. It is Needed at All Levels of Management:**

Leadership plays a pivotal role at all levels of management because in the absence of effective leadership no management can achieve the desired results.

**5. It Rectifies the Imperfectness of the Formal Organisational Relationships:**

No organizational structure can provide all types of relationships and people with common interest may work beyond the confines of formal relationships. Such informal relationships are more effective in controlling and regulating the behaviour of the subordinates. Effective leadership uses these informal relationships to accomplish the enterprise goals.

## 6. It Provides the Basis for Co-operation:

Effective leadership increases the understanding between the subordinates and the management and promotes co-operation among them.

### ➤ TYPES OF LEADERSHIP STYLES

#### 1. Autocratic leadership style

Autocratic leadership style is a strong **one-dimensional leadership** style that gives full power or authority to the leader/boss/manager. In this style, **the leader makes all the decisions without any consultation with subordinates or team members.** He makes all the crucial calls which are then communicated to team members and they are expected to work on the instructions immediately. In a nutshell, the leader is the ultimate decision-maker in an autocratic leadership style. Famous names such as **Donald Trump** and **Albert J Dunlap** favors the autocratic style of leadership.

#### 2. Democratic leadership style

Unlike the above leadership style, the democratic leadership style is **more participative in nature** where the leader involves team members while making critical decisions. It works well for an organization where team members are highly skilled and experienced. The best part of this kind of leadership style is that the communication is active upward to downward. Also called participative leadership, it requires the leader to be intelligent, creative, considerate, and competent.

#### 3. Transformational leadership style

The concept of transformational leadership started with James V. Downton in 1973 and was expanded by James Burns in 1978. Transformational leadership is a leadership style in which leaders encourage, inspire and motivate employees to innovate and create change that will help grow and shape the future success of the company. This is accomplished by setting an example

at the executive level through a strong sense of corporate culture, employee ownership and independence in the workplace.

#### 4. Laissez-faire leadership style

The literal meaning of the French word *laissez-faire* is '**let them do**' which can be translated as '*let it be*' in English. In such a leadership style, leaders delegate the responsibility to team members and let them work on their own with minimum or no interference.

Laissez-faire leadership style gives the maximum scope for innovation and flexibility. It works best for the creative teams having **self-motivated and experienced individuals** who don't require that level of supervision and invigilance. **Mahatma Gandhi** was a laissez-faire leader who believed that people **work best** when they are not told what to do but encouraged to work on their own.

**5. Charismatic leadership style** (a special power that some people have naturally that makes them able to influence other people and attract their attention and admiration)

Leaders applying charismatic leadership style are the ones who automatically or rather smartly attract a plethora of people with their charm and charisma. They are self-motivated, passionate, and confident. Leadership style like this can be used to build a powerful standing in the marketplace and gain a huge fan-following using their strong self-image.

## ➤ **THEORIES OF LEADERSHIP:**

### **1. The Trait Theory:**

Ralph M. Stogdill proposed the trait theory of leadership in the late 1940s; he explained that an individual must possess the key personality traits and characteristics to be an effective leader and these traits are **inherent by birth**. Some of the core leadership traits based on this theory can be categorized as follows:

- **Physiological traits:** Height, weight, structure, colour, appearance and so forth.
- **Socioeconomic characteristics:** Gender, religion, marital status, age, occupation, literacy and earnings.
- **Personality traits:** Extraversion, self-confidence, patience, agreeable, reliable, honesty and leadership motivation.
- **Intellectual traits:** Decisiveness, intelligence, judgemental ability, knowledge and emotional attribute.
- **Task-related traits:** Attainment drive, dedication, initiative, determination and business expertise.
- **Social characteristics:** Socially active, cordiality and cooperation.
- Some of the other traits being charisma, adaptiveness, creativity, uniqueness.

This theory was criticized since it neglected the environmental factors which may not always remain the same. **The list of traits is quite vast and keeps on changing from time to time.** It was unable to explain failures despite possessing the certain traits specified in the theory. Moreover, of the identified traits can be acquired through learning and training.

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

- It is naturally pleasing theory.
- It is valid as lot of research has validated the foundation and basis of the theory.
- It serves as a yardstick against which the leadership traits of an individual can be assessed.

- It gives a detailed knowledge and understanding of the leader element in the leadership process.

➤ **Limitations of The Trait Theory**

- There is bound to be some subjective judgment in determining who is regarded as a ‘good’ or ‘successful’ leader
- 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.
- There is also a disagreement over which traits are the most important for an effective leader
- The model attempts to relate physical traits such as, height and weight, to effective leadership. 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. In business organizations, these are not the requirements to be an effective leader.
- The theory is very complex

## **2. BEHAVIOURAL THEORY:**

The behavioural theory of leadership evolved in the **1950s**. After understanding that the personal traits of a leader are essential for effective leadership, the researchers were now keen to know that what leaders do to become effective leaders. Thus, they now **focused on the leader’s behaviour rather than traits**. To study the behaviour of leaders, two major research programs were started by two different universities namely, the Ohio State Leadership Studies and the University of Michigan Studies.

- ✓ **The Ohio State University Studies:** A group of researchers at Ohio State University prepared a questionnaire to be surveyed in military and industrial setups, to determine the perception of the subordinates for the actual behaviour of their leaders. From their findings, the researchers identified two major categories of leader behaviour:

**A) Consideration:** The leaders are attentive towards their subordinates and build up an excellent inter-personnel relationship with them. **They are very supportive and friendly.** This was termed as **‘people-oriented behaviour’**.

**B) Initiating structure:** The leaders are majorly concerned about the achievement of goals and schedule and structure work accordingly. For such leaders, **subordinates are just resources,**

and they have to make the optimal utilization of them. This was termed as **‘task-oriented behaviour’**.

✓ **The University of Michigan Studies:** This study is based on how the leader’s behaviour is related to group performance. Researchers made a comparison of **effective managers** with **the ineffective** ones and found that the two can be discriminated on the basis of their behaviour, i.e. **job-centric behaviour and organizational-member centric behaviour.**

### **3. Likert’s Four Systems of Management:**

Professor **Rensis Likert and his associates** at the University of Michigan studied the patterns and styles of leaders and managers over three decades and developed certain ideas and approaches for understanding leadership behavior.

Likert considers an effective manager as one who is strongly oriented to subordinates and relies on communication to a great extent in order to keep all the departments or individuals working in unison. He suggested four systems of management.

- **System 1 Management:**

This is also described as an **“exploitive-authoritative”** style. This represents dictatorial leadership behavior, with all decisions made by the managers, and little employee participation. These managers are highly autocratic, hardly trust subordinates, use **negative motivation** tactics like **fear and punishment**, and keep the decision-making powers with them.

- **System 2 Management:**



This management style is called the “**benevolent-authoritative**” style. Here, managers are patronizing but have confidence and trust in subordinates. They permit upward communication to a certain degree and ask for participation from subordinates. Managers in this system use both **rewards** and punishment to motivate employees.

They allow subordinates to participate to some extent in decision-making but retain close policy control.

- **System 3 Management:**

System 3 management is referred to as the “**consultative**” style. Managers in this system do not have complete confidence and trust in subordinates. However, they solicit advice from subordinates while retaining the right to make the final decision.

**This management style involves:**

- (i) Motivating employees with rewards and occasionally punishment
- (ii) Broad policy and general decisions being made at the top while specific decisions are made at lower levels,
- (iii) Using both upward and downward communication flow, and
- (iv) Managers acting as consultants in order to resolve various problems.

- **System 4 Management:**

This style of management is called the ‘**participative leadership**’ style. Managers in this system trust their subordinates completely and have confidence in their abilities. They always ask the opinions of the subordinates and use them constructively. **They encourage participation of employees at all levels in decision-making and use both upward and downward communication.**

## **UNIT-IV**

### **CONFLICT MANAGEMENT**

Conflicts are natural in all walks of daily life – both at workplace and home **Conflict occurs when individuals or groups are not obtaining what they need or want and are seeking their own self-interest.** Conflict is a process, where perception (real or otherwise) leads to disruption of desirable state of harmony and stability in an interdependent world.

#### ➤ **Characteristics of Conflict:**

##### **1. Conflict is a Process:**

**Conflict occurs in ‘layers’.** First layer is always misunderstanding. The other layers are **differences of values**, differences of **viewpoint**, differences of interest, and interpersonal differences. It is also called a process because it begins with one party perceiving the other to oppose or negatively affect its interests and ends with competing, collaborating, compromising or avoiding.

##### **2. Conflict is Inevitable: (CANNOT BE AVOIDED)**

Conflict exists everywhere. No two persons are the same. Hence they may have individual differences. And the differences may be because of values or otherwise, lead to conflict. Although inevitable, conflict can be minimized, diverted and/or resolved. Conflict develops because we are dealing with people’s lives, jobs, children, pride, self-concept, ego and sense of mission. Conflict is inevitable and often good, for example, good teams always go through a “form, storm, norm and perform” period.

##### **3. Conflict is a Normal Part of Life:**

Individuals, groups, and organisations have unlimited needs and different values but limited resources. Thus, this incompatibility is bound to lead to conflicts. The conflict is not a problem, but if it is poorly managed then it becomes a problem.

**4. Perception:**

It must be perceived by the parties to it, otherwise it does not exist. In interpersonal interaction, perception is more important than reality. What we perceive and think affects our behaviour, attitudes, and communication.

**5. Opposition:**

One party to the conflict must be perceiving or doing something the other party does not like or want.

**6. Interdependence and Interaction:**

There must be some kind of real or perceived interdependence. Without interdependence there can be no interaction. Conflict occurs only when some kind of interaction takes place.

**7. Everyone is inflicted with Conflict:**

Conflict may occur within an individual, between two or more individuals, groups or between organisations.

**8. Conflict is not Undimensional:**

It comes into different ways in accordance with degree of seriousness and capacity. At times, it may improve even a difficult situation.

**➤ Concept of Conflict Management:**

‘Conflict management is the principle that all conflicts cannot necessarily be resolved, but learning how to manage conflicts can decrease the odds of non-productive escalation. Conflict management involves acquiring skills related to conflict resolution, self-awareness about conflict modes, conflict communication skills, and establishing a structure for management of conflict in your environment.’ All members of every organisation need to have ways of keeping conflict to a minimum – and of solving problems caused by conflict, before conflict becomes a major obstacle to your work.

➤ **Types of Conflict:**

1. Intra-individual/Intra-personal Conflict.
2. Interpersonal conflict.
3. Intra-group Conflict.
4. Inter-group conflict.
5. Dysfunctional and Functional conflict (Aspects)

**1. INTRA-INDIVIDUAL/INTRA-PERSONAL CONFLICT**

Conflict can be intra-personal, where an individual's objective and vision differ from his/her company's overall vision. This refers to a conflict within an individual.

Intra-individual conflict arises **from frustration**, numerous roles that demand equal attention but is not always possible to devote, and goals having both negative and positive aspects.

**3 types of Intra-individual/Intra-personal Conflict are;**

1. **Goal conflict,**

Another common source of conflict for an individual is a goal that has both positive and negative features or two or more competing goals. Goal conflict is more complex than conflict from frustration.

- **Approach-approach conflict**, where the individual is motivated to approach two or more positive goals. An individual has to choose one out of two or more goals. Both the goals are of equal importance.

**EXAMPLE:** A person may be offered a promotion in present organization and getting a desirable job in other organization. This situation has two goals which create approach-approach conflict.

- **Approach-avoidance conflict**, Where the individual is motivated to approach a goal and at the same time is motivated to avoid it. The single goal contains both positive and negative characteristics for the individual.

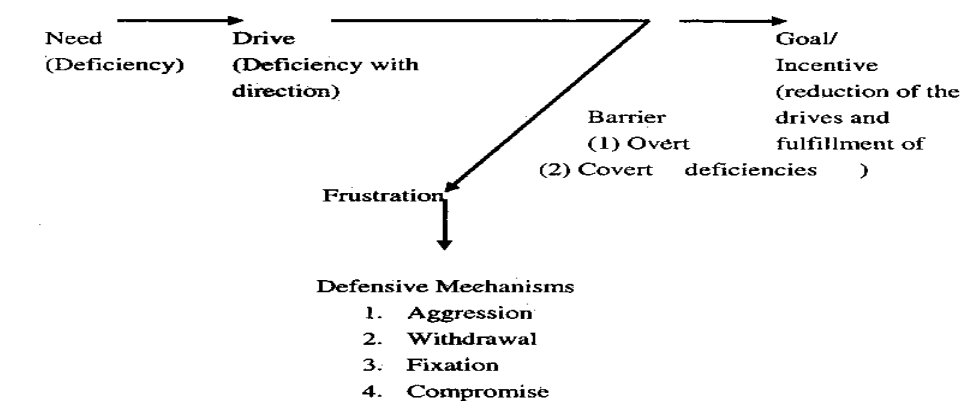
**Example:** A person may be offered a promotion carrying high pay scale but is far away from home. This situation creates approach-avoidance conflict.

**Avoidance-avoidance conflict**, where the individual is motivated to avoid two or more negative but mutually exclusive goals.

**Example:** a person works in a company which is close to his home but has bad working environment. If he joins other company with good working environment but is far away from his home.

## 2. Conflict from frustration:

Frustration occurs when a motivated drive is blocked before a person reaches the desired goal. The following figure illustrates the way frustration occurs:



### **3. Role conflict**

The final reason for the intra-personal conflict is the need of an individual to play several roles simultaneously but finding time and resources inadequate to do so.

For example, it is not uncommon for an adult middle-class male to be simultaneously playing the roles of husband, father, son to elderly parents, worker or manager, student (evening MBA program), member of social club, coach of a little league baseball team, bridge partner, poker club member, officer of a community group, and weekend golfer.

## **2. INTER-PERSONAL CONFLICT**

The most basic type of conflict is inter-personal. It is between two colleagues – arising from a host of reasons ranging from differences in personality, work-style, and personal background. The conflict at the inter-personal level involves two or more individuals and is the most common and most recognized type of conflict.

In a way, all conflicts are interpersonal conflicts because most of them involve a conflict between a person in one organization or a group and another person in some other organization or a group. **4 primary sources of interpersonal conflict are.**

1. Personal Differences,
2. Lack of Information,
3. Role in Compatibility, and
4. Environmental Stress.

### **3. INTRA-GROUP CONFLICT**

When an individual is pitted against a group and is either unwilling or unable to conform to group dynamics, he or she invariably leaves the team due to intra-group conflict.

### **4. INTER-GROUP CONFLICT**

When the conflict is inter-group, two teams are involved in a deadlock, endangering the successful completion of a project due to differences in group dynamics.

Organizational conflict is the discord that arises when the goals, interests or values of different individuals or groups are incompatible and those individuals or groups block or thwart one another's attempts to achieve their objective.

In addition to interpersonal conflict, social psychologists have been concerned about the intergroup conflict for several years. Intergroup behavior is even specifically identified as follows;

“Intergroup behavior occurs whenever individuals belonging to one group interact, collectively or individually, with another group or its members in terms of their reference group identification.

#### **➤ CONSEQUENCES OF CONFLICT:**

Conflict has both positive and negative consequences. Positive conflict is known as functional conflict and negative conflict is known as dysfunctional conflict.

#### **1. POSITIVE CONFLICT (FUNCTIONAL CONFLICT):**

Conflict is not only inevitable, it is also desirable. It is constructive and encourages new ideas to solve organisational problems. It promotes change and keeps the organisation going in the desired direction.

➤ **It believes that conflict has the following positive consequences:**

**1. High degree of cohesion:**

Inter-group conflict gives rise to commitment and loyalty amongst members of the group. Group members unite together, take advantage of opportunities, overcome threats and take strong actions to resolve their problems. All members of the group work together for a common goal.

It promotes group cohesiveness if people of different groups compete with each other. In order to do better, members of each group work together. They become loyal and bonded to each other which promotes organisational performance.

**2. Improvement in quality of decisions:**

When group members face conflict, they think of all possible solutions to the problem, evaluate the decisions and use their creative and innovative abilities to arrive at the best decisions. Inter-group conflict, thus, improves the quality of decisions and stimulates creativity and innovation. When people have conflicting opinions, they deeply analyse facts of the case. Deep understanding of concepts promotes new thinking, new ideas and, thus, fosters innovation.

**3. Emergence of leaders:**

Everybody does not think alike in conflicting situation. Group members bestow power on those who can positively contribute to the problem situation to take decisions. Increased power gives rise to leaders who act as the group captain. This also reduces rivalry amongst members to become group leaders.

**4. Response to change:**

Conflict promotes change if people do not readily agree to each other. Differences in opinions, values and perception introduce new ways of working which is different from the traditional thinking. Conflicts challenge the existing state of affairs and promote new ideas and

reassessment of current group practices. Conflict signals something wrong with the present system of working and promotes ability to assess the present and desire for a better future. Conflict, thus, increases responsiveness of group to change.



**5. Increased productivity:**

It is empirically proved that productivity of conflicting groups is more than those which have close agreement amongst the members. Members with different perceptions and interests produce high-quality solutions to problems. This improves productivity of the group. Conflicts highlight weaknesses in the existing system of management. These weaknesses can be removed to improve efficiency of the organization's operating system.

**6. Releases strain:**

If group members do not agree with pre-defined values and norms, conflicts give them a ground for voicing their reservations. This releases strain that would otherwise remain suppressed in their minds. In conflicting situations, people openly express their thoughts and feelings, even if they are against the thought process of other members of the organisations. This releases strain and provides mental satisfaction to the members.

**2. NEGATIVE CONFLICT (DYSFUNCTIONAL CONFLICT):**

In positive conflict, differences in opinion do not hurt anyone's feelings. People respect each other's ideas and arrive at new solutions to the problems to develop working relationships. In negative conflict, on the contrary, people show disrespect for others' ideas. They aim to promote their interests at the cost of others

**The negative consequences of conflict are as follows:****1. Mental strain:**

Excessive conflict creates tension and frustration amongst people. This not only harms the individuals (as they may enter into a state of depression) but also harms the organisation (people do not positively contribute to organisational productivity).

**2. Discontentment:**

Conflict breeds antagonism and discontentment. This reduces power to think creatively and reduces group effectiveness. If people do not arrive at mutually agreeable solutions, it results in discontentment. People are not satisfied with their jobs. This lowers the organisational productivity.

**3. Communication breakdown:**

When individuals or groups develop conflicting ideas, they avoid interacting with each other. This reduces communication amongst them leading to inter-group rivalry and loss of productive ideas.

As conflicts lead to disagreement and communication breakdown, people do not agree with each other leading to splitting up of groups and units. This diverts energy from organisational goals and leads to instability in the organisational structure.

**4. Resignation:**

Discontentment can lead to resignation from jobs. If results are not in favour of people who strongly oppose certain decisions, they do not wish to work in those organisations and look for other job outlets. If these people are dynamic and creative individuals, it is loss for the organisation.

**5. Distorted perceptions:**

Groups hold strong perceptions about their activities and disregard those of the other group. They highlight their strong points and competitors' weak points. This leads to deviation from organisational goals.

**6. Competitive struggle:**

Conflict leads to competition. Rather than arriving at consensus, agreement or settlement, competitive struggle declines group's ability to think and act positively.

**7. Subordination of group goals to individual goals:**

Members promote personal goals rather than group goals. They think of ways to promote their personal interests rather than organisational interests. This reduces organisational efficiency. People divert energy from constructive to destructive thinking.

They think of how to win over conflicting situations rather than pursuing organisational goals. Short-term personal problems, thus, supersede long-term interests of the organisation. People focus on personal goals at the cost of organisational goals. This results in goal displacement as short-term perspective overpowers the long-term perspective.

### 8. Threat to group survival:

In extreme situations, members can stop working. This stops functioning of the group and threatens its survival.

## ➤ APPROACHES OF CONFLICT MANAGEMENT:

### 1. The Competing Approach

People who take the competing approach are **resolute in what they believe and want**. Operating from a position of power, expertise or strength, this approach is useful in an emergency situation when an immediate decision needs to be made or to resolve an unpopular issue. However, misuse of this style can dis-empower staff and thwart (to prevent something happening) learning, demonstrating assertiveness but offering non cooperativeness.

### 2. The Accommodating Approach

Low on assertiveness, but high on cooperation an accommodating approach is used by managers who want to **appear reasonable in their decision-making**. Managers using this style demonstrate that **they are peacemakers**, willing to yield where possible and want to create goodwill with all. But too much accommodation and managers risk appearing weak, indecisive and not willing to embrace change. Embracing flexibility once issues have been clearly and concisely defined can strengthen a manager's position.

### 3. The Avoiding Approach

Managers who don't want to handle conflict are likely to **avoid it altogether**. This approach dismisses the manager's own concerns and those of the other individual, leaving the conflict

unresolved. Sometimes this approach is useful when a problem should be addressed at another time or if a threatening situation surfaces. Overuse of this approach and problems will continue to intensify, perhaps erupting or at least thwarting honest communication.

According to the University of California Berkeley, there are three reasons why the avoidance approach is taken: "(1) exposing oneself to ridicule or rejection, (2) recognizing we may have contributed to the problem and (3) willingness to change."

#### **4. The Collaborating Approach**

In a spirit of demonstrating unity, managers may choose to collaborate by showing a **high degree of assertiveness and cooperation**. This win-win approach is favored when both sides have important differences, but to get the job done everyone agrees to work together. Considered time consuming, a collaborating approach can mean that one party is being taken advantage of while insignificant matters are given considerable attention and personal responsibilities are ignored.

#### **5. The Compromising Approach**

Moderately cooperative and assertive, a compromising approach to conflict resolution finds a **mutually acceptable solution**. A middle ground has been found, one where both parties can stake a claim to victory. Too much compromise and you may come across as someone who has no firm values; too little compromise leads to further power struggles and confrontations.

➤ **STAGES OF CONFLICT:**

- **Latent Stage: Participants not yet aware of conflict**
- **Perceived Stage: Participants aware a conflict exists**
- **Felt Stage: Stress and anxiety**
- **Manifest: Conflict is open and can be observed**
- **Aftermath: Outcome of conflict, resolution or dissolution**

1. **“Latent Stage,”** the first stage in the five stages of conflict, people may be in conflict without being aware that they are in conflict. **An example** of this could be that a server at a restaurant may have inputted an order incorrectly and the food being made for a table is the wrong food. The manager and table do not know this yet and conflict has not arisen yet.

2. **“Perceived Stage”** is when the people involved in a conflict become fully aware that there is a conflict, so the table has now been made aware and complained to management. **Management will now go over to speak with the employee about it.**

3. **“Felt Stage”** stress and anxiety are felt by one or more of the participants due to the conflict, the manager does not enjoy causing conflict and the employee does not enjoy being under scrutiny.

4. **“Manifest Stage,”** during which the conflict can be observed. The Manifest Stage can take a number of shapes including: e-mails, phone calls, phone messages, face-to-face meetings, or any situation in which the conflict could be observed. When the manager pulls the employee aside to speak with him or her, others perceive the conflict and it has manifested.

5. **“Aftermath Stage,”** which takes place when there is some outcome of the conflict, such as a resolution to, or dissolution of, the problem. When the manager corrects the mistake with the customer and takes appropriate steps to ensure the server is more careful in the future

➤ **CAUSES OF CONFLICT:**

**Conflicts arise due to the following reasons:**

**1. Differences in perception:**

Differences in perceptions, values and attitudes of individuals or groups over the same problem leads to interpersonal or intergroup conflicts. For example, one group of individuals may want that all employees use HP computers to maintain standardisation while another group may promote different brands of computers to maintain individuality. Differences in views lead to conflicts.

**2. Excessive competition:**

Organisational resources (men, material, money, space etc.) are scarce and each unit wants maximum share of it. Competition amongst units for maximum share of resources leads to conflict.

**3. Differences in goals:**

Different goals of individuals or groups leads to conflict amongst them. In order to maximise profits, production department may want to produce limited varieties in large volume so that costs are minimised. Sales department, on the other hand, may feel that selling products of different sizes, colours and models can increase sales and, thus, minimise costs. Differences in group goals leads to conflict between the two. It may even affect the quality of products.

**4. Interdependence of tasks:**

When work is passed from one unit to the other, interdependence amongst units can lead to conflict. Output of first unit becomes input of second unit. If first unit fails to process its work on time, the second unit will have to wait and stay idle till it receives the process. This can cause inter-group conflict.

**5. Habit patterns:**

Some people like to argue and debate. They enjoy conflict as a matter of habit. It acts as a motivator for them to improve their performance.

**6. Personal characteristics:**

When group members differ in work attitudes, age, education, temperament and status levels, the potential for inter-group conflict is high.

**7. Ill defined authority – responsibility relationships:**

When authority and responsibility of individuals and groups is not properly defined, people do not understand each other's role. There is lack of consistency in work activities and communication distortions take place. This becomes a source for inter-group conflict.

**➤ Management of Conflict:**

Conflict cannot and should not be avoided. There is always an optimum level of conflict at which organisational performance is the highest. When the level of conflict is low, the organisation will not be adaptive to change. This threatens its long-run survival.

When the level of conflict is too high, it creates chaos and disruptions in the organisation. This also threatens its long-run survival. There is need, therefore, for managers to resolve conflict. They should promote functional or constructive conflict and avoid dysfunctional or destructive conflict.

**➤ Management of conflict involves:**

1. Stimulation of functional conflict and
2. Resolution of dysfunctional conflict.

**1. Stimulation of functional conflict:**

**The following methods help to stimulate or encourage constructive conflict:**

- (a) Bring managers with backgrounds, values and styles different from those who are presently working in the organisation.
- (b) Add or delete individuals and groups to the existing network. This will re-distribute power and, thus, stimulate conflict.

- (c) Break old teams and departments and re-organise them. New work, members and responsibilities will be created requiring adjustment with each other. This will give rise to conflict and new and improved methods of operation.
- (d) Allow members to openly communicate with each other. Members can freely discuss their problems, disagree with each other and have a wide perspective for decision-making.
- (e) Foster competition by paying financial and non-financial incentives for good performance. This will promote conflict as each member will try to outperform others.
- (f) Replace authoritarian managers with behavioural managers. They promote interaction amongst group members and bring out their hidden desires thereby, resulting in conflict.
- (g) Create an environment of creative and innovative thinking. When members find new ways for doing the work, it will promote conflict and productive suggestions.
- (h) Introduce changes in people, structure and technology.
- (i) Allow compromise where each party is concerned about their goal accomplishment and is willing to engage in 'give and take' to reach a reasonable solution.
- (j) Allow collaboration where parties try to manage conflict without making concessions by coming up with new ways to resolve differences.

## **2. Resolution of dysfunctional conflict:**

These methods suppress or resolve conflict rather than promote them.

### **They are as follows:**

- (a) Introduce changes in the organisation structure so that conflicting parties are separated and placed at different positions.
- (b) Introduce participative style of management where decisions reflect the opinion of all.



- (c) Integrate individual goals with organisational goals so that both individuals and organisations promote each other's interests.
- (d) Managers should call the conflicting parties, listen to their arguments and try to get one side into giving in. This is helpful when manager has more information than the parties and he can satisfy each one of them.
- (e) Provide incentives (financial and non-financial) to all rather than those who report outstanding performance.
- (f) Install training programmes for improving relationships amongst individuals and groups.
- (g) Avoiding action or taking no action saying that information is insufficient will postpone and resolve the conflict on its own.
- (h) Conflict can be resolved through compromise. Managers can convince each party to sacrifice some objectives in order to gain others.
- (i) Allow arbitration where conflicting parties submit to the judgement of a third party.
- (j) Transfer people from one work unit to the other and allow overlapping of membership. When one person is a member of two groups, conflict gets reduced.
- (k) Obeying rules strictly reduces conflict. Let every conflicting situation be handled according to rules.
- (l) Allow the parties to resolve conflict through consensus. The parties try to find solutions together rather than winning over each other.
- (m) Establish subordinate goals. These are goals set for level higher than that of conflicting parties and include the conflicting parties' lower level goals. The parties deviate from conflicts at their level to higher level goals. Achieving super ordinate goals resolves conflicts at their level.

➤ **FIVE WAYS OF ADDRESSING CONFLICT ARE IDENTIFIED BY THOMAS AND KILMAN:**

**(a) Avoidance:**

One should avoid or postpone conflict by ignoring it or changing the subject. Avoidance can be useful as a temporary measure to buy time or as an expedient means of dealing with minor, non-recurring conflicts. In more severe cases, conflict avoidance can involve severing a relationship or leaving a group.

**(b) Collaboration:**

People should work together to find a mutually beneficial solution to the problem. Though this is a win-win solution to conflict, collaboration can also be time-intensive and inappropriate if there is absence of trust, respect or communication amongst participants.

**(c) Compromise:**

Conflicting parties find a middle ground in which each party is partially satisfied.

**(d) Competition:**

Both the parties should assert their viewpoint at the potential expense of another. It can be useful when achieving one's objectives outweighs one's concern for the relationship.

## **STRESS MANAGEMENT**

### ➤ **MEANING**

Stress is our body's physical, mental and chemical reactions to circumstances that frighten, confuse, endanger or irritate us. If controlled, stress is a friend that strengthens us for the next encounter. If handled poorly, it becomes an enemy which can cause diseases like high blood pressure, ulcer, asthma and overactive thyroid. As per the medical explanation of the term, "stress is the body's general response to environmental situations."

"Stress is defined as an adaptive response to an external situation that results in physical, psychological and/or behavioural deviations for organisational participants."

"Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important."

### ➤ **Nature of Stress:**

#### **I. Stress is a Neutral Word:**

Stress is not bad in itself. But when stress is created by undesirable outcomes, it becomes Distress. On the other hand, if it is created by desirable and successful effects it is called Eustress. Eustress is a healthy, positive and developmental stress response. It is primarily the Distress form of stress which requires examination and steps to cope with it; because distress is generally associated with heart disease, alcoholism, drug abuse, marital problems, absenteeism etc.

**2. Stress is Associated with Constraints and Demand:**

Constraints prevent an individual from doing what he or she desires. If a person wants to buy something, but he does not have the necessary cash, it is a constraint. Demands refer to the loss of something desired. If a person wants to go and watch a movie, but he is unable to do so because of pressing official work, it amounts to a demand. Both Constraints and Demands can lead to potential stress.

**3. Two Conditions are Necessary for Potential Stress to Become Actual Stress:**

**There must be:**

- (i) Uncertainty over the outcome, and
- (ii) Outcome must be important.

Stress is usually very high when there is uncertainty over the outcome and the outcome is very significant. Both these conditions are necessary. If there is no uncertainty but the outcome is significant, there will not be any stress. On the other hand, if there is uncertainty, but the outcome is not significant, there will again be no stress.

**4. Stress is not Simply Anxiety:**

Stress may be accompanied by anxiety, but the two are not synonymous. Anxiety is psychological and emotional whereas stress operates in the physiological sphere also along with psychological sphere.

**5. Stress should also be differentiated from Nervous Tension:**

Nervous tension may be a result of stress. Stress is a subconscious action. Even unconscious people have exhibited stress, whereas nervous tension is a conscious action. People may “bottle up” their emotions and not reveal them through nervous tension.

**6. The Term “Burnout” is also Closely Associated with Stress:**

Some researchers contend that burnout is a type of stress, but others treat it differently. Burnout is closely associated with helping professions like nursing, education and social work, it is characterised by emotional exhaustion, depersonalization and diminished personal

accomplishments. Even though technically, burnout is different from stress, these are generally used interchangeably.

➤ **LEVELS OF STRESS:**

Stress is highly individualistic in nature. Some people have high tolerance for stress and thrive well in face of several stressors in the environment. In fact, some individuals will not perform well unless they experience a level of stress which activates and energizes them to put forth their best efforts. On the other hand, some people have very low level of tolerance for stress and they become paralyzed when they have to interface with routine everyday factors that appear undesirable to them.

Generally, stress is viewed as something bad, having negative consequences. However, stress is not always bad. It is only the degree or the level of stress which produces positive or negative consequences.

**From this point of view, stress can be categorized into two types:**

(i) Eustress and

(ii) Distress.

***1. Eustress:***

Eustress is the healthy, positive and developmental stress response. This may lead employees to new and better ways of doing their work. It denotes the presence of optimum level of stress in an individual. Under optimum level of stress the employees will perform to his full capacity.

If the stress experienced is below this level, then the individual gets bored, the motivational level to work reaches a low point and apathy sets in. If one operates in very low stress environment and constantly experiences boredom, the person is likely to be psychologically or physically withdrawn from work. Psychological withdrawal will result in careless mistakes being frequently made, forgetfulness and absentmindedness. Physical withdrawal will manifest itself in increased rate of tardiness and absenteeism which will ultimately lead to turnover.

**2. Distress:**

Distress is the unhealthy and negative stress response. It denotes the presence of high level of stress in an individual which affects his performance and efficiency adversely.

Errors will increase, bad decision will be made and the individual will experience insomnia, stomach problems and psychosomatic illnesses.

➤ **EFFECTIVE APPROACHES TO MANAGING STRESS ARE AS FOLLOWS:**

**Approach # 1. Maintaining Good Physical Health:**

Regular physical exercises, such as aerobics, walking, jogging, swimming, cycling, etc., help in dealing with excessive stress. Regular sleep, and timely and healthy eating habits also help the individual to tackle stress better.

Today, yoga is fast gaining popularity not only as a stress reliever, but also as an exercise that can balance the individual's physical, psychological, and emotional being. These physical exercises help in building heart capacity, lowering the at-rest heart rate, providing mental diversion from work pressure, and offering a means to 'let off steam'

**Approach # 2. Practicing Relaxation:**

Techniques such as meditation, hypnosis, and bio-feedback reduce tension. As per Forbes and Pekala (1993), the objective of practicing relaxation techniques is to feel physically relaxed, somewhat detached from the immediate environment and from body sensation.

Practising transcendental meditation, yoga, ego-void activity—an activity without the sense of doership such as voluntary work in an NGO or religious place, having faith in a higher power, reading, and practicing spirituality can also reduce stress to considerable levels.

**Approach # 3. Developing a Psychological Support System:**

It helps in effectively managing stress. Similarly, expanding social support network and finding an emphatic listener to hear and suggest an objective and broader perspective about the problem situation is beneficial. If the issue is work related, then an organizational solution is required to help the individual.

Some of the strategies that the management may consider are scientific and involves improving personnel selection and placement process, training, realistic goal setting, redesigning jobs, increasing employee involvement, improving organizational communication, offering employees vacation allowances, extending sabbaticals, and setting up corporate employee welfare programme departments.

**Approach # 4. Time Management:**

It contributes a great deal in handling stress. The individual should firstly avoid the superhuman urge to do more than what he/she is capable of. They should learn to say 'no' to tasks that are beyond their capacities of time and energy.

Scheduling meetings and prioritizing tasks leads to the completion of tasks, both simple and complex, within a given time frame. However, the individual has to be disciplined and needs to stick to the daily, weekly, or monthly agenda so as to achieve the target goals. This not only reduces stress but also ensures that targets are met on time.

**Approach # 5. Physical and Psychological Withdrawal:**

Scheduling of activities has another advantage. The worker is able to keep some time away from the workplace to relax and be with oneself. This time may be spent in relaxation, with family and friends, recreational activities, hobbies, travelling, or simply introspecting.

Employees who keep some time aside to physically and psychologically withdraw from work-related responsibilities are able to tackle work with renewed vigour the next day. Annual

vacations and weekly offs are ways in which organizations aid the worker in withdrawing from work. Apart from that, many companies organize vacations and picnics exclusively for their staff; not only to reward them for their year round hard work but also to entertain and rejuvenate them.

**Approach # 6. Accepting Your Mistakes:**

Mistakes are a part of human life and work. In fact an individual's mistakes are stepping stones to success. An individual can avoid considerable amount of stress by avoiding egoistic behaviour and owning up to errors in actions and decisions, as and when applicable. The world need not be always as the individual expects it to be.

In an organization, employees may clash over technology, skills, methods, and knowledge. Excessive worry or adamant behaviour not only causes stress, but is also viewed by others as immature behaviour. An intelligent employee not only accepts mistakes but is also open and receptive to change.

This attitude is relevant to the top-level management as it is their openness to change that directs the organization towards new avenues. Hopeless cases are rare. One should never lose faith in the possibility of change.

**Approach # 7. Developing a Positive Attitude towards Life:**

Adopting a positive attitude towards life goes a long way in dealing with stress. It helps the individual to deal better with the problems of daily life. Positive orientation and attitude towards life bring optimism in responding to the situations and help in overcoming worry and anxiety.

Having a positive attitude helps us in seeing the bright side of life and expecting the best to happen. It is basically a state of mind worth developing as it prepares and enables us to handle, cope with, and manage stress. An individual should learn to enjoy life and recollect happy memories. One should understand that obsession with difficulties or indulging in self-pity does not help.

- **SOURCES OF STRESS:**

If you poll a group of individuals about what their biggest stressors are, they're likely to give you these four answers:

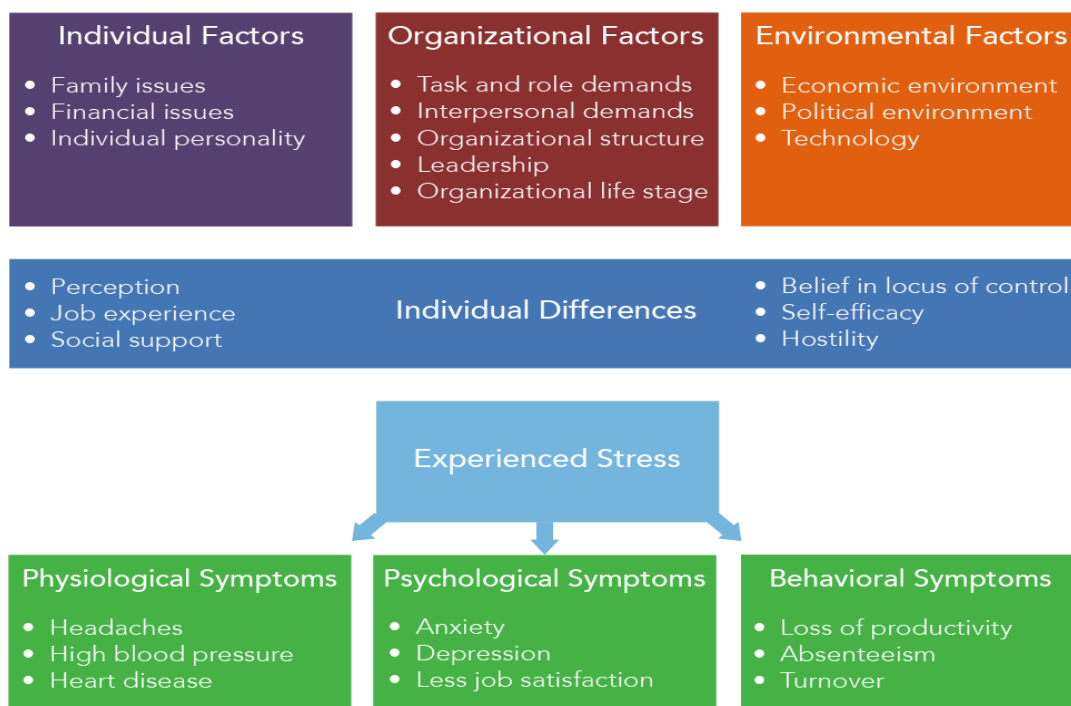
- Money



- Work
- Family responsibilities
- Health concerns

In most surveys on stress and its causes, these four responses have been at the top of the list for quite a long time, and I'm sure you weren't surprised to read them. But managers should take pause when they realize that all four of these are either directly or indirectly impacted by the workplace.

Still, there are so many differences among individuals and their stressors. Why is one person's mind-crippling stress another person's biggest motivation and challenge? We're going to attempt to answer this by looking at the three sources of stress—individual, organizational, and environmental—and then add in the concept of human perception in an attempt to understand this conundrum.



## 1. INDIVIDUAL FACTORS

The first of three sources of stress is individual. Individuals might experience stressful commutes to work, or a stressful couple of weeks helping at a work event, but those kinds of temporary, individual stresses are not what we're looking at here. We're looking for a deeper, longer-term stress.

**Family stress**—marriages that are ending, issues with children, an ailing parent—these are stressful situations that an employee really can't leave at home when he or she comes to work. Financial stress, like the inability to pay bills or an unexpected new demand on a person's cash flow might also be an issue that disturbs an employee's time at work. Finally, an individual's own personality might actually contribute to his or her stress. People's dispositions—how they perceive things as negative or positive—can be a factor in each person's stress as well.

## 2. ORGANIZATIONAL FACTORS

There's a plethora of organizational sources of stress.

- **Task or role demands:** these are factors related to a person's role at work, including the design of a person's job or working conditions. A stressful task demand might be a detailed, weekly presentation to the company's senior team. A stressful role demand might be where a person is expected to achieve more in a set amount of time than is possible.
- **Interpersonal demands:** these are stressors created by co-workers. Perhaps an employee is experiencing ongoing conflict with a co-worker he or she is expected to collaborate closely with. Or maybe employees are experiencing a lack of social support in their roles.
- **Organizational structure:** this refers to the level of differentiation within an organization, the degree of rules and regulations, and where decisions are made. If employees are unable to participate in decisions that affect them, they may experience stress.

- **Organizational leadership:** this refers to the organization's style of leadership, particularly the managerial style of its senior executives. Leaders can create an environment of tension, fear and anxiety and can exert unrealistic pressure and control. If employees are afraid they'll be fired for not living up to leadership's standards, this can definitely be a source of stress.
- **Organizational life stage:** an organization goes through a cycle of stages (birth, growth, maturity, decline). For employees, the birth and decline of an organization can be particularly stressful, as those stages tend to be filled with heavy workloads and a level of uncertainty about the future.

### 3. ENVIRONMENTAL FACTORS

Finally, there are environmental sources of stress. The economy may be in a downturn, creating uncertainty for job futures and bank accounts. There may be political unrest or change creating stress. Finally, technology can cause stress, as new developments are constantly making employee skills obsolete, and workers fear they'll be replaced by a machine that can do the same. Employee are also often expected to stay connected to the workplace 24/7 because technology allows it.

➤ **INDIVIDUAL DIFFERENCES**



Those are the sources of stress, but differences within an individual determine whether that stress will be positive or negative. Those individual differences include

- **Perception.** This is what moderates the individual's relationship to the stressor. For instance, one person might see a potential layoff as a stressful situation, while another person might see that same layoff as an opportunity for a nice severance package and the opportunity to start a new business.
- **Job Experience.** Because stress is associated with turnover, it would stand to reason that those employees with a long tenure are the most stress-resistant of the bunch.
- **Social Support.** Co-workers, especially those who are caring or considered to be friends, can help protect a fellow employee against the affects of stress.

- **Belief in locus of control.** Those who have a high internal locus of control (those that believe they are in control of their own fate) are, unsurprisingly, not as affected by stress as those who feel they are not in control.
- **Self-efficacy.** Self-efficacy is an individual's belief that he or she can complete a task. Research shows that employees who have strong levels of self-efficacy are more resistant to the effects of stress.
- **Hostility.** Some employees carry around a high level of hostility as a part of their personalities, and they're often suspicious and distrustful of their co-workers. These personality traits make a person more susceptible to stress.

If those potential sources of stress sneak through the individual difference filters and manifest themselves as stress, they will appear in a variety of physiological, psychological and behavioral symptoms. We reviewed the physiological symptoms when we talked about the definition of stress. Add to that psychological symptoms, like tension and anxiety, but also job dissatisfaction and boredom, and behavioral symptoms, like turnover and absenteeism, and you can see how stress can become an organizational problem.

## **ORGANIZATIONAL CULTURE**

### ➤ **What is culture ?**

The attitude, traits and behavioral patterns which govern the way an individual interacts with others is termed as culture. Culture is something which one inherits from his ancestors and it helps in distinguishing one individual from the other.

### ➤ **What is organization culture?**

Every human being has certain personality traits which help them stand apart from the crowd. No two individuals behave in a similar way. In the same way organizations have certain values, policies, rules and guidelines which help them create an image of their own.

- ✓ **Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves.**
- ✓ Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust well.
- Under this set of definitions, organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations (Ravasi & Schultz, 2006)

➤ **TWO TYPES OF ORGANIZATION CULTURE:**

- **Strong Organization Culture:** Strong organizational culture refers to a situation where **the employees adjust well, respect the organization's policies and adhere to the guidelines.** In such a culture people enjoy working and take every assignment as a new learning and try to gain as much as they can. They accept their roles and responsibilities willingly.
- **Weak Organization Culture:** In such a culture **individuals accept their responsibilities out of fear of superiors and harsh policies.** The employees in such a situation do things out of compulsion. They just treat their organization as a mere source of earning money and never get attached to it.

➤ **Types of Organization Culture**

**1. Normative Culture:** In such a culture, **the norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines.** The employees behave in an ideal way and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.

**2. Pragmatic Culture:** In a pragmatic (practical) culture, more emphasis is placed on the clients and the external parties. **Customer satisfaction is the main motive of the employees in a pragmatic culture.** Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.

**3. Academy Culture:** Organizations following academy culture **hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work experience of the employees.** Organizations following academy culture are very particular about **training the existing employees.** They ensure that various training programmes are being conducted at the workplace to hone the skills of the employees. The management makes sincere efforts to upgrade the knowledge of the employees to improve their

professional competence. **The employees in an academy culture stick to the organization for a longer duration and also grow within it.** Educational institutions, universities, hospitals practice such a culture.

**4. Baseball team Culture:** A baseball team culture considers the employees as the most treasured possession of the organization. The employees are the true assets of the organization who have a major role in its successful functioning. In such a culture, the individuals always have an upper edge and they do not bother much about their organization. **Advertising agencies, event management companies, financial institutions follow such a culture.**

**5. Club Culture:** Organizations following a club culture are very particular about the employees they recruit. The individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.

**6. 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. Stock broking industries follow such a culture.

**7. Tough Guy Culture:** In a tough guy culture, feedbacks are essential. The performance of the employees is reviewed from time to time and their work is thoroughly monitored. Team managers are appointed to discuss queries with the team members and guide them whenever required. The employees are under constant watch in such a culture.

**8. Bet your company Culture:** Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.

**9. Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work



according to the ideologies of the workplace. All government organizations follow such a culture.

➤ **IMPORTANCE OF ORGANIZATION CULTURE**

**1. The culture decides the way employees interact at their workplace.** A healthy culture encourages the employees to stay motivated and loyal towards the management.

**2. The culture of the workplace also goes a long way in promoting healthy competition at the workplace.** Employees try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.

**3. Every organization must have set guidelines for the employees to work accordingly. The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace.** Every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines.

**4. No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. The work culture goes a long way in creating the brand image of the organization.** The work culture gives an identity to the organization. In other words, an organization is known by its culture.

**5. The organization culture brings all the employees on a common platform.** The employees must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the employees to adjust well in the organization culture for them to deliver their level best.

**6. The work culture unites the employees who are otherwise from different back grounds, families and have varied attitudes and mentalities.** The culture gives the employees a sense of unity at the workplace.

7. **Certain organizations follow a culture** where all the employees irrespective of their designations have to step into the office on time. Such a culture encourages the employees to be punctual which eventually benefits them in the long run. It is the culture of the organization which makes the individuals a successful professional.

8. **Every employee is clear with his roles and responsibilities** and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new employees also try their level best to understand the work culture and make the organization a better place to work.

9. **The work culture promotes healthy relationship amongst the employees.** No one treats work as a burden and moulds himself according to the culture.

10. **It is the culture of the organization which extracts the best out of each team member.** In a culture where management is very particular about the reporting system, the employees however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace.

#### ➤ **FACTORS AFFECTING ORGANIZATION CULTURE**

**1. Individual working with the organization.** The employees in their own way contribute to the culture of the workplace. The attitudes, mentalities, interests, perception and even the thought process of the employees affect the organization culture.

**Example** - Organizations which hire individuals from army or defence background tend to follow a strict culture where all the employees abide by the set guidelines and policies. The employees are hardly late to work. It is the mindset of the employees which forms the culture of the place. Organizations with majority of youngsters encourage healthy competition at the workplace and employees are always on the toes to perform better than the fellow workers.

**2. The Gender of the employee** also affects the organization culture. Organizations where male employees dominate the female counterparts follow a culture where late sitting is a normal

feature. The male employees are more aggressive than the females who instead would be caring and softhearted.

**3. The nature of the business** also affects the culture of the organization. Stock broking industries, financial services, banking industry are all dependent on external factors like demand and supply, market cap, earning per share and so on. When the market crashes, these industries have no other option than to terminate the employees and eventually affect the culture of the place. Market fluctuations lead to unrest, tensions and severely demotivate the individuals. The management also feels helpless when circumstances can be controlled by none. Individuals are unsure about their career as well as growth in such organizations.

**4. The culture of the organization is also affected by its goals and objectives.** The strategies and procedures designed to achieve the targets of the organization also contribute to its culture.

Individuals working with government organizations adhere to the set guidelines but do not follow a procedure of feedback thus forming its culture. Fast paced industries like advertising, event management companies expect the employees to be attentive, aggressive and hyper active.

**5. The clients and the external parties** to some extent also affect the work culture of the place. Organizations catering to UK and US Clients have no other option but to work in shifts to match their timings, thus forming the culture.

**6. The management and its style of handling the employees** also affect the culture of the workplace. There are certain organizations where the management allows the employees to take their own decisions and let them participate in strategy making. In such a culture, employees get attached to their management and look forward to a long term association with the organization. The management must respect the employees to avoid a culture where the employees just work for money and nothing else. They treat the organization as a mere source of earning money and look for a change in a short span of time.

➤ **SIX DIMENSIONS OF ORGANIZATIONAL CULTURE:**

**1. Means- vs. goal-oriented**

A *means-oriented* culture places importance on *how* work gets done. The focus is on the way people do work and an emphasis on avoiding risk. On the opposite end of the spectrum, a *goal-oriented* culture identifies with *what* work gets done. There is a strong focus on achieving an end result. Of the six dimensions, this dimension correlates most strongly with organizational effectiveness; organizations with goal-oriented cultures are more effective than those with means-oriented cultures.

**2. Internally vs. externally driven**

Employees within an *internally-driven* culture see themselves as experts; they feel they know what is best for the client and customer and act accordingly. As Steve Jobs put it, “A lot of times, people don’t know what they want until you show it to them.” On the other side, employees working in an *externally-driven* culture are very customer-oriented and will do whatever the customer wants. Their mantra might be, “the customer is always right” and their favorite metric *customer satisfaction*.

**3. Easygoing vs. strict work discipline**

Work discipline refers to the amount of structure and control. In an *easygoing culture*, the approach to work is informal, loose, unpredictable, and these characteristics facilitate a high level of innovation. But you better like surprises and be willing to improvise and adapt! In a *strict culture*, there is a fair amount of planning, which leads to efficiency and productivity. People take punctuality seriously and delegate work with detailed instructions.

**4. Local vs. professional**

In a *local organizational* culture, employees identify with their boss and their teammates. This type of environment risks having a low level of diversity, since there are social pressures to act, look, and talk in a certain way. However, these defined norms allow for a great amount of predictability. In a company with a *professional* culture, employees identify with their profession or the content of the work.

### 5. Open vs. closed system

In an *open system*, newcomers are welcomed easily. People are inclusive and take the approach that anyone will fit in well with the organization. A *closed system* is more exclusive, where newcomers have to prove themselves. Open cultures have managers and leaders who are approachable, and thus tend to see higher employee satisfaction.

### 6. Employee- vs. work-centered

In a culture with an **employee-centered** management philosophy, leaders take responsibility for the happiness, well-being, and satisfaction of their employees. This is true even if it is at the expense of productivity. In a *work-centered* culture, a focus on high task performance can come at the expense of employees. In this environment, there is a low level of empathy for personal problems.

**UNIT-I & UNIT-II****➤ IMPORTANT QUESTIONS****✓ SHORT QUESTIONS:**

1. Classical conditioning theory
2. Halo effect
3. Behavior modification
4. Motives and Motivation
5. Role of Learning in Managerial Decisions
6. Attitude
7. Individual Behavior
8. Social Perception
9. Stereotyping
10. Nature of organizational behavior
11. Financial motivators
12. Personality traits
13. What is the importance of OB?
14. Distinguish between Attitude and Perception?
15. Discuss the types of motivation
16. Operant conditioning theory
17. Social learning theory
18. Characteristics of learning
19. Components of attitude
20. Define Vroom and Porter – Lawler

✓ **LONG QUESTIONS:**

**Q1.**“Organizational Behavior represents interaction among individuals, groups and organizations.” Elucidate.

**Q2.** What is organizational behavior? What is its scope? What is the necessity of studying this subject?

**Q3.** Discuss the challenges and opportunities for Organizational Behavior

**Q4.** Define organizational behavior. Explain its relevance in today’s business environment.

**Q5.** What are the major factors that determine individual behavior?

**Q6.** What is personality? What are its major determinants?

**Q7.** Critically examine Herzberg's Two Factor Theory.

**Q8.** Discuss the various barriers to perception and how to overcome them.

**Q9.** What is an attitude? Discuss how attitude are formed.

**Q10.** Discuss in detail Mc Gregor’s theory of X and theory Y.

**Q11.** Explain Maslow's hierarchy of human needs. What is the significance of Maslow’s Theory of motivation?

**Q12.** Discuss the foundation of individual behaviour.

**Q13.** Personality is the sum total of innate and acquired depositions. Explain.

**Q14.** Explain perception process in detail.

**Q15.** Discuss the factors affecting perception selectivity.

**Q16.** Define attitude. Explain in detail the types of work related attitude.

**Q17.** Explain the theories of learning with example.

**Q18.** Explain classical conditioning and operant conditioning theory in detail with example.

**Q19.** Discuss the process of Learning. What are the components of organizational learning? Do they differ from individual learning? Explain.

**Q20.** Define motivation. Discuss its characteristics. Explain the McGregor theory of Motivation

### **UNIT-III**

#### **IMPORTANT QUESTIONS**

##### **➤ SHORT QUESTIONS**

1. Group dynamics
2. Group development
3. Group cohesiveness
4. Work Teams
5. Autocratic Leadership
6. Laissez faire
7. Free rein style of leadership
8. Discuss the stages of group formation.
9. Distinguish between Group and Team
10. What is Virtual Teams?
11. Trait theory
12. Behavioral theory

##### **➤ LONG QUESTIONS:**

**Q1.** What is the difference between team and group? What are the stages of group formation and how intergroup behavior influences the organization.

**Q2.** Discuss the concept of Group dynamics. Explain its significance towards attaining long term and short term goals of the organization

**Q3.** What are the consequences of group Cohesiveness?

**Q4.** “A good leader helps his subordinate to solve problems by themselves”. Comment.

**Q5.** Explain the process of group formation, outlining the hindrance in it and how can they be Overcome to form effective groups.

**Q6.** Describe the leadership styles usually adopted in management of business. What



is the process of effective leadership?

**Q7.** Define work teams. What are the strategies for creating effective work teams.

**Q8.** Define group dynamics. What are the various principles and features of group dynamics?

#### **UNIT-IV**

#### **IMPORTANT QUESTIONS**

##### **➤ SHORT QUESTIONS**

1. Define intergroup conflict and intra group Conflict
2. Stress management
3. Role Conflict
4. Functional and Dysfunctional conflict
5. Goal conflict
6. Organization Culture
7. Approach- Approach Conflict
8. Process/Stages of conflict
9. Eustress
10. Dimensions of Organizational culture
11. Discuss the organizational stress coping strategies

➤ **LONG QUESTIONS:**

**Q1.** Corporate culture and organizational effectiveness are interrelated to each other'. Comment upon the statement.

**Q2.** What is change? Why employees resist for change and in such circumstances what approaches are effective in managing organizational change.

**Q3.** Define how culture can be created and sustained.

**Q4.** Does stress adversely affect the performance of an organisation? If yes then how can it be managed?

**Q5.** Define organization culture and also explain the main characteristics and components/ dimensions of organization culture.

**Q6.** What are individual and group stressors? Discuss in detail stress coping strategies?

**Q7.** Discuss the various sources of conflict management.

**Q8.** What is conflict management? Discuss its approaches in detail.

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Total No. of Pages : 02

Total No. of Questions : 09

BBA (2013 to 2017)/BRDM/B.SIM (2014 & Onwards) (Sem.-2)

**ORGANIZATION BEHAVIOUR**

Subject Code : BBA-201

Paper ID : [C0240]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

**SECTION-A**

**Q1 Answer briefly :**

1. What is the importance of OB?
2. Distinguish between Attitude and Perception?
3. What is group cohesiveness?
4. Discuss the types of motivation.
5. Discuss the stages of group formation.
6. Distinguish between Group and Team?
7. What is halo effect?
8. Discuss the organizational stress coping strategies.
9. What is Virtual Teams?
10. Define Managerial Grid.

## **SECTION-B**

### **UNIT-I**

- Q2. Discuss the relevance of OB in today's business environment.
- Q3. What is Organizational Behaviour? Discuss the role of contributing discipline in Organizational Behaviour.

### **UNIT-II**

- Q4. Explain Maslow's hierarchy of human needs. What is the significance of Maslow's Theory of motivation?
- Q5. Discuss the foundation of individual behaviour.

### **UNIT-III**

- Q6. Explain the process of group formation, outlining the hindrance in it and how can they be overcome to form effective groups.
- Q7. Describe the principal leadership styles usually adopted in management of business. What is the process of effective leadership?

### **UNIT-IV**

- Q8. Define organization culture and also explain the main characteristics and components of culture.
- Q9. What are individual and group stressors? Discuss in detail stress coping strategies?.

**NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.**