

CHP-1 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

➤ **What is an Organization?**

Organization is two or more individuals who are interacting with each other within a deliberately structured set up and working in an interdependent way to achieve some common objective/s.

What is Behaviour?

It is the behaviour of the people working in an organization to achieve common goals or objectives. Organization comprises of people with different attitudes, cultures, beliefs, norms and values.

Organizational Behaviour can be defined as the study of what people think, feel, and do in and around organizations. The study of Organizational Behaviour facilitates the process of explaining, understanding) predicting, maintaining, and changing employee behaviour in an organizational setting. The value of organizational behaviour is that: it isolates important aspects of the manager 's job and offers specific perspective on the human side of management:

- People as organizations,
- People as resources,
- People as people

In other words, it involves the understanding, prediction and control of human behaviour and factors affecting their performance and interaction among the organizational members. And because organizational behaviour is concerned specifically with employment – related situations, you should not be surprised to find that it emphasizes behaviour as related- to concerns such as jobs, work, absenteeism, employment turnover, productivity, human performance and management.

➤ **What Managers Do??**

Managers are Individuals who achieve goals through other people. They

- Make decisions
- Allocate resources
- Direct activities of others to attain goals.

Organizations exist to achieve goals and Managers perform four management functions to achieve the goal:

Planning: A process that includes defining goals, establishing strategy, and developing plans to coordinate activities.

Organizing: Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Leading: A function that includes motivating employees, directing others, selecting the most effective communication channels, and resolving conflicts.

Controlling: Monitoring activities to ensure they are being accomplished as planned and correcting any significant deviations.

➤ **Management Skills:** The three essential skills or competencies are:

1. **Technical skills** – involve process or technique knowledge and proficiency in a certain specialized field, such as engineering, computers, accounting, or manufacturing. These skills are more important at lower levels of management since these managers are dealing with employees doing the organization's work. The technical skill involves the manager's understanding of the nature of job that people under him have to perform. It refers to a person's knowledge and proficiency in any type of process or technique. In a production department, this would mean an understanding of the technicalities of the process of production. Whereas this type of skill and competence seems to be more important at the lower levels of management, its relative importance as a part of the managerial role

diminishes as the manager moves to higher positions. In higher functional positions, such as the position of a marketing manager or production manager, the conceptual component, related to these functional areas becomes more important and the technical component becomes less important and the technical component becomes less important.

2. **Human Skills** – involve the ability to interact effectively with people. Managers interact and cooperate with employees. Because managers deal directly with people, this skill is crucial. Managers with good human skills are able to get best out of their people. They know how to communicate, motivate, lead, and inspire enthusiasm and trust. These skills are equally important at all levels of management. Human skills are also the ability to interact effectively with people at all levels. This skill develops in the manager sufficient ability:

- a) to recognize the feelings and sentiments of others
- b) to judge the possible reactions to, and outcomes of various courses of action he may undertake
- c) To examine his own concepts and values this may enable him to develop more useful attitudes about himself.

3. **Conceptual Skills**- involve the formulation of ideas, conceptualization about abstract and complex situations. Managers understand abstract relationships, develop ideas and solve problems creatively. Using these skills, managers must be able to see the organization as a whole. They have to understand the relationships among various sub units, and visualize how organization fits into its border environment. These skills are most important at the top management levels. Conceptual skills refer to the ability of a manager to take a broad and far sighted view of the organization and its future, his ability to think in abstract, his ability to analyze the forces working in a situation, his creative and innovative ability and his ability to assess the environment and the changes taking place in it. In short, it is his ability to conceptualize the environment, the organization, and his won job, so that he can set appropriate goals for his organization, for himself and for his team. This skill seems to increase in importance as a manager move up to higher positions of responsibility in the organization. Thus, technical skill deals with things, human skills concerns people, and conceptual-skill has to do with ideas.

➤ **MANAGEMENT ROLES**

As a manager, you probably fulfill many different roles every day.

For instance, as well as leading your team, you might find yourself resolving a conflict, negotiating new contracts, representing your department at a board meeting, or approving a request for a new computer system.

Put simply, you're constantly switching roles as tasks, situations, and expectations change. Management expert and Professor Henry Mintzberg recognized this, and he argued that there are ten primary roles or behaviours that can be used to categorize a manager's different functions.

The Roles: Mintzberg published his Ten Management Roles in his book, "Mintzberg on Management: Inside our Strange World of Organizations," in 1990. The ten roles are:

1. Figurehead.
2. Leader.
3. Liaison.
4. Monitor.
5. Disseminator.
6. Spokesperson.
7. Entrepreneur.
8. Disturbance Handler.
9. Resource Allocator.
10. Negotiator.

The 10 roles are then divided up into three categories, as follows:

Category	Roles
Interpersonal	Figurehead Leader Liaison
Informational	Monitor Disseminator Spokesperson
Decisional	Entrepreneur Disturbance Handler Resource Allocator Negotiator

Let's look at each of the ten managerial roles in greater detail.

Interpersonal Category

The managerial roles in this category involve **providing** information and ideas.

1. **Figurehead** – As a manager, you have social, ceremonial and legal responsibilities. You're expected to be a source of inspiration. People look up to you as a person with authority, and as a figurehead.
2. **Leader** – This is where you provide leadership for your team, your department or perhaps your entire organization; and it's where you manage the performance and responsibilities of everyone in the group.
3. **Liaison** – Managers must communicate with internal and external contacts. You need to be able to network effectively on behalf of your organization.

Informational Category

The managerial roles in this category involve **processing** information.

4. **Monitor** – In this role, you regularly seek out information related to your organization and industry, looking for relevant changes in the environment. You also monitor your team, in terms of both their productivity, and their well-being.
5. **Disseminator** – This is where you communicate potentially useful information to your colleagues and your team.
6. **Spokesperson** – Managers represent and speak for their organization. In this role you're responsible for transmitting information about your organization and its goals to the people outside it.

Decisional Category The managerial roles in this category involve **using** information.

7. **Entrepreneur** – As a manager, you create and control change within the organization. This means solving problems, generating new ideas, and implementing them.
8. **Disturbance Handler** – When an organization or team hits an unexpected roadblock, it's the manager who must take charge. You also need to help mediate disputes within it.
9. **Resource Allocator** – You'll also need to determine where organizational resources are best applied. This involves allocating funding, as well as assigning staff and other organizational resources.
10. **Negotiator** – You may be needed to take part in, and direct, important negotiations within your team, department, or organization.

Effective vs. Successful Managerial Activities

Luthans (1988), on the basis of his study, found that all managers engage in four managerial activities.

1. **Traditional management**— This activity consists of planning, decision making, and controlling. The average manager spent 32 percent of his or her time performing this activity, whereas successful managers spend 13% and effective managers spend 13% of their time in this activity.
2. **Communication**—This activity consists of exchanging routine information and processing paperwork. The average manager spent 29 percent of his or her time performing this activity while successful manager spends 28% and effective managers spend 44% of their time in this activity.
3. **Human resource management**— this activity consists of motivating, disciplining, managing conflict, staffing, and training. The average manager spent 20 percent of his or her time performing this activity, while successful manager spends 11% and effective managers spend 26% of their time in this activity.
4. **Networking**—this activity involves socializing, politicking, and interacting with outsiders. The average manager spent 19 percent of his or her time performing this activity; while successful manager spends 48% and successful manages spend 11% of their time in this activity.

It was found that successful managers spent more time and effort in socializing, interacting and networking. They did not spend much time to the traditional management activities or to the human resource management activities (Luthans, 1988).

➤ **DISCIPLINES THAT CONTRIBUTE TO ORGANIZATIONAL BEHAVIOUR FIELD**

Organizational behaviour is an applied behavioural science that is built on contributions from a number of behavioural disciplines such as psychology, sociology, social psychology, anthropology, economics and Political Science.

A. Psychology

Psychology is the study of human behaviour which tries to identify the characteristics of individuals and provides an understanding why an individual behaves in a particular way. This thus provides us with useful insight into areas such as human motivation, perceptual processes or personality characteristics.

B. Sociology

Sociology is the study of social behaviour, relationships among social groups and societies, and the maintenance of social order. It is a study of people in relation to their social environment or culture. The main focus of attention is on the social system.

This helps us to appreciate the functioning of individuals within the organization which is essentially a socio-technical entity.

C. Social Psychology

Social psychology is the study of human behaviour in the context of social situations. It is an area of psychology that blends concepts from sociology and psychology to focus on the influence of people on one another. This essentially addresses the problem of understanding the typical behavioural patterns to be expected from an individual when he takes part in a group.

D. Anthropology

Anthropology is the science of mankind and the study of human behaviour as a whole. The main focus of attention is on the cultural system, beliefs, customs, ideas and values within a group or society and the comparison of behaviour among different cultures. In the context of today's organizational scenario. It is very important to appreciate the differences that exist among people coming from different cultural backgrounds as people are often found to work with others from the other side of the globe.

E. Economics

Any organization to survive and sustain must be aware of the economic viability of their effort. This applies even to the non-profit and voluntary organizations as well.

F. Political Science

Although frequently overlooked, the contributions of political scientists are significant to the understand arrangement in organizations. It studies individuals and groups within specific conditions concerning the power dynamics.

Important topics under here include structuring of conflict, allocation of power and how people manipulate power for individual self-interest etc.

➤ **INDIVIDUAL BEHAVIOUR Biographical Characteristics**

Biographical characteristics such as Age, Gender, Race and disability are some of the most obvious ways employees differ. Finding and analyzing the variables that have an impact on employee productivity, absence, turnover, and satisfaction is often complicated. Many of the concepts—motivation, or power, politics or organizational culture—are hard to assess.

Other factors are more easily definable and readily available—data that can be obtained from an employee's personnel file and would include characteristics such as:

- Age
- Gender
- Marital status
- Length of service, etc.

A. Age

1. The relationship between age and job performance is increasing in importance.

- First, there is a widespread belief that job performance declines with increasing age.
- Second, the workforce is aging; workers over 55 are the fastest growing sector of the workforce.

2. Employers' perceptions are mixed.

- They see a number of positive qualities that older workers bring to their jobs, specifically experience, judgment, a strong work ethic, and commitment to quality.
- Older workers are also perceived as lacking flexibility and as being resistant to new technology.
- Some believe that the older you get, the less likely you are to quit your job. That conclusion is based on studies of the age-turnover relationship.

3. It is tempting to assume that age is also inversely related to absenteeism.

- Most studies do show an inverse relationship, but close examination finds that the age-absence relationship is partially a function of whether the absence is avoidable or unavoidable.
- In general, older employees have lower rates of avoidable absence. However, they have higher rates of unavoidable absence, probably due to their poorer health associated with aging and longer recovery periods when injured.

4. There is a widespread belief that productivity declines with age and that individual skills decay over time.

- Reviews of the research find that age and job performance are unrelated.
- This seems to be true for almost all types of jobs, professional and nonprofessional.

5. The relationship between age and job satisfaction is mixed.

- Most studies indicate a positive association between age and satisfaction, at least up to age 60.

- Other studies, however, have found a U-shaped relationship. When professional and nonprofessional employees are separated, satisfaction tends to continually increase among professionals as they age, whereas it falls among non professionals during middle age and then rises again in the later years.

B. Gender

1. There are few, if any, important differences between men and women that will affect their job performance, including the areas of:

- Problem-solving
- Analytical skills
- Competitive drive
- Motivation
- Sociability
- Learning ability

2. Women are more willing to conform to authority, and men are more aggressive and more likely than women to have expectations of success, but those differences are minor.

3. There is no evidence indicating that an employee's gender affects job satisfaction.

4. There is a difference between men and women in terms of preference for work schedules.

- Mothers of preschool children are more likely to prefer part-time work, flexible work schedules, and telecommuting in order to accommodate their family responsibilities.

5. Absence and turnover rates

- Women's quit rates are similar to men's.
- The research on absence consistently indicates that women have higher rates of absenteeism.
- The logical explanation: cultural expectation that has historically placed home and family responsibilities on the woman.

C. Ability

We were not all created equal; most of us are to the left of the median on some normally distributed ability curve.

Everyone has strengths and weaknesses in terms of ability in performing certain tasks or activities; the issue is knowing how people differ in abilities and using that knowledge to increase performance.

Ability refers to an individual's capacity to perform the various tasks in a job. It is a current assessment of what one can do.

Individual overall abilities are made up of two sets of factors: intellectual and physical.

Intellectual Abilities

Intellectual abilities are those needed to perform mental activities. IQ tests are designed to ascertain one's general intellectual abilities. Examples of such tests are popular college admission tests such as the CET, GMAT, and LSAT.

The seven most frequently cited dimensions making up intellectual abilities are: number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory.

1. Jobs differ in the demands they place on incumbents to use their intellectual abilities. For example, the more information-processing demands that exist in a job, the more general intelligence and verbal abilities will be necessary to perform the job successfully.
2. A careful review of the evidence demonstrates that tests that assess verbal, numerical, spatial, and perceptual abilities are valid predictors of job proficiency at all levels of jobs. The major dilemma faced by employers who use mental ability tests is that they may have a negative impact on racial and ethnic groups.
3. New research in this area focuses on -multiple intelligences,|| which breaks down intelligence into its four sub-parts: cognitive, social, emotional, and cultural.

Physical Abilities

1. Specific physical abilities gain importance in doing less skilled and more standardized jobs.
2. Research has identified nine basic abilities involved in the performance of physical tasks.
3. Individuals differ in the extent to which they have each of these abilities.
4. High employee performance is likely to be achieved when management matches the extent to which a job requires each of the nine abilities and the employees' abilities.

C. Marital Status

1. There are not enough studies to draw any conclusions about the effect of marital status on job productivity.

Research consistently indicates that married employees have fewer absences, undergo fewer turnovers, and are more satisfied with their jobs than are their unmarried co-workers.

2. More research needs to be done on the other statuses besides single or married, such as divorce, domestic partnering, etc..

D. Tenure

The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.

Extensive reviews of the seniority-productivity relationship have been conducted:

There is a positive relationship between tenure and job productivity. There is a negative relationship between tenure to absence.

Tenure is also a potent variable in explaining turnover.

Tenure has consistently been found to be negatively related to turnover and has been suggested as one of the single best predictors of turnover. The evidence indicates that tenure and satisfaction are positively related.

E. The Ability-Job Fit

1. Employee performance is enhanced when there is a high ability-job fit.
2. The specific intellectual or physical abilities required depend on the ability requirements of

the job. For example, pilots need strong spatial- visualization abilities.

3. Directing attention at only the employee's abilities, or only the ability requirements of the job, ignores the fact that employee performance depends on the interaction of the two.
4. When the fit is poor employees are likely to fail.
5. When the ability-job fit is out of sync because the employee has abilities that far exceed the requirements of the job, performance is likely to be adequate, but there will be organizational inefficiencies and possible declines in employee satisfaction.
6. Abilities significantly above those required can also reduce the employee's job satisfaction when the employee's desire to use his or her abilities is particularly strong and is frustrated by the limitations of the job.

LEARNING & PROCESS OF LEARNING

All complex behaviour is learned. If we want to explain and predict behaviour, we need to understand how people learn.

DEFINITION OF LEARNING

What is learning? A generally accepted definition is -any relatively permanent change in behaviour that occurs as a result of experience.

The definition suggests that we shall never see someone -learning. We can see changes taking place but not the learning itself.

The definition has several components that deserve clarification:

- First, learning involves change.
- Second, the change must be relatively permanent.
- Third, our definition is concerned with behaviour.
- Finally, some form of experience is necessary for learning.

PROCESS OF LEARNING

Social Learning

1. Individuals can also learn by observing what happens to other people, by being told about something, as well as by direct experiences.
2. Learning by observing is an extension of operant conditioning; it also acknowledges the existence of observational learning and the importance of perception in learning.
3. The influence of models is central to social learning.
4. Four processes determine the influence that a model will have on an individual.
 - Attentional processes: People learn from a model only when they recognize and pay attention to its critical features.
 - Retention processes: A model's influence will depend on how well the individual remembers the model's action after the model is no longer readily available.
 - Motor reproduction processes: After a person has seen a new behaviour by observing the model, the watching must be converted to doing.
 - Reinforcement processes. Individuals will be motivated to exhibit the modelled behaviour if positive incentives or rewards are provided.

The Factors Which Influence Individual Behaviour at Work

The major factors that influence individual differences in behavioural patterns are demographic factors, abilities and skills, perception, attitudes and personality. , They are as follows:-

1. **Demographic Factors:** The demographic factors are socio economic background, education, nationality, race, age, sex, etc. Organisations prefer persons that belong to good socio-economic background, well educated, young etc as they are believed to be performing better than the others. The young and dynamic professionals that have good academic background and effective communication skills are always in great demand. The study of demographic factors is

significant as it helps managers to pick the suitable candidate for a particular job.

2. **Abilities and Skills:** The physical capacity of an individual to do something can be termed as ability. Skill can be defined as the ability to act in a way that allows a person to perform well. The individual behaviour and performance is highly influenced by ability and skills. A person can perform well in the organisation if his abilities and skills are matched with the job requirement. The managers plays vital role in matching the abilities and skills of the employees with the particular job requirement.

3. **Perception:** The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception. Every individual on the basis of his/he reference can organize and interpret environmental stimuli. There are many factors that influence the perception of an individual. The study of perception plays important role for the managers. It is important for managers to create the favourable work environment so that employees perceive them in most favourable way. The employees are likely to perform better if they are going to perceive it in a positive way.

4. **Attitude:** According to psychologists, attitude can be defined as a tendency to respond favourably or unfavourably to certain objects, persons or situations. The factors such as family, society, culture, peers and organisational factors influence the formation of attitude. The managers in an organisation need to study the variables related to job as to create the work environment in a favourable way that employees are tempted to form a positive attitude towards their respective jobs. The employees can perform better in the organisation if they form a positive attitude.

5. **Personality:** Personality can be defined as the study of the characteristics and distinctive traits of an individual, the inter-relations between them and the way in which a person responds and adjusts to other people and situations. The several factors that influence the personality of an individual are heredity, family, society, culture and situation. It implies to the fact that individuals differ in their manner while responding to the organizational environment.

Personality can be regarded as the most complex aspect of human beings that influences their behaviour in big way. It can be concluded that the study of personality traits offers an opportunity to understand the individuals.

It helps them properly in directing their effort and motivating them for the accomplishment of the organisational goal. It refers to the fact that different environmental factors may generate different responses. The study of these responses is very important for the organisation. Every organisation demands a particular type of behaviour from their employees and such behaviours can be discovered through observation, learning, exposure, training, etc.

Personality Traits

Personality traits are the characteristics of an individual when exhibited in large number of situations. More predominant the traits in an individual are, more consistence the individual is and more frequent occurrences in diverse situations. There are thousands of traits that have been identified, their opposites are given below:-

1. Reserved vs. outgoing
2. Less intelligent vs. more intelligent
3. Affected by feelings vs. emotionally stable
4. Submissive vs. Dominant
5. Serious vs. Happy go lucky
6. Timid vs. Venturesome
7. Expedient vs. Conscientious
8. Tough minded vs. Sensitive
9. Trusting vs. Suspicious
10. Practical vs. Imaginative
11. Forthright vs. Shrewd
12. Self assured vs. Apprehensive
13. Conservative vs. Experimenting
14. Group dependent vs. Self-sufficient
15. Uncontrolled vs. Controlled

16. Relaxed vs. Tense

➤ **DETERMINANTS OF PERSONALITY**

Personality is determined by heredity, environment (culture) and situation under which an individual works.

Heredity: Heredity is transmitted through genes, which determine hormone balance, which later determine physique and subsequently the personality. Heredity refers to acquiring from parents certain biological, physical and psychological commonalities, which are further reflected in physical stature, facial attractiveness, sex, temperament, muscle composition and even reflect. They often decide energy level. These factors have a deciding influence on how a person in an organization would display his reactions in a particular situation. Nature of health and psychological makeup that an individual enjoys can be traced from the traits his parents possessed. Parents prominently pass on shyness, fear and distress to the next generation.

In good organizations and particularly in defence services a detailed screening is carried out of the candidates based on the background of the parents as it relates to physique, psychological makeup, disability and transferable disease as it has far reaching impact on the general health of the organization.

Environment: Every individual is born and brought up in a particular environment. Environment leaves an imprint on the personality of an individual. It is commonly seen that a doctor's son preferring his father's profession and a child of a soldier enters into Defence Services. More advanced the socio-economic conditions of the society more would the children be forward thinking. Environment should be viewed from the point of view of norms, ethics and value that are observed and the attitude displayed by the social group. These factors actually formulate the culture of the society from which the organizations draw their human resource requirements. The cultural background is important to evaluate personality. In childhood, parents, uncles, aunts and even neighbour's behaviour are copied by a child. It is therefore necessary to display an ideal behaviour on the part of all the adults who come in direct contact with the children. Family moulds character of children through role models re-enforcements, rewards and punishments. Other influences like first born and later born child will have different personality traits. First-born child would generally be commanding. Female child would be more responsive and pass on sobering effect on younger brothers/sisters. It is therefore important to study early conditions under which the child has been brought up, norms followed in the family and the existence of cultural value system in the society. All these factors have a marked influence on the personality of an Individual.

Situation

Individual has to interact with number of problems in a given situation, which does not remain constant. It is subject to change and hence fluid in nature. There is therefore a need to recognise the person-situation interaction. It can be social learning activity of personality. Thus personality is situational; the uniqueness of each situation and any measure of personality must be examined.

Personalities therefore mean how people affect others, how they understand and view themselves, pattern of personality traits and person situation interaction.

For example individual modifies his behaviour based on situation. When an individual goes to temple he would be sober, generally put on plain clothes and bow. When the same individual goes for interview he would be armed with knowledge of the organization while in the club he would be merry making having a drink in his hand and meet friends and generally be in gay mood.

➤ **GROUP BEHAVIOUR**

Group behaviour in sociology refers to the situations where people interact in large or small groups. The field of group dynamics deals with small groups that may reach consensus and act in a coordinated way.

Groups of a large number of people in a given area may act simultaneously to achieve a goal that differs from what individuals would do acting alone (herd behaviour). A large group (a crowd or mob) is likely to show examples of group behaviour when people gathered in a given place and time act in a similar way—for example, joining a protest or march, participating in a fight or acting patriotically.

Special forms of large group behaviour are:

- * crowd "hysteria"

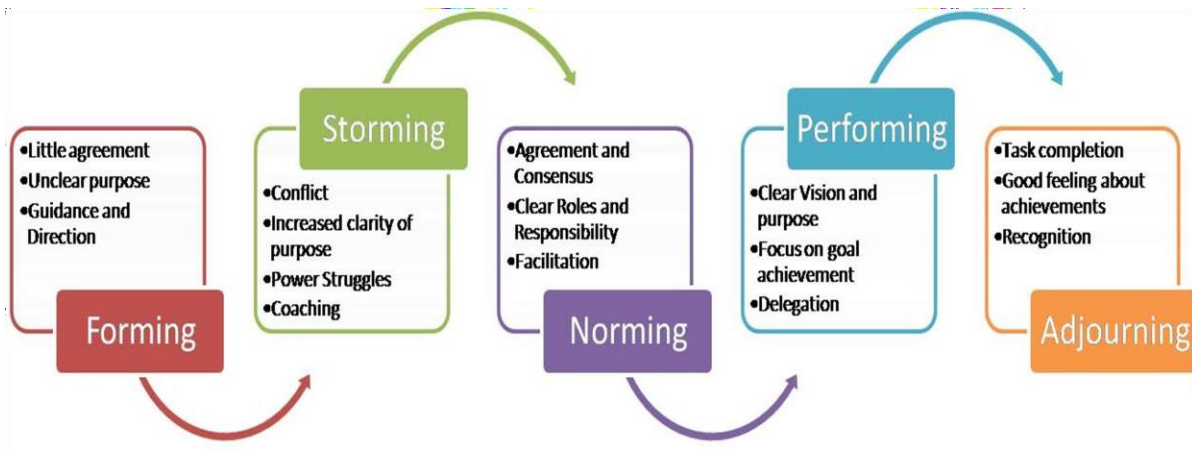
- * spectators - when a group of people gathered together on purpose to participate in an event like theatre play, cinema movie, football match, a concert, etc.

- * public - exception to the rule that the group must occupy the same physical place. People watching same channel on television may react in the same way, as they are occupying the same type of place - in front of television - although they may physically be doing this all over the world. Group behaviour differs from mass actions which refers to people behaving similarly on a more global scale (for example, shoppers in different shops), while group behaviour refers usually to people in one place. If the group behaviour is coordinated, then it is called group action. Swarm intelligence is a special case of group behaviour, referring to the interaction between groups of agents in order to fulfil a given task. This type of group dynamics has received much attention by the soft computing community in the form of the particle swarm

STAGES OF GROUP DEVELOPMENT

Every group primarily goes through five stages of development.

1. Forming
2. Storming
3. Norming
4. Performing
5. Adjourning



Forming

In the first stage of team building, the forming of the team takes place. The individual's behaviour is driven by a desire to be accepted by the others, and avoid controversy or conflict. Serious issues and feelings are avoided, and people focus on being busy with routines, such as team organization, who does what, when to meet each other, etc. Individuals are also gathering information and impressions – about each other, and about the scope of the task and how to approach it.

The forming stage of any team is important because, in this stage, the members of the team get to know one another, exchange some personal information, and make new friends. This is also a good opportunity to see how each member of the team works as an individual and how they respond to pressure.

Storming

Every group will next enter the *storming* stage in which different ideas compete for consideration. The team addresses issues such as

- What problems they are really supposed to solve?
- How they will function independently and together?
- What leadership model they will accept?

Team members open up to each other and confront each other's ideas and perspectives. In some cases, *storming* can be resolved quickly. In others, the team never leaves this stage. The maturity of some team members usually determines whether the team will ever move out of this stage.

The *storming* stage is necessary to the growth of the team. It can be contentious, unpleasant and even painful to members of the team who are averse to conflict. Tolerance of each team member and their differences should be emphasized.

Without tolerance and patience, the team will fail. This phase can become destructive to the team and will lower motivation if allowed to get out of control. Some teams will never develop past this stage. Normally tension, struggle and sometimes arguments occur. This stage can also be upsetting.

Norming: The team manages to have one goal and come to a mutual plan for the team at this stage. Some may have to give up their own ideas and agree with others to make the team function. In this stage, all team members take the responsibility and have the ambition to work for the success of the team's goals. The danger here is that members may be so focused on preventing conflict that they are reluctant to share controversial ideas.

Performing: It is possible for some teams to reach the *performing* stage. These high-performing teams can function as a unit as they find ways to get the job done smoothly and effectively without inappropriate conflict or the need for external supervision. By this time, they are motivated and knowledgeable. The team members are now competent, autonomous and able to handle the decision-making process without supervision. Dissent is expected and allowed as long as it is channelled through means acceptable to the team. Supervisors of the team during this phase are almost always participative. The team will make most of the necessary decisions. Even the most high-performing teams will revert to earlier stages in certain circumstances. Many long-standing teams go through these cycles many times as they react to changing circumstances. For example, a change in leadership may cause the team to revert to *storming* as the new people challenge the existing norms and dynamics of the team.

Adjourning: This stage is a preparation for disbanding. Wrapping up activities is the focus rather than high task performance. Some group members are upbeat, basking in the group's accomplishments.

➤ **Types of Groups**

Formal Group: (Command, Task, & Committee Group)

Formal group is designated work group defined by the organizational structure. It is collection of employees who work together to contribute towards achievement of organizational objective. Formal groups are formed based on the work and human resources required by skill, knowledge and experience to achieve organizational task. In a manufacturing unit, the organizational task is sub divided into groups and teams. Each group is composed of various members based on the human resource requirement. The members of the group report to a designated leader. They interact with each other on official level.

Command Group: It is formed to carry out a specific task. There is a leader in a group who is also designated by the organization. He receives orders from his superior and reports to him about group activities and performance. A task group is made up of individuals from across the functional areas. They work together to complete a job/task. Task group boundaries are not limited to its hierarchical superior. Once the task is complete the group members fall back to their respective parent groups/units.

Committee: The other form of formal group is committee. It can be of permanent or temporary nature. Planning committee, finance committees are of permanent nature, they keep working all along and have a designated authority to control the work. There are temporary committees, which are formed to accomplish a one-time works like committees formed at district levels to issue identity cards to citizens. They are formed for specific work and disbanded once they have completed their work.

Informal groups :(Interest, Clique, Psychological Group)

Informal Groups

Informal groups are groups that are not formally organized in the work system to get the job done but develop on their own randomly at workplaces because of common interest and mutual liking of the group members. For example members of production department, body manufacturing department, HR department members and few individual from finance dept may form a friendship group. This development takes place because of the interaction they have with each other during the official work. Members from within one group or members from different departments or even an organization can form an informal group.

The features of such groups are as under:

- (a) Informal groups are formed by various members themselves; it has no official sanctity.
- (b) These groups are formed based on commonality of culture, religious function, and liking for each other and common interests.

(c) Their contribution for success of formal group is immense if properly handled by official authority.

(d) These groups evolve their own structure, elect their own leaders and have followers.

They work based on group norms, social norms and code of conduct.

(e) They represent the human side of an organization.

(f) The group exist without any rigid rules. Their common interest is bond for existence.

Psychological Groups

Behaviour that is related to behaviour of group members in informal group and involving themselves in various activities, interactions and sentiments based on common interests, value system and social bondage they develop. When such informal group members develop highest level of sentiments or affinity among themselves and become aware of each-others needs and potential contribution to further group objectives. These groups are called psychological groups. The distinct feature of such informal group is that the members become close knit, develops strong feeling of togetherness and get identified by the group. A feeling that we belong to a particular group sets in deep into the behaviour pattern of all group members. At times the strength of informal group identity becomes so strong that the members are more loyal to their friendship group as compared to their normal group. The managers restructuring the task activities and using appropriate group processes should channel the behaviours in such a way that will help organizations to achieve its goal. This phenomenon can be used effectively for the betterment of organizations.

Chapter 2

ORGANIZATIONAL STRUCTURE

CONTENTS

- **What is Organizational Structure**

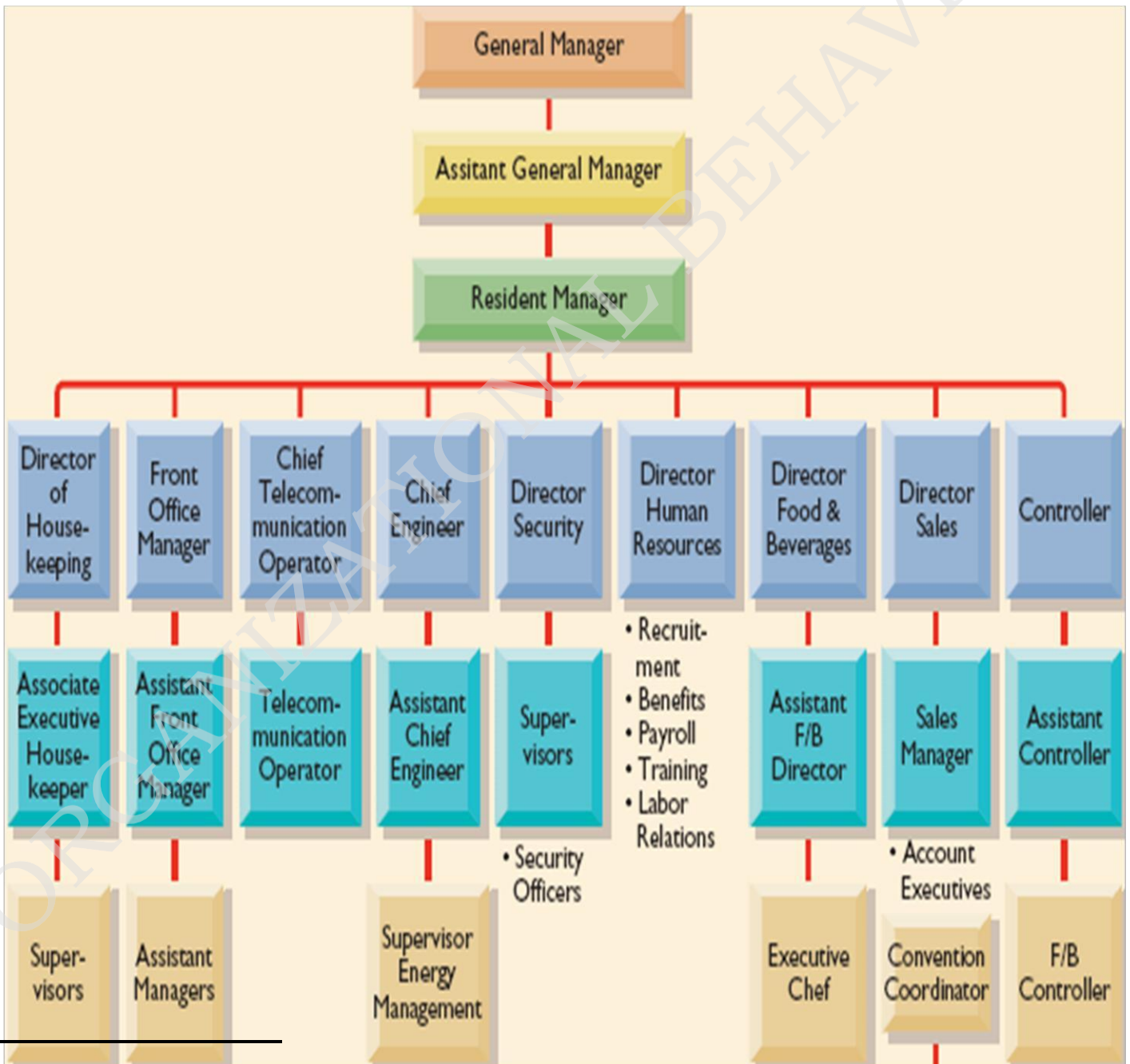
- Six Elements of organizational structure

- **Organizational Designs**

- Common Organizational Designs (Simple, Bureaucratic, Matrix)
- New Design options (Virtual, Team, Boundaryless)

What is Organizational Structure

Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function and where it reports to within the organization. This structure is developed to establish how an organization operates and assists an organization in obtaining its goals to allow for future growth. The structure is illustrated using an organizational chart.



Six Elements of Organizational Structure

Organizational structure determines corporate communication, and the executive and managerial hierarchy, and creates a plan for efficient growth for the future. The six elements of organizational structure come together to create the blueprint for how your company is laid out, and determine how your managerial staffs goes about effecting change in your organization.

1. Geography

How organization is structured can depend on how many corporate locations are there to account for in planning. The more spread out an organization is, the more autonomy each location will need to be given in order for the company to run efficiently. Hierarchy communication is also a challenge when creating an organizational structure over a large geographic area. Managers who report to executives in another location need to establish a clear line of communication in order to receive guidance and instruction.

2. Number of Employees

A large employee population can necessitate that there be several layers of management for a company to run efficiently. As a company grows, the organizational structure needs to be elastic enough to accommodate more employees and the potential need for a larger management structure.

3. Product Evolution

A company may start off with a small line of products that cover a general part of the industry. As the company grows, the need to create specified departments for product development and manufacturing can have an effect on the company's organizational structure.

4. Distribution of Authority

A company's organizational structure is affected by whether the company wants centralized management or decentralized management. Centralized management keeps all major decisions with one specific executive group, while decentralized management allows company managers to have more said in the decision-making process.

5. Control

According to Management Guru, a company that requires a higher product quality will have stricter rules and a more regimented environment. This would apply to companies those manufacturer high tech products, hand-crafted products or critical products such as medical equipment. Companies that engage in the mass production of products may not put as much control over the quality of their products and, subsequently, may create a different organizational structure.

6. Marketplace

The marketplace also has a bearing on how a company is structured. For example, a

manufacturer may decide to sell products through wholesalers as well as directly to end users.(consumers) .In order for this model to be successful, the organizational structure of the company would need to be set up so as to keep these elements separate, including a separate marketing team and a separate sales force.

Organisational Designs

Organizational design is best defined as "the process of aligning an organization's structure with its mission," according to business experts at Mind Tools. Companies have specific goals and objectives toward which they work. They divide projects, tasks and responsibilities in ways that are most effective in achieving these goals. Specific employees must oversee and control the flow of work to meet crucial project deadlines.

Types of Organizational Designs

I. COMMON ORGANISATIONAL DESIGNS

Simple Structure: A simple structure is defined as a design with low departmentalization, wide spans of control, centralized authority, and little formalization. This type of design is very common in small start up businesses. For example in a business with few employees the owner tends to be the manager and controls all of the functions of the business. Often employees work in all parts of the business and don't just focus on one job creating little if any departmentalization. In this type of design there are usually no standardized policies and procedures. When the company begins to expand then the structure tends to become more complex and grows out of the simple structure.

Matrix Structure

The matrix structure combines functional specialization with the focus of divisional structure. This structure uses permanent cross-functional teams to integrate functional expertise with a divisional focus.

Employees in a matrix structure belong to at least two formal groups at the same time—a functional group and a product, program, or project team. They also report to two bosses—one within the functional group and the other within the team.

This structure not only increases employee motivation, but it also allows technical and general management training across functional areas as well. Potential advantages include

Better cooperation and problem solving.

- Increased flexibility.
- Better customer service.
- Better performance accountability.
- Improved strategic management.

Predictably, the matrix structure also has potential disadvantages. Here are a few of this **structure's drawbacks:**

- The two-boss system is more likely to power struggles, as functional supervisors and team leaders coordinate with one another to exercise authority.
- Members of the matrix may suffer task confusion when taking orders from more than one boss.
- Teams may develop strong team loyalties that cause a loss of focus on larger organization goals.
- Adding the team leaders, a crucial component, to a matrix structure can result in increased costs.

Functional Structure/ Bureaucratic

A functional structure is defined as a design that groups similar or related occupational specialties together. It is the functional approach to departmentalization applied to the entire organization.

II. NEW DESIGNS:

Team Structure: A team structure is a design in which an organization is made up of teams, and each team works towards a common goal. Since the organization is made up of groups to perform the functions of the company, teams must perform well because they are held accountable for their performance. In a team structured organization there is no hierarchy or chain of command. Therefore, teams can work the way they want to, and figure out the most effective and efficient way to perform their tasks. Teams are given the power to be as innovative as they want. Some teams may have a group leader who is in charge of the group.

The team structure has many potential advantages, including the following:

- Intra departmental barriers break down.
- Decision-making and response times speed up.
- Employees are motivated.
- Levels of managers are eliminated.
- Administrative costs are lowered.

The disadvantages include:

- Time-management issues.
- Increased time spent in meetings.

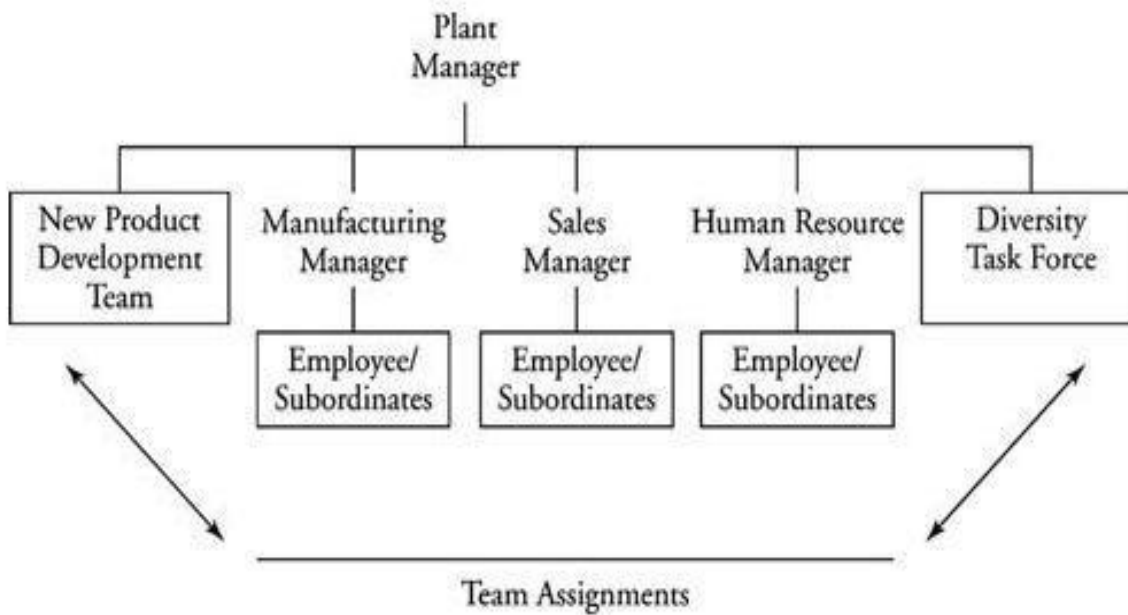


Figure 4 The team structure.

Boundaryless Organization

A boundaryless organization is one in which its design is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a predefined structure. In other words it is an unstructured design. This structure is much more flexible because there is no boundaries to deal with such as chain of command, departmentalization, and organizational hierarchy. Instead of having departments, companies have used the team approach.

In order to eliminate boundaries managers may use virtual, modular, or network organizational structures.

In a **virtual** organization work is outsourced when necessary. There are a small number of permanent employees; however specialists are hired when a situation arises. Examples of this would be subcontractors or freelancers.

A **modular** organization is one in which manufacturing is the business. This type of organization has work done outside of the company from different suppliers. Each supplier produces a specific piece of the final product. When all the pieces are done, the organization then assembles the final product.

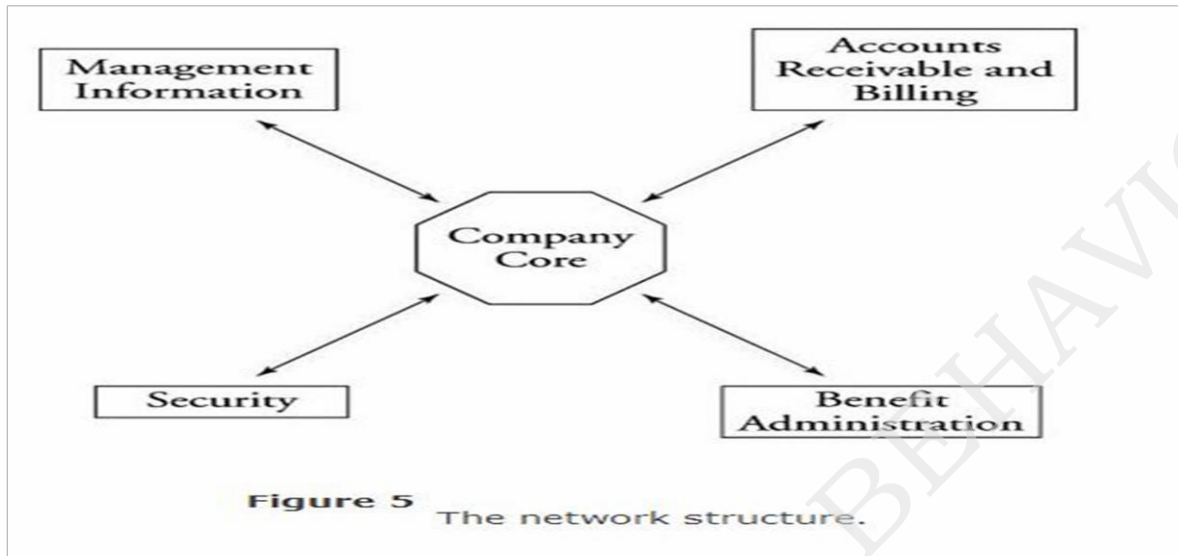
A **network** organization is one in which companies outsource their major business functions in order to focus more on what they are in business to do.

Network structure/Virtual

The network structure relies on other organizations to perform critical functions on a contractual basis. In other words; managers can contract out specific work to specialists.

Network structure/Virtual

The network structure relies on other organizations to perform critical functions on a contractual basis. In other words, managers can contract out specific work to specialists.



This approach provides flexibility and reduces overhead because the size of staff and operations can be reduced. On the other hand, the network structure may result in unpredictability of supply and lack of control because managers are relying on contractual workers to perform important work.

Chapter 3

MOTIVATIONAL CONCEPTS

CONTENTS

- **Define Motivation**
- **Early Theories of Motivation**
 - Maslow Abraham's Hierarchy of Needs theory
 - Douglas McGregor's Theory X & Theory Y
 - Fredrick Herzberg's Two Factor Theory
 - Mc Clelland's Theory of Needs
- **Contemporary Theories of Motivation**
 - Cognitive Evaluation Theory (Definition)
 - Goal setting Theory (Definition)
 - Self Efficacy Theory (Definition)
 - Reinforcement Theory (Definition)
 - Equity Theory (Definition)
 - Expectancy Theory (Definition)
- **Leadership & Types of Leadership**

MOTIVATION

The term 'motivation' is derived from the Latin word 'mover' which means to move and represent the force that moves people, and causes them to act. So, motivation can be defined as a process of channelling a person's inner drive so that he wants to accomplish the goals of the organisation. Motivation is a behavioural concept by which we try to understand why people behave as they do. A human being is an organic and not a mechanical system. He or she is a self-activated person. The force of motivation lies within our mind. It is dynamic force, setting a person into motion or action.

Robert Dubin has defined motivation as –**The complex of forces starting and keeping a person at work in an organisation**” Moreover, Dalton E. Mc Farland said –The concept of motivation is mainly psychological. It relates to those forces operating within the individual

employee or subordinate which impel him to act or not to act in certain ways. On the other hand, Koontz and O' Donnell define motivation as –Motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces. According to Edwin Flippo –Motivation is the process of attempting to influence others to do your will through the possibility of gain reward.

Out of the above discussion, it can be understood that motivation is highly individualistic. It is the essence of human behaviour. Motivation consists of three parts. They are a) Motives i.e. need ideas, emotions or organic state b) Motivating factors and c) Attainment of objectives. In an organisation motivation implies a planned management process, which stimulates people to work to the best of their capabilities for the relation of the common goals of the enterprise.

Importance of motivation:

Motivation is an important function of management. All managers should induce their employees on the job to extract performance by motivating them. Below, we discuss some important aspects of motivation.

- i) **Utilisation of human resource** : By motivation techniques, management can properly utilise its human resources. This helps the managers to increase the productivity of employees. By virtue of motivation employees can understand organisational culture. Thereby, human resources can be properly utilised.
- ii) **Use of material resources**: By motivating employees of an organisation, the material resources can also be used in a proper way which increases organisational efficiency.
- iii) **Willingness for work**: In an organisation, there may have some employees who are physically and mentally capable to do work, but may not be willing to work. In such a situation, motivation can create willingness among the employees for work.
- iv) **Good labour relations**: Motivation also helps an organisation in building up a good labour relation. Thereby motivation becomes beneficial to management and employees. So, motivation can reduce different labour problems such as absenteeism, labour turnover, indiscipline, grievances etc.
- v) **Develops cooperation**: Motivation can build up team spirit. Thereby, motivation makes possible to increase collective effort of employees to the organisation. So, motivation forms the basis for cooperation to get the best achievement of organisation objectives.
- vi) **Improve skill and knowledge**: Motivated employees always try to be as efficient as possible and to improve their skill and knowledge. Because, motivated employees always resolve to do their responsibilities in the best manner.
- vii) **Boosts Morale**: Morale implies the attitude and feelings of employees about their work as well as situation of work. Motivation can improve the attitude and feelings of employees towards works. So, motivation can also improve morale of employees.
- viii) **Facilitates change**: Research based fact says that properly motivated employees are more receptive to accept changes. So, motivation helps the employees to adjust with changing environment.

ix) **Sense of belongingness:** A proper motivation system can improve the sense of belongingness among the employees. As a result, employees can feel that organisation belongs to them. So, employees become more concerned about the well being of the organisation.

x) **Achieve organisational objectives:** Motivation can be defined as core of management. By motivation managers directly encourage the employees towards the accomplishment of organisational objectives.

Maslow's Need Hierarchy Theory

According to Maslow, human needs tend to follow a basic hierarchical pattern from the most basic needs to the highest level needs.

The theory of Maslow is based on the needs of the people. He proposed a hierarchy of five types of needs which are mentioned below:

Physiological needs: - These are the primary needs of human beings and relate to the survival of the body. These needs are more or less universal. These are called the needs of lowest level and they are to be satisfied first for existence and survival. Unless these needs are satisfied to the degree needed for the efficient operation of the body, the majority of a person's activities will be at this level and the other needs will provide him with little motivation. So, this is a powerful motivating force.

The physiological needs are -

Food, shelter, clothing, water, air, sleep, sex etc.

ii) Safety or Security needs : These needs come next in the hierarchy. They are concerned with physical and financial security. Man is always worried about security as life is full of uncertainties. So human beings always expect physical security, job security and security of income at all times. In an organisation, management can motivate employees by providing security against uncertainties in the form of secured jobs, insurance plans and pension plans.

Example of safety needs are Protection against danger and threat on or off the job e.g. unemployment, protection from physical harm, ill health, old age or any other reason.

iii) Social needs: Man being a social animal is always interested to live in a society or group which loves him most. He wants to give or receive love. These are to be reflected by recognition, conversation, sociability, exchange of feelings and grievances, acceptance and friendship. When social needs become dominant, a person will strive for meaningful relations with others. If the opportunity for association with other people is reduced, men often take vigorous action against the barriers to social intercourse.

Examples of social needs are: affection, love, friendship, acceptance by the group, communication etc.

iv) Esteem or Ego needs: These needs relate to the prestige and respect of the individual and include such things as self-confidence, independence, achievement, competence, Knowledge and control. Satisfaction of these needs produces feelings of self-confidence, prestige, power and control.. The esteem needs can be classified mainly into two types, such as 1) Self - esteem needs 2) Public esteem needs. Self-esteem needs refer to an individual's feeling that he is doing something worth while, While the public esteem needs refer the image in the eyes of the public like praise, admiration and public appreciation etc. Examples of esteem needs are: Status, approval, appreciation, freedom from control, recognition, self- respect of others.

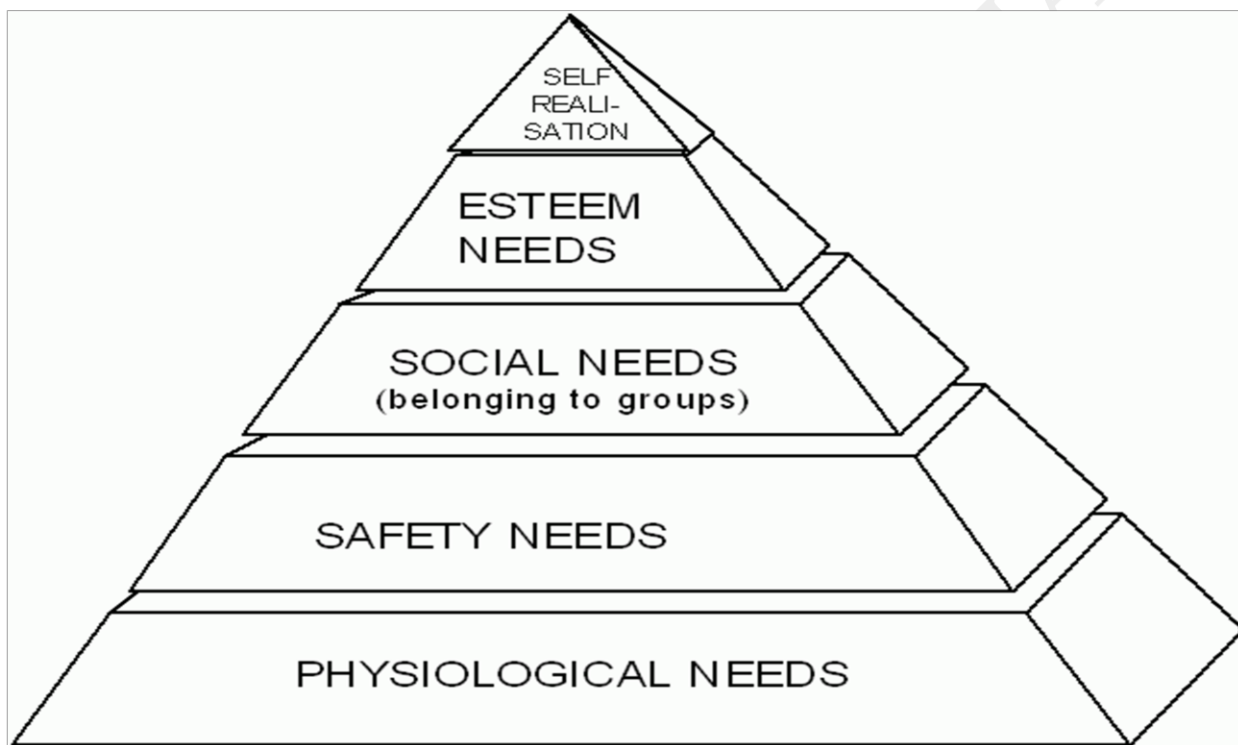
v) Self Actualisation need: It is also called self realisation needs. This refers to the need to realise specific goals. It is need –to become everything that one is capable of becoming|. According to Maslow –This need might be phrased as the desire to become more and more what one is to become everything that one is capable of becoming.|| A musician must make music, a poet must write, a general must win battles, an artist must paint, a teacher must teach if he is to be ultimately happy.

Examples of self actualisation need are: need for self-development, self-actualisation, self-advancement, desire to take on increased responsibilities etc.

Maslow’s needs hierarchy is illustrated with the help of the following diagram

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Maslow’s needs hierarchy is illustrated with the help of the following diagram



Mc Gregor’s Theory X and Theory Y

Theory X and Theory Y were propounded by Douglas Mc Gregor who was a known psychologist. These theories are based on the dual nature of human beings. According to these theories all management actions flow from two assumptions.

Theory X :

This is a traditional theory of management. Theory X contains a set of negative assumptions about human behaviour.

Assumption of Theory X :

- i) The average human being is basically lazy and has an inherent dislike for work. He will avoid work, if he can.
- ii) Many people lack ambition. They are not interested in achievement. They like to be directed.
- iii) Most people have little creativity for solving organisational problems.
- iv) Most people are indifferent to organisational goals.

v) Most people must be closely controlled and often threatened to achieve organisational goals.

vi) Motivation of average human beings occur at the psycho- logical and safety levels.

Assumption of Theory Y:

i) The average person does not inherently dislike work. He considers work is as natural as play, if the conditions are favourable.

ii) External control and threat of punishment are not the only ways for bringing about efforts towards organisational objectives. Self- control and commitment to the objectives of the organisation is often indispensable in achieving organisational goals.

iii) Average human being under proper conditions not only accept but also seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally the consequences of experience not inherent in human characteristics.



iv) The capacity of employees to cooperate with the management in solving organisational problems is widely present.

v) The modern industrial system have partially utilised the intellectual potentialities of employees.

Evaluation of Theory X and Theory Y :-

These theories are important tools in understanding the behaviour of human. It is also helpful in designing the incentive schemes to motivate the employees of an organisation. Of course, these two theories are not equally applicable to every situation as well as for all type of employees.

The Theory X is suitable for unskilled and uneducated employees. On the other hand, Theory Y is suitable for skilled and educated employees. So management should combine these theories for different types of employees.

 Theory X	Theory Y 
<ul style="list-style-type: none">* people need close supervision* will avoid work when possible* will avoid responsibility* that they desire only money* people must be pushed to perform	<ul style="list-style-type: none">* people want independence in work* people seek responsibility* people are motivated by self-fulfilment* people naturally want to work* people will drive themselves to perform

Herzberg's Two Factor Theory :

During the late 1950's Fredrick Herzberg, a US behavioural scientist (Psychologist) and his associates developed two factor theory of motivation. This theory is also known as Motivation Maintenance Theory and Motivation Hygiene Theory. According to this theory, work dissatisfaction and satisfaction arise from two different sets of factors. These are motivational factors and Hygiene or maintenance factors. These are described below –
Motivational Factors:-

These factors are mostly related to the job itself. The availability of these factors creates a highly motivating situation. On the other hand, absence of these factors does not cause dissatisfaction. According to Herzberg, there are mainly six motivational factors, such as Achievement, Recognition, Advancement, possibility of growth and responsibility.

Motivational factors are the primary cause of job satisfaction. The employer can increase the

performance of employees by providing these factors. These factors differ from individual to individual.

Hygiene or Maintenance factors: -

Hygiene factors are mostly related to environment outside the job. Though, the availability of hygiene factors does not significantly motivate the employees, yet the absence of these factors cause serious dissatisfaction. These factors are necessary to maintain a reasonable level of satisfaction among the employees. According to Herzberg, various hygiene factors are company policies, and administration, supervision, interpersonal relationships, salary, job security working conditions, job status, personal life etc.

McClelland's Three-Needs Theory

The three acquired (not innate) needs for achievement, power and affiliation are major motives in work.

- Need for Achievement: The drive to excel and succeed.
High achievers focus on their own accomplishment while good managers emphasize helping others accomplish their goals.
- Need for Power: The need to influence the behaviour of others.
- Need for Affiliation: The desire for friendly and close interpersonal relationship.

Contemporary Theories of Motivation:

GOAL-SETTING THEORY:

Goals tell an employee what needs to be done and how much effort will need to be expended.

In order to increase performance:

Set specific goals.

Difficult goals, when accepted, result in higher performance than does easy goals.

Provide feedback.

An individual is committed to the goal when he believes he can achieve the goal, and wants to achieve it.

COGNITIVE EVALUATION THEORY

Is a precursor of self-determination theory and centers on the distinction between intrinsic and extrinsic motivation. When individuals experience intrinsic motivation, they engage in behaviors they perceive as inherently interesting, satisfying, gratifying, enjoyable, fulfilling, and absorbing. When individuals experience extrinsic motivation, they engage in behaviors merely because of the objective consequences they might attract, such as tangible rewards or praise. In contrast to extrinsic motivation, intrinsic motivation tends to enhance persistence, wellbeing, and creativity.

EQUITY THEORY:

Employees make comparison of their job inputs and outcomes relative to those of others:

- Given payment by *quantity of production*:
 - Over rewarded employees will produce fewer, but higher-quality, units than will equitably paid employees.
 - Under rewarded employees will produce a large number of low-quality units in comparison with equitably paid employees.
- Motivation is influenced significantly by others' rewards as well as by one's own rewards.
- Inequities created by overpayment do not seem to have a very significant impact on behaviour.

- Most research has focused on pay, but employees seem to look for equity in the distribution of other rewards.
- Historically, equity theory focused on distributive justice. But increasingly equity is thought of from the standpoint of organizational justice.
- Managers should consider openly sharing information on how allocation decisions are made, following consistent and unbiased procedures.
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 - **LEADERSHIP CHARACTERISTICS**
 - **Proactive vs. Reactive**

The exceptional leader is always thinking three steps ahead. Working to master his/her own environment with the goal of avoiding problems before they arise.

Flexible/Adaptable

How do you handle yourself in unexpected or uncomfortable situations? An effective leader will adapt to new surroundings and situations, doing his/her best to adjust.

A Good Communicator

As a leader, one must listen...a lot! You must be willing to work to understand the needs and desires of others. A good leader asks many questions, considers all options, and leads in the right direction.

Respectful

Treating others with respect will ultimately earn respect.

Quiet Confidence

Be sure of yourself with humble intentions.

Enthusiastic

Excitement is contagious. When a leader is motivated and excited about the cause people will be more inclined to follow.

EQUITY THEORY:

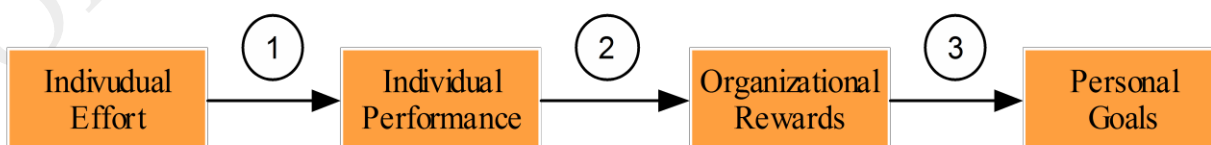
Employees make comparison of their job inputs and outcomes relative to those of others:

$\frac{O}{I_A} < \frac{O}{I_B}$	Inequity due to being underrewarded
$\frac{O}{I_A} = \frac{O}{I_B}$	Equity
$\frac{O}{I_A} > \frac{O}{I_B}$	Inequity due to being overrewarded

- When employees perceive inequity, they can:
 - Change their inputs.
 - Change their outcomes.
 - Distort perceptions of self.
 - Distort perception of others.
 - Choose a different referent
- Leave the field Given payment by *time*:
 - Over rewarded employees will produce more than will equitably paid employees.
 - Under rewarded employees will produce less or poorer quality of output.
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EXPECTANCY THEORY

The strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that the outcome to the individual.



- The theory focuses on three relationships:

- 1. Effort-performance.
 - 2. Performance-reward.
 - 3. Rewards-personal goals.
- Giving maximum effort not always means being recognized.
 - Good performance appraisal not always leads to organizational rewards.
 - Rewards are not always found attractive by employees:
 - Managers limited in the rewards they can distribute.
 - Managers incorrectly assume that all employees want the same.

Self-efficacy theory

- Self-efficacy concerns a person's assessment of their ability to carry out a given task.
- Consequently, their sense of efficacy will influence the choice of task they choose to carry out, as well as the amount of effort they put in and the level of persistence displayed.

Reinforcement theory

- Assumes that a desired behavior is a function of its consequences, is externally caused, and if reinforced, is likely to be repeated.
- Positive reinforcement is preferred for its long-term effects on performance
- Ignoring undesired behavior is better than punishment which may create additional dysfunctional behaviors.
- Focus solely on the consequence and ignore goals, expectations, and needs.

LEADERSHIP

- **Meaning and definition**
- *Leadership is the art of getting someone else to do something you want done because he wants to do it.*– Dwight D. Eisenhower
- The word "leadership" can bring to mind a variety of images.
- For example:

A political leader, pursuing a passionate, personal cause. An explorer, cutting a path through the jungle for the rest of his group to follow. An executive, developing her company's strategy to beat the competition. Leaders help themselves and others to do the right things.

They set direction, build an inspiring vision, and create something new. Leadership is about mapping out where you need to go to "win" as a teamer an organization; and it is dynamic, exciting, and inspiring. Yet, while leaders set the direction, they must also use management skills to guide their people to the right destination, in a smooth and efficient way.

LEADERSHIP CHARACTERISTICS

Proactive vs. Reactive

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Enthusiastic

Excitement is contagious. When a leader is motivated and excited about the cause people will be more inclined to follow.

Open-Minded

Work to consider all options when making decisions. A strong leader will evaluate the input from all interested parties and work for the betterment of the whole.

Resourceful

Utilize the resources available to you. If you don't know the answer to something find out by asking questions. A leader must create access to information.

Rewarding

An exceptional leader will recognize the efforts of others and reinforce those actions. We all enjoy being recognized for our actions!

Well Educated

Knowledge is power. Work to be well educated on community policies, procedures, organizational norms, etc. Further, your knowledge of issues and information will only increase your success in leading others.

Open to Change

A leader will take into account all points of view and will be willing to change a policy, program, cultural tradition that is out-dated, or no longer beneficial to the group as a whole.

Interested in Feedback

How do people feel about your leadership skill set? How can you improve? These are important questions that a leader needs to constantly ask the chapter. View feedback as a gift to improve.

Evaluative

Evaluation of events and programs is essential for an organization/group to improve and progress. An exceptional leader will constantly evaluate and change programs and policies that are not working.

Organized

Are you prepared for meetings, presentations, events and confident that people around you are prepared and organized as well?

Consistent

Confidence and respect cannot be attained without your leadership being consistent. People must have confidence that their opinions and thoughts will be heard and taken into consideration.

Delegator

An exceptional leader realizes that he/she cannot accomplish everything on his own. A leader will know the talents and interests of people around him/her, thus delegating tasks accordingly.

Initiative

A leader should work to be the motivator, an initiator. He/she must be a key element in the planning and implementing of new ideas, programs, policies, events, etc.

LEADERSHIP AND ITS TYPES

Some organizations require managers to follow certain leadership styles.

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization

determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs.

1. Laissez-Faire

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style. However, not all employees possess those characteristics. This leadership style hinders the production of employees needing supervision. The laissez-faire style produces no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.



2. Autocratic

The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees. No one challenges the decisions of autocratic leaders. Countries such as Cuba and North Korea operate under the autocratic leadership style. This leadership style benefits employees who require close supervision. Creative employees who thrive in group functions detest this leadership style.



3. Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership boosts employee morale because employees make contributions to the decision-making process. It causes them to feel as if their opinions matter. When a company needs to make changes within the organization, the participative leadership style helps employees accept changes easily because they play a role in the process. This style meets challenges when companies need to make a decision in a short period.



4. Transactional

Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Managers and team members set predetermined goals together, and employees agree to follow the direction and leadership of the manager to accomplish those goals. The manager possesses power to review results and train or correct employees when team members fail to meet goals. Employees receive rewards, such as bonuses, when they accomplish goals.

5. Transformational



The transformational leadership style depends on high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. This style of leadership requires the involvement of management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals



▪ Leadership Skills

- Active Listening
- Delegating Responsibility
- Empowerment

- Ethical Leadership
- Facilitation
- Followership
- Getting Started as an Officer
- Giving Effective Feedback
- Leadership Characteristics
- Leading a Group Debrief
- Leading Effective Discussions
- Managing Conflict
- Motivating Your Members
- Public Speaking
- Running Effective Meetings
- Time Management
- Time Management Tips
- Understanding Group Process

Chapter 4

STRESS MANAGEMENT

CONTENTS

- What is Stress?
- Potential Sources of stress
- Consequences of Stress
- Managing stress
- Introduction to Quality of Work Life

What is stress?

Stress is body's physical and emotional reaction to circumstances or events that frighten, irritate, confuse, endanger, or excite us and place demands on the body.

Stress is typically discussed in negative context. It is not necessarily bad in itself, it has positive value too. It is an opportunity when it offers potential gain. For example when an artist has to show performance in a 'clutch situation'. Such individuals often use stress positively to rise to the occasion and perform at their maximum

- There are **two** kinds of stressors:
 - i. **Challenge stressors:** associated with workload, pressure to complete task, time urgency
 - ii. **Hindrance stressors:** keep you from reaching your goals (e.g. red tape, office politics, confusion over job responsibilities)

Challenge Stressor	Hindrance Stressor
1. Stressors associated with workload, pressure to complete task, time urgency	1. Stressors that are more personal in nature and keep you from achieving goal. Eg.: office politics, red tapeism
2. Have more positive effect on employees. Can improve motivation, employee engagement and performance.	2. Has negative effect on employees. Affects safety compliance, participation, performance job satisfaction.
3. Can help employees learn and thrive in organizations.	3. Blocks organizational and individual goal attainment.

- More typically stress is associated with DEMANDS & RESOURCES.
- **Demands** are responsibilities, pressures, obligations, and uncertainties individual faces in the work place
- **Resources** are the things within an individual's control that they use to resolve demands

Potential Sources of Stress

- While environmental factors are forces outside the organization, which may act as potential sources of stress due to uncertainties and threats that they create for any organization and its members, factors within organization can also act as potential source of stress. Together or singly they may cause a tense and volatile working environment which can cause stress for organizational members because the inability of individuals to handle the pressures arising out of these sources
- The following may be seen to be the potential sources of stress:

1.Environmental factors

Environmental uncertainty influences stress levels among employees in an organization. Changes in the business cycle create economic uncertainties. Political uncertainties can be stress inducing. Technological uncertainty can cause stress because new innovations can make an employee's skills and experience obsolete in a very short period of time.

2.Organizational factors

There are many factors within an organization that can lead to stress or can create a stressful environment.

i. Task Demands:

Pressures to avoid errors or complete tasks in a limited time period, work overload, a demanding and insensitive boss, and unpleasant coworkers are a few examples. Task demands are factors related to a person's job. They include the design of the individual's job (autonomy, task variety, degree of automation) working conditions, and the physical work layout.

ii. Role Demands:

Role demands relate to pressures that are a function of the role an individual plays in an organization.

- a. Role conflicts create expectations that may be hard to reconcile or satisfy.

b. Role overload is experienced when the employee is expected to do more than time permits.

c. Role ambiguity is created when role expectations are not clearly understood.

iii. Interpersonal Demands:

Interpersonal demands are pressures created by other employees. Organizational structure defines the level of differentiation in the organization, the degree of rules and regulations, and where decisions are made. Excessive rules and lack of participation in decisions might be potential sources of stress. Organizational leadership represents the managerial style of the organization's senior executives. CEOs by virtue of their managerial styles create an organizational culture which reflects tension, fear and anxiety. They overemphasize tight control, hire and fire policies which keep organizational members on hot seat and create stress among them.

3. Individual Factors/Personal Factors:

These are factors in the employee's personal life. Primarily these factors are family issues, personal economic problems, and inherent personality characteristics.

Broken families, wrecked marriages and other family issues may create stress at workplace as well.

Economic problems created by individuals overextending their financial resources. Spending more than earnings stretches financial positions, create debt situation leading to stress among individuals.

A significant individual factor influencing stress is a person's basic dispositional nature. Over-suspicious anger and hostility increases a person's stress and risk for heart disease. There individuals with high level of mistrust for others also cause stress for themselves.

4. Stressors are additive:

Stress builds up. Single Stressor can be unimportant but collectively they increase severity of the stress.

5. Four individual difference:

Variables moderate the relationship between potential stressors and experienced stress:

i. Perception: It is a relationship between a potential stress condition and one's reaction to it. Layoffs may cause one person to fear losing a job, while another sees an opportunity to get a large amount of allowance. So stress does not lie in objective conditions; rather it lies in an employee's interpretation of these conditions

ii. Job experience: experience on the job tends to be negatively related to work stress. This can be explained in two ways. First is voluntary turnover among people who experience more stress. Therefore people are more stressful if they remain with the organisation for longer time. Second people eventually cope with the mechanisms to deal with stress, because it takes time to become senior member of the organisation and therefore seniors experience less stress

iii. Social support: Collegial relationship with co workers or superiors can buffer the impact of stress.

iv. Personality: personality is responsible for stress. Particularly the aspect that manifests itself in hostility and anger --- is associated with increased level of stress and risk of heart diseases.

CONSEQUENCES OF STRESS

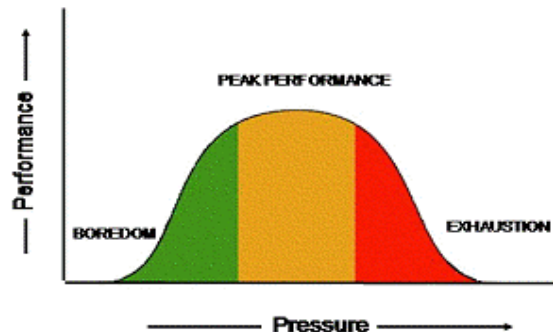
Stress shows itself in a number of ways such as high BP, Ulcers, irritability, loss of confidence etc. These symptoms fit in 3 categories which are as follows:

1. Physiological symptoms: stress could create changes in metabolism, increase heart attack, breathing rates and blood pressure, headaches etc. Because symptoms are complex and difficult to measure objectively, the link between stress and particular physiological effects is not clear

2. Psychological symptoms: Job dissatisfaction is the simplest and most obvious psychological effect of stress. Examples are tension, anxiety, boredom, irritability etc. Jobs which are multiple and conflicting demanding, increase both stress and dissatisfaction. Similarly the people who do not have self control over the pace of their work are more stressful and dissatisfied

3. Behavioural symptoms: they include changes in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, sleep disorders etc. A significant amount of research has investigated the stress performance relationship and this relationship is of U TYPE.

The Pressure / Performance curve



Managing Stress

As noted in the Introduction, you can learn to manage stress. The first step is understanding yourself better—how you react in different situations, what causes you stress, and how you behave when you feel stressed. Once you've done that, take the following steps:

4. Set priorities.
5. Use the time-management tips
6. Make a To-Do list. Decide what is really important to get done today, and what can wait. This helps you to know that you are working on your most immediate priorities, and you don't have the stress of trying to remember what you should be doing.
7. Practice facing stressful moments.

Think about the event or situation you expect to face and rehearse your reactions. Find ways to practice dealing with the challenge. If you know that speaking in front of a group frightens you, practice doing it, perhaps with a trusted friend or fellow student.

If the pressure of taking tests causes you to freeze up, buy some practice tests at the school bookstore or online and work with them when there are no time pressures.

8. Examine your expectations.

Try to set realistic goals. It's good to push yourself to achieve, but make sure your expectations are realistic. Watch out for perfectionism. Be satisfied with doing the best you can. Nobody's perfect—not you, not your fellow Cadet, nobody. Allow people the liberty to make mistakes, and remember that mistakes can be a good teacher.

9. Live a healthy lifestyle.

Get plenty of exercise. Eat healthy foods. Allow time for rest and relaxation. Find a relaxation technique that works for you—prayer, yoga, meditation, or breathing exercises. Look for the humor in life, and enjoy yourself.

10. Learn to accept change as a part of life.

Nothing stays the same. Develop a support system of friends and relatives you can talk to when needed. Believe in yourself and your potential. Remember that many people from disadvantaged backgrounds have gone on to enjoy great success in life. At the same time, avoid those activities that promise release from stress while actually adding to it. Drinking alcohol (despite what all those TV commercials imply), drinking caffeine, smoking, using narcotics (including marijuana), and overeating all add to the body's stress in addition to their other harmful effects.

11. Here are some other strategies for dealing with stress:

- Schedule time for vacation, breaks in your routine, hobbies, and fun activities.
- Try to arrange for uninterrupted time to accomplish tasks that need your
- Concentration. Arrange some leisure time during which you can do things that you Really enjoy.
- Avoid scheduling too many appointments, meetings, and classes back-to-back. Allow breaks to catch your breath. Take a few slow, deep breaths whenever you feel stressed. Breathe from the abdomen and, as you exhale, silently say to yourself, -I feel calm.

Become an expert at managing your time. Read books, view videos, and attend seminars on time management. Once you cut down on time wasters, you'll find more time to recharge yourself.

- Learn to say —no. Setting limits can minimize stress. Spend time on your main responsibilities and priorities rather than allowing other people's priorities or needs to dictate how you spend your time.
- Exercise regularly to reduce muscle tension and promote a sense of well-being.
- Tap into your support network. Family, friends, and social groups can help when

Dealing with stressful events.

INTRODUCTION TO QUALITY OF WORK LIFE

Quality of work life is a process in an organization which enables its members at all levels to participate actively and effectively in shaping organizational environment, methods and outcomes

Need of Quality of Work life :

The present era is an era of knowledge workers and the society in which we are living has come, to be known as knowledge society. The intellectual pursuits have taken precedence over the physical efforts. Some knowledge workers work for more than 60 hours a week. As a result of this, their personal hobbies and interests clash with their work. Life is a bundle that contains all the strands together and hence the need to balance work life with other related issues. 'One must have both love and work in one's life to make it healthy. Gone are the days when the priority of employees used to be for physical and material needs. With the increasing shift of the economy towards knowledge economy, the meaning and quality of work life has undergone a drastic change

Quality of work life is explained in terms of eight broad conditions of employment that constitute desirable quality of work life. He proposed the same criteria for measuring QWL. Those criteria include:

(i) Adequate and Fair Compensation: There are different opinions about adequate compensation. The committee on Fair Wages defined fair wage as . . . the wage which is above the minimum wage, but below the living wage.

(ii) Safe and Healthy Working Conditions: Most of the organizations provide safe and healthy working conditions due to humanitarian requirements and/or legal requirements. In fact, these conditions are a matter of enlightened self interest.

(iii) Opportunity to Use and Develop Human Capacities: Contrary to the traditional assumptions,

QWL is improved . . . -to the extent that the worker can exercise more control over his or her work, and the degree to which the job embraces and entire

meaningful task . . . but not a part of it. Further, QWL provides for opportunities like autonomy in work and participation in planning in order to use human capabilities.

(iv) Opportunity for Career Growth: Opportunities for promotions are limited in case of all categories of employees either due to educational barriers or due to limited openings at the higher level. QWL provides future opportunity for continued growth and security by expanding one's capabilities, knowledge and qualifications.

(v) **Social Integration in the Work Force:** Social integration in the work force can be established by creating freedom from prejudice, supporting primary work groups, a sense of community and inter-personnel openness, egalitarianism and upward mobility.

(vi) **Constitutionalism in the Work Organization:** QWL provides constitutional protection to the employees only to the level of desirability as it hampers workers. It happens because the management's action is challenged in every action and bureaucratic procedures need to be followed at that level. Constitutional protection is provided to employees on such matters as privacy, free speech, equity and due process.

(vii) **Work and Quality of Life:** QWL provides for the balanced relationship among work, non-work and family aspects of life. In other words family life and social life should not be strained by working hours including overtime work, work during inconvenient hours, business travel, transfers, vacations etc.

(viii) **Social Relevance of Work:** QWL is concerned about the establishment of social relevance to work in a socially beneficial manner. The workers' self esteem would be high if his work is useful to the society and the vice versa is also true.

Quality Circles: Quality circles which have been popularized by Japanese firms are being used all over the world because of the benefits that accrue to the firm. A quality circle involves participation from a small group of employees doing the same type of work. They meet regularly to identify, analyze and solve the problems that arise during the course of their work and their association with the organization.

The basic objectives of quality circles are to develop and utilize human resources effectively, to develop quality products, improve the quality of work life and sharpen and utilize an individual's creative abilities. There are different steps involved in the development of quality circles from getting started to problem-solving.

Communicating the importance of quality circles to the employees is of prime importance.

The next step is the composition of a quality circle. Then the stage of initial problem solving through which employee suggestions are presented, follows. The suggestions are then evaluated and the best one, chosen by consensus, is implemented. Various techniques like brainstorming sessions, fish bone diagram and sampling and charting methods, are used in quality circles.

Problems arise in the implementation of quality circles because of lack of understanding regarding the concepts, low education levels and training, delays in execution and operational problems. Most of these problems can be resolved through effective training of employees and management support.

Chapter 5

ORGANIZATIONAL CHANGE **CONTENTS**

- What is change?
- Elements / Factors of Change (External & Internal)
- Planned Change
- Resistance to change
- Overcoming Resistance to Change
- Approaches to Managing Organizational change
 - Lewin's 3 step model
 - Action Research
 - Meaning of Organizational Development & Techniques / Intervention

- Introduction to Diversity & Managing Diversity

- **ORGANIZATIONAL CHANGE**

Organizational change is about reviewing and modifying management structures and business processes. Small businesses must adapt to survive against bigger competitors and grow. However, success should not lead to complacency. To stay a step ahead of the competition, companies need to look for ways to do things more efficiently and cost effectively. There is no need to fear change. Instead, small businesses should embrace change as a way to lay the foundations for enduring success. Organizational change typically consists of three stages: establishing the need, implementation and monitoring. To establish a need for change, senior management could articulate where the company wants to be in five to 10 years and what it needs to do to get there. For example, a saturated local market may force a company to consider international expansion. The second stage involves changing structures and processes, such as reducing the number of management layers, combining business units, reassigning management, reducing employee headcount and giving division managers more decision-making flexibility. The final stage involves monitoring the results from the organizational changes and making appropriate adjustments.

Why organisations need to change

Many things cause organisational change. These include:

- challenges of growth, especially global markets
- challenge of economic downturns and tougher trading conditions
- changes in strategy, technological changes
- competitive pressures, including mergers and acquisitions
- customer pressure, particularly shifting markets
- to learn new organisation behaviour and skills
- government legislation/initiatives.

- **ELEMENTS/ FACTORS FOR ORGANIZATIONAL CHANGE**

- Like human beings, organizations are also open systems. Therefore, the same reasons also apply to organizational changes. Change has become the norm in most

organizations. There are various forces for change in organizations. Some of these are external, arising from outside the organization, whereas others are internal, arising from sources within the company. Thus, all the reasons for organizational change may be discussed under two groups as under:

- **External Reasons:** External forces for change arise from general environment as well as from task environment. The general environment that affects the organizations indirectly consists of economic, political, legal, socio-cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes. Here, we are going to explain some of the most common external reasons of organizational change:

1. Government Policies: Changes in the government rules and regulations necessitate changes in organizations. For example, changes in laws regarding control of air pollution or dumping of chemical wastes and economical changes such as inflation rate – all constitute sources of change for the organizations.

2. Competition: Competitions can influence a change in the organization by the price structure and product lines. Price wars in airline fares have driven many airlines out of business.

3. Technological change: Technological innovations bring about profound change because they are not just changes in the way the work is performed. It also brings in changes in work relationship and organizational structure. For example, change in communication technology, i.e. cable network, dish antenna etc. has compelled the Doordarshan to restructure itself by segmenting its services.

4. Globalization: Globalization has made organizations to rethink the boundaries of their markets and to encourage their employees to think globally. Globalization forces the organizations to bring structural changes.

5. Changing requirements of customers: Customers have been known to change their loyalty for better quality product and better service. Accordingly, organizations must remain dynamic and be able to change quickly to adjust to changed environment.

6. Work force diversity: It is a powerful external force invoking change.

Diversity makes an organization reposition itself, launch a new project, create a new idea, develop a new marketing plan etc. All these involve considerable change.

- **Internal Forces:** There may be a host of internal factors that may also cause change in organizations. Some of them are as follows:

1. Change in Leadership: Leadership brings changes in culture and values in the organizations. For example, Ratan Tata has brought many changes to Tata Group of Industries after the death of J.R.D. Tata.

2. Changing Employee Expectations: Employee expectations can also trigger change in organizations. Expectations of young and newly hired employees are different from those of old employees.

3. Change in the Work Climate: Change in the work climate of an organization can stimulate change. For example, if the workforce is lethargic and dissatisfied, the management must bring changes in work climate to make them productive.

4. Organizational Life Cycle: An organization passes through certain stages from youth to maturity. Each stage creates new demands for adjustment for the organization and, so, acts as potent sources of organizational change.

5. For Meeting Crisis: A crisis may also instigate change in an organization.

For example, strikes may compel employers to resort to pay cuts; the sudden death or resignation of an executive may make the organizational condition unstable. The organization is to bring changes to overcome such crisis

▪ **PLANNED CHANGE:**

The change is a way of life. But change cannot be useful and successful if it is not implemented in a systematic way. When changes are effected after working out when and how they will be carried out, planned changes occur.

In order to introduce change successfully, a manager need to follow the following process:

1. **Identifying the forces demanding change:** The first step in this process is to identify the forces demanding the change. The forces may be external or internal or both.
 - **The external forces** may be such as increasing competition, economic change, demand changes, technological changes, new laws and policies by government and so on.
 - **Internal forces** may be such as the increasing cost of raw-materials, labour problems, high employee turnover etc.
2. **Identifying the need for change:** The management must try to analyse the reasons of demand for change accurately. In this connection, the help of external consultant and internal staff may be sought for analysis of the causes demanding change.
3. **Diagnosing the problem:** At this stage, all relevant information is gathered through the observations, interviews, questionnaires and other available data for diagnosing the problem. Such a diagnosis enables management to recognize the gap between the desired and existing situation.
4. **Planning the change:** Planning the change is yet another most important step in the change process. At this stage, the management has to decide what, when and how to change. Normally, change may relate to any or all of the following:
 1. Change in the organization structure.
 2. Change in the job or task structure.
 3. Change in people or human resources.
5. **Doing force-field analysis:** Next step in the change process is to make force-field analysis. According to Kurt Lewin, it is useful for diagnosing current/existing situations for implementing the change. This analysis involves the following stages:
6. **Recognizing the driving forces:** Driving forces are those which favour change. Management must recognize such favourable forces in the organizational environment.
7. **Recognizing restraining forces:** Restraining forces are those which resist or oppose the change and favour the status quo. The management must try to weaken such forces.
8. **Implementing the change plan:** The next step in the process of change is to implement the change plan successfully. According to Kurt Lewin, in order to implement a change plan, a manager has to pass through the following three stages:
9. **Unfreezing:** Unfreezing is the stage where motivation for change is created among members of the organization. In other words, unfreezing means creating awareness among the members about the need for change and preparing them

for it. Consequently, resistance to the change will be minimized.

- 10. Changing or moving:** Once the members of the organization have become ready and willing for change, the actual change plan is implemented. During this stage, members begin to learn or experience new pattern of behaviour. In order to change the behaviour of the member, reward and punishment strategy is strictly enforced.
- 11. Refreezing:** Refreezing is the final stage of the change implementation process. During this stage, change is stabilized by rewarding new and better behaviour. Refreezing is completed when the changed behaviour becomes part of the organizational culture. The management must provide the necessary resource support for freezing the change. Suitable rewards and other forms of motivation should be provided so that it may not be forgotten easily.
- 12. Review and feedback:** To ensure smooth implementation of change in the given direction, it is necessary to make review and evaluation of the progress made regarding the implementation of the change. Continuous review and feedback may provide the necessary information to the management as to what action is necessary for speeding up the implementation process in the desired direction.

- **RESISTANCE TO CHANGE:**

There are many reasons why people resist change. They may be classified under the two categories:

1. **Resistance by the Employees:** Individual employees or the trade union generally resist change for the following reasons:
 - Fear of economic loss: Any changes that create a feeling of fear of economic loss among employees are likely to generate resistance to change. Change may create fear of economic loss due to the following reasons:
 - Fear of lay-off or retrenchment from the job.
 - Fear of reduced job opportunities due to change in technology.
 - Fear of more work load due to automation.
 - Fear of wage cuts or reduced incentives
 - Love for status quo: The introduction of a change in doing a job may disrupt the normal routine of employees. Thus, any change that interferes with the normal work routine is generally inconvenient to the existing employees and is resisted.
 - Fear of uncertainties: Employees perform their job in a normal routine. Any change may create some uncertainties in the minds of the employees. Such uncertainties may result in some resistance to change.
 - Lack of understanding: Some people resist change because they do not understand the nature of change. It happens due to the lack of classification or because of a gap of communication.
 - Bitter experience: Past bitter experience of employees may cause resistance to change. If the earlier change had not been handled by the management efficiently and the members of the organization had a bitter experience about it, they will resist the new change.
 - **Obsolescence:** The state of becoming old fashioned and no longer useful.
 - **Fear of obsolescence of skills:** When employees feel that the introduction

of new technology in place of the old one pose a threat of replacing them, they seem to resist such a change quickly and violently. For example, computerization was resisted by the bank employees in India due to obsolescence of knowledge.

- **Habits:** Every human being has his own habits. Habits are hard to break. Learning a new method of performing a job becomes difficult due to the habits. Hence, most employees do resist change due to their habits that have been developed over the years.

2. **Resistance by the Management:** Management may also resist change for many reasons. Some most common reasons are as follows:

- **Organization structure: Sometimes, organization structure itself becomes the cause of resistance to change. Management uses certain policies, procedures, rules etc. to ensure effectiveness of its performance. Thus, existing structure may not be suitable for the change.**
- **Fear of loss of power and influence:** Sometimes, change may cause loss of power or influence of some of the managers. The managers who have been using the power for personal gain often resist the change most.
- **Fear of increase in responsibility:** Sometimes, a change may result in increase in responsibility of managers. In such a situation, the managers may oppose the change.
- **Resource constraints:** Generally, organizations have limited resources. Any change requiring huge investment or other resources cannot be implemented for the want of the funds. The top management is bound to drop such a change plan.
- **Chain of effects:** Sometimes, one change may lead to a series of changes. For instance, change in the data processing technique in the accounting department cannot be implemented.
- **Non cooperation by experts:** Sometimes, the expert person or group losing the responsibility for performance may resist the proposed change. Moreover, if the change is to be affected through the co-operation of such losing experts, it would even be more difficult to effect the change successfully.
- **Sunk costs:** Some management is bound to resist change because their funds have already been invested and blocked in certain fixed assets and human resources. If they introduce change, the investment cannot be optimally used. Consequently, the management has to resist the change.

• OVERCOMING RESISTANCE TO CHANGE

If the changes are to be implemented successfully, they need full acceptance from employees. The easiest way to get this acceptance is the participation of employees in the change effort. Research conducted by Coch and French, in a clothing factory indicated that the total participation in the change process resulted in increased productivity. John Kotter and Leonard Schlesinger have suggested the following ways/strategies to overcome or reduce the resistance to change:

1. **Education and communication:** One of the most common and simplest ways of

reducing resistance to change is to educate people about the change itself. The management must educate the people concerned about the need and objectives of change.

2. **Participation and involvement:** All those concerned with the change should be given scope for participation to involve them in the change process. Participation generally results in commitment of the employees who can share a sense of involvement. Hence, they become more committed to implementing the change.

3. **Facilitation and support:** Another way to overcome resistance to change is to facilitate and provide support to the employees. This includes providing training in new skills or giving the employees time off after a demanding period of change.

4. **Negotiation and agreement:** Another way to deal with resistance to change is to opt for negotiation or to reach to an agreement for accepting a change. For example, the management could offer the union a higher wage or no lay-off contract in return for a change in work procedure.

5. **Coercion:** Managers may use force to handle the resistance to change. Manager may force employees to accept the change by threatening them with the loss of job.

6. **Capable leadership:** Capable leadership plays an important role in forming a climate of psychological support for change. He should use personal qualities to enlist the support for change.

7. **Employee security:** Security during a change is essential. Current earning, seniority rights, opportunities for advancement and other benefits should be safeguarded when a change is made.

8. **Union support:** The management must enlist the support of the trade unions. Unions sometimes support the management in encouraging workers to accept change. Unions may approve changes in the interest of the workers

- **APPROACHES TO MANAGING ORGANISATIONAL CHANGE:**

Lewin's Three-Step Change Model

Lewin (1951) suggests this process typically requires three steps

UNFREEZING → MOVING → FREEZING

UNFREEZING

This step usually means reducing the forces acting to keep the organization in its current condition. Unfreezing might be accomplished by introducing new information that points out inadequacies in the current state or by decreasing the strength of current values, attitudes, and behaviors. Crises often stimulate unfreezing. Examples of crises are demographic shifts in population sudden increase in employee turnover, a costly lawsuit, and an unexpected strike. Unfreezing may occur without crises as well. Climate surveys, financial data, and enrollment projections can be used to determine problem areas and initiate change to alleviate problems before crises erupt.

MOVING

Once the organization is unfrozen, it can be changed by moving. This step involves the development of new values, attitudes, and behaviors through internalization, identification, or change in structure. Some changes may be

minor and involve a few members such as changes in recruitment and selection procedures and others may be major, involving many participants. Examples of the latter include a new evaluation system, restructuring of jobs and duties performed by staff, or restructuring a department or entire organization, which necessitates relocating staff to different sites within the organization.

REFREEZING

Kurt Lewin refers to this stage as freezing although a lot of people refer to it as 'refreezing'. As the name suggests this stage is about establishing stability once the changes have been made. The changes are accepted and become the new norm. People form new relationships and become comfortable with their routines.

LEWIN'S THREE-STEP CHANGE MODEL

- **Unfreezing**
 - ❖ Change efforts to overcome the pressures of both individual resistance and group conformity
- **Moving**
 - ❖ Efforts to get employees involved in the change process
- **Refreezing**
 - ❖ Stabilizing a change intervention by balancing driving and restraining forces

Unfreezing

Moving

Refreezing

ACTION RESEARCH

A change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicate.

- **Process Steps:**
 - **Diagnosis**
 - **Analysis**
 - **Feedback**
 - **Action**

- **Evaluation**
- **Action research benefits:**
- **Problem-focused rather than solution-centered.**
- **Heavy employee involvement reduces resistance to change.**

Action Research Theory in Brief

Lewin developed a unified change theory based on four distinct elements; Field Theory, Group Dynamics, Action Research and the Three step model of Change. All have been criticised and all are necessary to bring about planned change.

Lewin is one of the founding fathers of Organization Development, especially the pursuit of the commitment to humanistic values in developing society, facilitating change through learning and the pursuit of changing an individuals mental models and perceptions of the world that they inhabit in order to move forward.

Action Research is the foundation stone of Origination Development practice, it is what underpins the theory and practice of the discipline in the organization. The theory is based on what Lewin advised, –no action without research, no research without action.

The theory provides the very heart of the purpose of the OD diagnostic phase in the OD cycle. It provides the opportunity to build the knowledge of the causes and dynamics of organizational issues, the understanding of organizational change and the basis of the need for collaboration and joint inquiry between the OD practitioner and the organizational players experiencing the change.

Ultimately though it is a theory based on pragmatism, data itself is no the answer to change, but data regarding the issues that the organization is experiencing provides the catalyst for change and provides the basis for practical solutions owned by all members affected by the change. Action Research provides both the theoretical underpinnings and the practical application of organizational change.

Key Points

- Action Research is a four step continuous process; Diagnosis, Planning, Action and Evaluation
- Action Research Theory provides the bridge between knowledge building and data gathering with effective action
- It empowers employees and enables the organization to sustain the change by providing data not only of how to make the changes required today but also on the change process itself
- Action refers to the OD interventions that are implemented to develop the organization
- All organizational stakeholders are involved in the collaborative process of creating and executing the planned changes.

Applying Action Research Theory in an OD intervention

- Involve the people affected by the change so that they become co-investigators into the reasons for change, and participate in analyzing the

current reality

- Let individuals discuss the future they need to move toward
- Work to increase the amount and quality of inquiry between people so that they can learn from each other and gather a rich mix of data
- Secure a commitment to give some decision making power to the people involved in collecting the data so that real change can be achieved
- Set up a temporary diagnostic team by using those key individuals who have to support the implementation of change.
- Provide space for individuals to reflect on the insights they have gained
- Plan the direction of change/OD intervention in collaboration with all stakeholders
- Implement decisions that employees and leaders make democratically
- Provide a learning zone where individuals and groups can self organize for change

Organizational Development

A collection of planned interventions, built on humanistic-democratic values, that seeks to improve organizational effectiveness and employee well-being.

OD Values:

- **Respect for people**
- **Trust and support**
- **Power equalization**
- **Confrontation**
- **Participation**

ORGANIZATIONAL DEVELOPMENT TECHNIQUES

Process Consultation (PC)

A consultant gives a client insights into what is going on around the client, within the client, and between the client and other people; identifies processes that need improvement.



Team Building

High interaction among team members to increase trust and openness.

Team Building Activities:

- Goal and priority setting.
- Developing interpersonal relations.
- Role analysis to each member's role and responsibilities.
- Team process analysis.

ORGANIZATIONAL DEVELOPMENT TECHNIQUES

Sensitivity Training

Training groups (T-groups) that seek to change behavior through unstructured group interaction.

Provides increased awareness of others and self.

Increases empathy with others, improves listening skills, greater openness, and increased tolerance for others.



Survey Feedback Approach

The use of questionnaires to identify discrepancies among member perceptions; discussion follows and remedies are suggested.



ORGANIZATIONAL DEVELOPMENT TECHNIQUES

Intergroup Development

OD efforts to change the attitudes, stereotypes, and perceptions that groups have of each other.

Appreciative Inquiry

Seeks to identify the unique qualities and special strengths of an organization, which can then be built on to improve performance.

Organizational Development Interventions

Organization Development interventions techniques are the methods created by OD professionals and others. Single organization or consultant cannot use all the interventions. They use these interventions depending upon the need or requirement. The most important interventions are:

Survey feedback: The intervention provides data and information to the managers. Information on Attitudes of employees about wage level, and structure, hours of work, working conditions and relations are collected and the results are supplied to the top executive teams. They analyse the data, find out the problem, evaluate the results and develop the means to correct the problems identified. The team are formed with the employees at all levels in the organization hierarchy i.e, from the rank and file to the top level.

Process Consultation: The process consultant meets the members of the department and work teams observes their interaction, problem identification skills, solving procedures et. He feeds back the team with the information collected through observations, coaches and counsels individuals & groups in molding their behavior.

Goal setting and planning: Each division in an organization sets the goals or formulates the plans for profitability. These goals are sent to the top management which in turn sends them back to the divisions after modification. A set of organization goals thus emerge thereafter.

Managerial grid: This identifies a range of management behavior based on the different ways that how production/service oriented and employee oriented states interact with each other. Managerial grid is also called as instrumental laboratory training as it is a structured version of laboratory training. It consists of individual and group exercises with a view to developing awareness of individual managerial style interpersonal competence and group effectiveness.

Thus grid training is related to the leadership styles. The managerial grid focuses on the observations of behavior in exercises specifically related to work. Participants in this training are encouraged and helped to appraise their own managerial style.

There are 6 phases in grid OD:

First phase is concerned with studying the grid as a theoretical knowledge to understand the human behavior in the Organization.

Second phase is concerned with team work development. A seminar helps the members in developing each member's perception and the insight into the problems faced by various members on the job.

Third phase is inter group development. This phase aims at developing the relationships between different departments.

Fourth phase is concerned with the creation of a strategic model for the organization where Chief Executives and their immediate subordinates participate in this activity.

Fifth phase is concerned with implementation of strategic model.. Planning teams are formed for each department to know the available resources, required resources, procuring them if required and implementing the model Sixth Phase is concerned with the critical evaluation of the model and making necessary adjustment for successful implementation.

Management by Objectives (MBO) is a successful philosophy of management. It replaces the traditional philosophy of –Management by Domination. MBO led to a systematic Goal setting and planning. Peter Drucker the eminent management Guru in 1959 has first propagated the philosophy since then it has become a movement.

MBO is a process by which managers at different levels and their subordinates work together in identifying goals and establishing objectives consistent with Organizational goals and attaining them.

Team building is an application of various techniques of Sensitivity training to the actual work groups in various departments. These work groups consist of peers and a supervisor. Sensitivity training is called a laboratory as it is conducted by creating an experimental laboratory situation in which employees are brought together. The Team building technique and training is designed to improve the ability of the employees to work together as teams.

Job enrichment is currently practiced all over the world. It is based on the assumption in order to motivate workers, job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth. The basic idea is to restore to jobs the elements of interest that were taken away. In a job enrichment program the worker decides how the job is performed, planned and controlled and makes more decisions concerning the entire process.

Diversity means bringing together people of different ethnic backgrounds, religions and age groups into a cohesive and productive unit. Advances in communication technology, such as the Internet and cellular phones, have made the marketplace a more global concept. In order to survive, a company needs to be able to manage and utilize its diverse workplace effectively. Managing diversity in the workplace should be a part of the culture of the entire organization.

Diversity describes people's differences.

Differences can come from individual characteristics and life experiences, such as where you went to school or where you live. Being married or in a civil partnership, being a parent, your political affiliation, career path or level of income can also influence your personal perspectives.

These factors make us react, approach challenges and solve problems differently.

Diversity describes people's differences. When people refer to 'diversity', especially in a business context, they often focus on a particular set of key characteristics or differences.

These are:

- gender
- ethnicity (which refers to colour, race and national origin)
- religion
- disability
- age

- sexual orientation.

These differences are protected by law. This means staff and customers have the legal right to be treated fairly and equally in relation to these characteristics.

The benefits of diversity

Diversity brings real benefits to society and businesses. For society, diversity brings richness and variety. There are always new and interesting things to be learnt from each other.

For a business, employing a diverse workforce enables it to use a wider range of talents and skills. These lead to creativity and innovation. Businesses need to mirror the communities and cultures they work in so they can understand and anticipate the diverse needs of their customers.

In order to get the best from staff and meet the varying needs of their diverse customers, it is very important for businesses to 'manage diversity' in a positive way. They need to recognize, respect and value people's differences.

Developing Diversity Skills Fundamental Diversity Skills Include :

- Respect For Others And for differences
 - Tolerance For Ambiguities in Language ,Style And Behaviour
- Flexibility With Difficult Or Challenging Situations
- Self-awareness To Be Sure you Understand Your Own Reactions And Know what You Bring To Your Practice e
- Empathy to feel what someone who is different from you might be feeling in a new or strange environment
- Patience for change that can be slow
- Humour (when we lose our sense o f humour, We lose our sense of humanity and perspective

Managing Diversity

To address diversity issues, consider these questions: what policies, practices, and ways of thinking and within our organizational culture have differential impact on different groups? What organizational changes should be made to meet the needs of a diverse workforce as well as to maximize the potential of all workers, so that San Francisco can be well positioned for the demands of the 21st century? Most people believe in the golden rule: treat others as you want to be treated. The implicit assumption is that how you want to be treated is how others want to be treated. But when you look at this proverb through a diversity perspective, you begin to ask the question: what does respect look like; does it look the same for everyone? Does it mean saying hello in the morning, or leaving someone alone, or making eye contact when you speak?

It depends on the individual. We may share similar values, such as respect or need for recognition, but how we show those values through behavior may be different for different groups or individuals. How do we know what different groups or individuals need?

Perhaps instead of using the golden rule, we could use the platinum rule which states: "treat others as *they* want to be treated." Moving our frame of reference from what may be our default view ("our way is the best way") to a diversity-sensitive perspective ("let's take the best of a variety of ways") will help us to

Manage more effectively in a diverse work environment.

Your Role

You have a key role in transforming the organizational culture so that it more closely reflects the values of our diverse workforce. Some of the skills needed are:

an understanding and acceptance of managing diversity concepts recognition that diversity is threaded through every aspect of management self-awareness, in terms of understanding your own culture, identity, biases, prejudices, and stereotypes willingness to challenge and change institutional practices that present barriers to different groups It's natural to want a cookbook approach to diversity issues so that one knows exactly what to do. Unfortunately, given the many dimensions of diversity, there is no easy recipe to follow. Advice and strategies given for one situation may not work given the same situation in another context.

Managing diversity means acknowledging people's differences and recognizing these differences as valuable; it enhances good management practices by preventing discrimination and promoting inclusiveness. Good management alone will not necessarily help you work effectively with a diverse workforce. It is often difficult to see what part diversity plays in a specific area of management.

The Office of Affirmative Action, Equal Opportunity and Diversity is experienced in providing help with training and advice on the variety of situations that occur, tailored to your specific environment.

Issues

How do you make the job sound appealing to different types of workers?

How can recruitment be effectively targeted to diverse groups?

How do you overcome bias in the interviewing process, questions, and your response?

Strategies

Specify the need for skills to work effectively in a diverse environment in the job, for example: "demonstrated ability to work effectively in a diverse work environment."

Make sure that good faith efforts are made to recruit a diverse applicant pool. Focus on the job requirements in the interview, and assess experience but also consider transferable skills and demonstrated competencies, such as analytical, organizational, communication, coordination. Prior experience has not necessarily mean effectiveness or success on the job. Use a panel interview format. Ensure that the committee is diverse, unit affiliation, job classification, length of service, variety of life experiences, etc. to represent different perspectives and to eliminate bias from the selection process. Run questions and process by them to ensure there is no unintentional bias. Ensure that appropriate accommodations are made for disabled applicants. Know your own biases. What stereotypes do you have of people from different groups and how well they may perform on the job? What communication styles do you prefer? Sometimes what we consider to be appropriate or desirable qualities in a candidate may reflect more about our personal preferences than *about the skills needed to perform the job.*

Fair vs. Same Treatment

Many people think that "fairness" means "treating everyone the same." How well does treating everyone the same work for a diverse staff?

For example, when employees have limited English language skills or reading proficiency, even though that limit might not affect their ability to do their jobs,

transmitting important information through complicated memos might not be an effective

way of communicating with them. While distributing such memos to all staff is "treating everyone the same," this approach may not communicate essential information to everyone. A staff member who missed out on essential information might feel that the communication process was "unfair." A process that takes account of the diverse levels of English language and reading proficiency among the staff might include taking extra time to be sure that information in an important memorandum is understood. Such efforts on the part of supervisors and managers should be supported and rewarded as good management practices for working with a diverse staff.

Managing Diversity is Different from Affirmative Action

Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals. Affirmative action focuses on specific groups because of historical discrimination, such as people of color and women. Affirmative action emphasizes legal necessity and social responsibility; managing diversity emphasizes business necessity. In short, while managing diversity is also concerned with underrepresentation of women and people of color in the workforce, it is much more inclusive and acknowledges that diversity must work for everyone.

Consequences of Ignoring Diversity

Ignoring diversity issues costs time, money, and efficiency. Some of the consequences can include unhealthy tensions; loss of productivity because of increased conflict; inability to attract and retain talented people of all kinds; complaints and legal actions; and inability to retain valuable employees, resulting in lost investments in recruitment and training.

Chapter 6

CONFLICT MANAGEMENT

- Definition of Conflict
- Sources & Types of Conflict
- Conflict Management Styles
- Power and Politics
 - Concept & Basis of Power
 - Organization Politics

CONFLICT MANAGEMENT

While no single definition of conflict exists, most definitions involve the following factors: there are at least two independent groups, the groups perceive some incompatibility between

themselves, and the groups interact with each other in some way (Putnam and Poole, 1987). Two example definitions are, "process in which one party perceives that its interests are being opposed or negatively affected by another party" (Wall & Callister, 1995, p. 517), and "the interactive process manifested in incompatibility, disagreement, or dissonance within or between social entities"

There are several causes of conflict. Conflict may occur when:

A party is required to engage in an activity that is incongruent with his or her needs or interests.

- A party holds behavioural preferences, the satisfaction of which is incompatible with another person's implementation of his or her preferences.
- A party wants some mutually desirable resource that is in short supply, such that the wants of all parties involved may not be satisfied fully.

- A party possesses attitudes, values, skills, and goals that are salient in directing his or her behaviour but are perceived to be exclusive of the attitudes, values, skills, and goals held by the other(s).

Two parties have partially exclusive behavioural preferences regarding their joint actions.

Two parties are interdependent in the performance of functions or activities.

Sources of Conflict

Conflict can come from a variety of sources:

- **Goals.** Conflict can happen as a result of conflicting goals or priorities. It can also happen when there is a lack of shared goals.
- **Personality conflicts.** Personality conflicts are a common cause of conflict. Sometimes there is no chemistry, or you haven't figured out an effective way to click with somebody.
- **Scarce resources.** Conflict can happen when you're competing over scarce resources.
- **Styles.** People have different styles. Your thinking style or communication style might conflict with somebody else's thinking style or their communication style. The good news is that conflicts in styles are easy to adapt to when you know how.
- **Values.** Sometimes you will find conflict in values. The challenge here is that values are core. Adapting with styles is one thing, but dealing with conflicting values is another. That's why a particular business, group, or culture may not be a good fit for you. It's also why –birds of a feather flock together and why –opposites attract, but similarities bind.¶

Types of conflicts

Conflict is classified into the following four types:

- **Interpersonal conflict** refers to a conflict between two individuals. This occurs typically due to how people are different from one another. We have varied personalities which usually results to incompatible choices and opinions. Apparently, it is a natural occurrence which can eventually help in personal growth or developing your relationships with others. In addition, coming up with adjustments is necessary for managing this type of conflict. However, when interpersonal conflict gets too destructive, calling in a mediator would help so as to have it resolved.
- **Intrapersonal conflict** occurs within an individual. The experience takes place in the person's mind. Hence, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions. Interpersonal conflict may come in different scales, from the simpler mundane ones like deciding whether or not to go organic for lunch to ones that can affect major decisions such as choosing a career path. Furthermore, this type of conflict can be quite difficult to handle if you

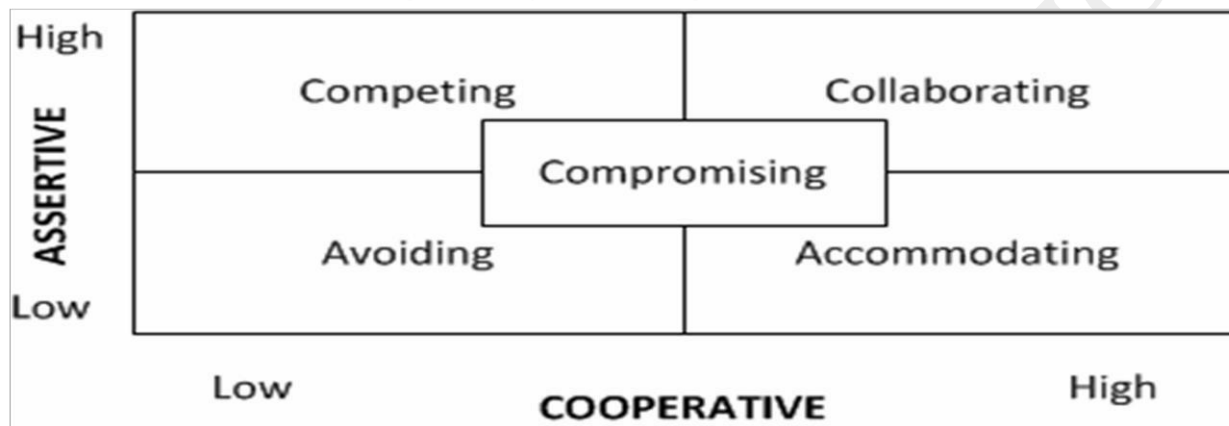
find it hard to decipher your inner struggles. It leads to restlessness and uneasiness, or can even cause depression. In such occasions, it would be best to seek a way to let go of the anxiety through communicating with other people. Eventually, when you find yourself out of the situation, you can become more empowered as a person. Thus, the experience evoked a positive change which will help you in your own personal growth.

- **Intragroup conflict** is a type of conflict that happens among individuals within a team. The incompatibilities and misunderstandings among these individuals lead to an intragroup conflict. It arises from interpersonal disagreements (e.g. team members have different personalities which may lead to tension) or differences in views and ideas (e.g. in a presentation, members of the team might find the notions presented by the one presiding to be erroneous due to their differences in opinion). Within a team, conflict can be helpful in coming up with decisions which will eventually allow them to reach their objectives as a team. However, if the degree of conflict disrupts harmony among the members, then some serious guidance from a different party will be needed for it to be settled.
- **Intergroup conflict** takes place when a misunderstanding arises among different teams within an organization. For instance, the sales department of an organization can come in conflict with the customer support department. This is due to the varied sets of goals and interests of these different groups. In addition, competition also contributes for intergroup conflict to arise. There are other factors which fuel this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others which establishes their own identity as a team. Conflict may seem to be a problem to some, but this isn't how conflict should be perceived. On the other hand, it is an opportunity for growth and can be an effective means of opening up among groups or individuals. However, when conflict begins to draw back productivity and gives way to more conflicts, then conflict management would be needed to come up with a resolution.

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CONFLICT MANAGEMENT STYLES:

Here are the five conflict management styles according to Thomas, K.W., and R.H. Kilmann:



Accommodating – This is when you cooperate to a high-degree, and it may be at your own expense, and actually work against your own goals, objectives, and desired outcomes. This approach is effective when the other party is the expert or has a better solution. It can also be effective for preserving future relations with the other party.

- Avoiding - This is when you simply avoid the issue. You aren't helping the other party reach their goals, and you aren't assertively pursuing your own. This works when the issue is trivial or when you have no chance of winning. It can also be effective when the issue would be very costly. It's also very effective when the atmosphere is emotionally charged and you need to create some space. Sometimes issues will resolve themselves, but –hope is not a strategy], and, in general, avoiding is not a good long term strategy.
- Collaborating – This is where you partner or pair up with the other party to achieve both of your goals. This is how you break free of the –win-lose] paradigm and seek the –win-win.]. This can be effective for complex scenarios where you need to find a novel solution. This can also mean re-framing the challenge to create a bigger space and room for everybody's ideas. The downside is that it requires a high-degree of trust and reaching a consensus can require a lot of time and effort to get everybody on board and to synthesize all the ideas.
- Competing – This is the –win-lose] approach. You act in a very assertive way to achieve your goals, without seeking to cooperate with the other party, and it may be at the expense of the other party. This approach may be appropriate for emergencies

when time is of the essence, or when you need quick, decisive action, and people are aware of and support the approach.

- Compromising – This is the –lose-lose scenario where neither party really achieves what they want. This requires a moderate level of assertiveness and cooperation. It may be appropriate for scenarios where you need a temporary solution, or where both sides have equally important goals. The trap is to fall into compromising as an easy way out, when collaborating would produce a better solution.

Power and politics

Power depends from person to person and its use depends upon the attitude of an individual. Power in public life is different than corporate world. Power is derived from the official position held by an individual in an organization. As Rosabeth Kanter says, –**power is the ability to get things done.**” Power is a tool and resource, a means as an end while politics represents tactics used by employees to use to manipulate power in organizational setting. Leaders use power as a means of attaining group goals. Leader use power to ensure compliance of job assigned to them. Power is also used to control various activities of individuals and groups

Power is potential ability of a person to induce forces on another person towards movement or change in a given direction within a given behaviour region, at a given time. Politics is a process whereby power is acquired and used to influence behaviour of others. It is endemic to every organization. People form groups, camps or cliques when they play politics. People playing politics for power where ethics, moral values, organizational goals are of little concern. Dalton³ identified following six areas where politics was being played actively.

- Pressure for economy
- Co-operation of officially powerless experts with their administrative superior line and staff-relationship.
- The conflict between labour and management for interpreting agreements.
- Uncertainty about standards and strategies of promotion.
- Difficulty in linking reward with productivity
- Practicality of policies

Dalton observed that various type of alliances tend to develop among individuals, these alliances may be vertical, horizontal or mixed and are prime means of acquiring influence. This phenomenon of acquiring and exercising power seriously changes the command and control system in the organization. It forces to deviate from the established norm and process.

Basis of Power

French and Raven (1959) and Raven (1965) have put forward following six basis of power.

(a) **Rewards:** This power source derives from the person's control over resources, for example power to control human resources, pay and promotion. Greater the perceived value of each rewards the greater the power. These rewards can be extrinsic in nature with tangible values as well as intrinsic such as praise or recognition.

(b) **Coercive:** The power to punish or reward, the power to threaten and to use one's position to force others to take action. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. For example a threat to meet given targets otherwise there would be reduction in salary.

(c) **Legitimate:** The power which is exercised in accordance with organizational rules. This power which is exercised with the authority of organization. Power derives from our cultural system of rights, obligations and duties, whereby position is accepted by people, i.e. right of private property.

(d) **Referent:** This depends on charisma or personal attraction of the individual. Interpersonal skill and emotional support from others are the sources of power for a person. Stronger the association, stronger the power. For example Mahatma Gandhi, people believed in his ideology.

(e) **Expert:** Power which derives from knowledge. Sometimes called sapient authority, This is power based on an acknowledgement of others expertise e.g. Physician.

(f) **Information:** Information about people, events or other facts assist prediction about future behaviour or events.

Power exists within two parties i.e. those exercising it and those responding to power. Power is the capacity to mobilize resources for effective use. Mobilizing capacity depends on the situation involved.

Capacity to exercise power depends upon the situation which provides opportunities or restrictions on the use of power and the personality of those wishing to exercise the same. Asymmetry of power refers to the perceived differences between the power of involved parties and its relationship. Personality refers to physical and psychological advantage an individual has over other persons. For example Sachin Tendulkar enjoys charisma and power related to it due to his personality. The military power relies upon the notion of legitimacy. If it is challenged the whole system will collapse.

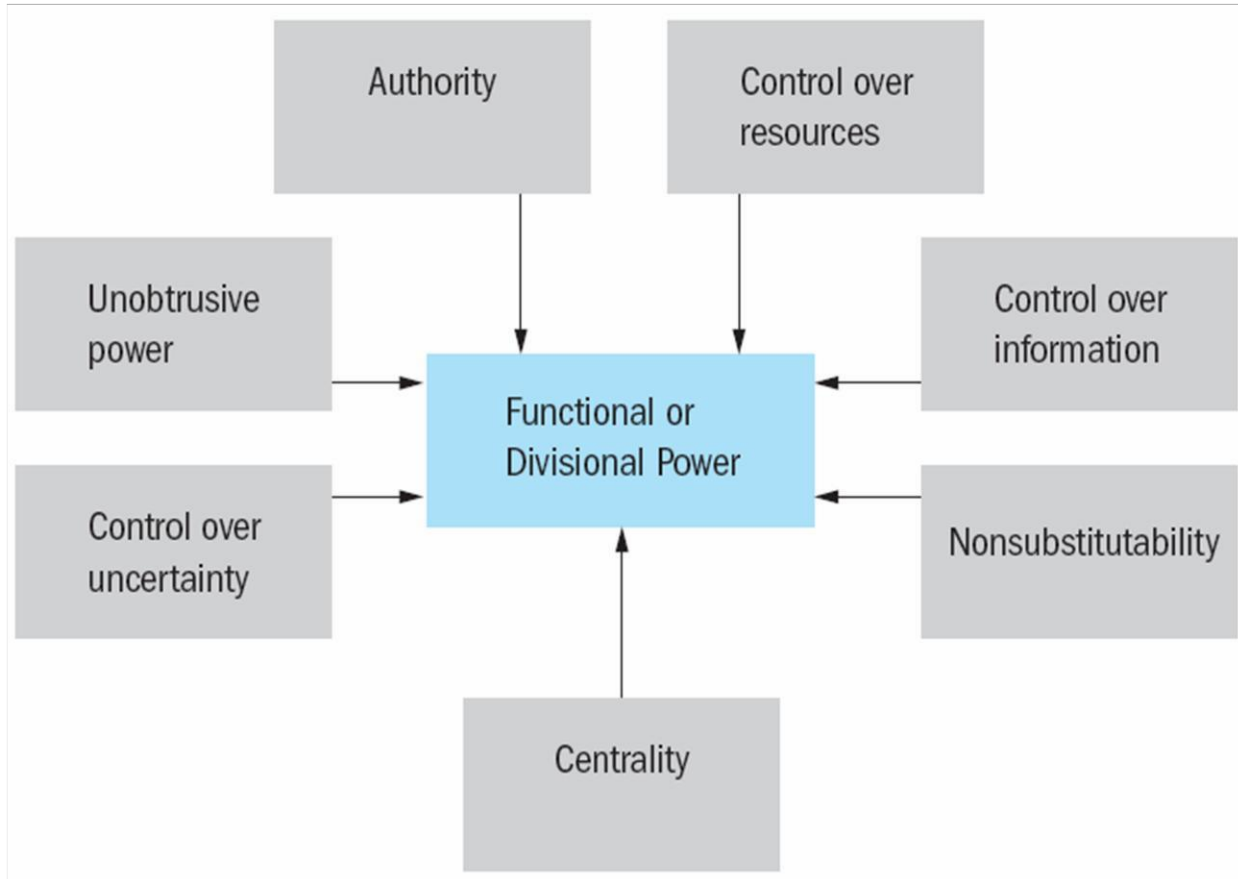
Sources of Power

Organizational Based

- 1. Knowledge as power:** Information Technology has taken a big leap in the last two decades. Information is necessary for top management to take decisions. Information is vital to carry out various operations in the business environment. Thus a person or a group holding information becomes more powerful than their counter part. Flow of information is necessary for continuous production or service operations. Persons who are in position to control the flow of information wield enormous power to influence the behaviour of others.
- 2. Resource as power:** Resources are necessary for any organization. While material or tangible resources can be procured easily, it is the availability of these resources, at right time, at right place in a required quality and at a competitive price. Any person having monopoly over scarce resources wield power. When project is required to be started, it is government agencies which delay the project for want of various resources, like power, water, etc. Human Resources are critical. Any person having direct or indirect control over making skilled persons available holds power. Organization cannot survive without adequate availability of various resources.
- 3. Decision Making as power:** Decision making as power in organization rests with the head of the organization. Decision making is delegated to departmental heads depending upon the nature of work, ability of the departmental heads and the trust enjoyed by them. Decision making is one of the most important processes of management. Decisions are influenced, may be by subordinates, peers, friends or even family members who are psychologically close to decision maker. Therefore, both a person having decision making authority and a person who can influence decision making have power in the organization. Hiring a close relative, purchases in the organization, client selection etc. are day to day events in the organization which, indicate the power centers.
- 4. Power Centers:** There exist people in the organization who desire to be more strong. They also want people dependent on them. Specialists, people with special powers deliberately delay decisions or hold resources so that they become more demanding. Power centers exist in various departments. It may in form of reservoir of power.
- 5. Dependency:** Strength of power depends upon degree of dependency. Greater the dependency on the power holder greater influence will the power holder exercised over his subordinates. Dependency is directly related between power holder and those do not have it. Power holder holds power of retention to be able to increase dependency. All managers have two dimensional power base. One is the power generated by the organizational authority and

the second, the personal power by virtue of personality.

Sources of Organizational Power



Authority: power that is legitimized by the legal and cultural foundations on which an organization is based:

Empowerment: the deliberate decentralization of authority
Control over resources: as the organization controls more and more resources in its environment, power within an organization comes from the control of resources
Control over information: access to strategic information and the control of the information are sources of considerable power

Non substitutability: if no one else can perform the tasks that a person or subunit performs, that person or subunit is non substitutable

Centrality: the subunits that are most central to resource flows have the ability to reduce the uncertainty facing other subunits

Control over uncertainty: a subunit that can actually control the principal sources of uncertainty has significant power

Changes in contingencies facing the organization alter which subunits have this power

Unobtrusive power: controlling the premises of decision making

Unobtrusive power: the power flowing from the ability to control the premises behind decision making

The power of a coalition resides in its ability to control the assumptions, goals, norms, or values that managers use to judge alternative solutions to a problem

ORGANIZATIONAL POLITICS

A. Organizational politics are the activities that managers engage in to increase their power and to use power effectively to achieve their goals and overcome resistance or opposition.

1. Political strategies are the specific tactics that managers use to increase their power, use their power effectively to influence and gain the support from others, and overcoming resistance from others.
2. Political strategies are especially important when managers are planning major changes in an organization.
 - a. By increasing their power, managers are better able to make needed changes.
 - b. They must gain support for their change and also overcome strong opposition from people who feel threatened by the change.

The Importance of Organizational Politics

1. The term politics has a negative connotation for many people.
 - a. This is because some managers misuse their power for personal benefit.
2. However, organizational politics are often a positive force.
 - a. Effective managers engage in politics to gain support for and implement needed changes.
3. Managers cannot afford to ignore organizational politics.
 - a. Everyone engages in politics to a degree.
 - b. Those who try to ignore politics might as well bury their heads in the sand because in all likelihood, they will be unable to gain support for their initiatives and goals.

Political Strategies for Gaining and Maintaining Power:

Managers who use political strategies to increase their power are better able to influence others to work toward group and organizational goals.

1. Managers who control uncertainty, make themselves irreplaceable, place themselves in a central position, generate resources, and build alliances can increase their power.
2. Controlling Uncertainty: Uncertainty is a threat for individuals, groups and organizations and can interfere with effective performance.

a. Managers who are able to reduce uncertainty are likely to see their power increase and will probably be in demand and sought after by other organizations.

3. Making Oneself Irreplaceable: Managers gain power when they have valuable knowledge and expertise that allow them to perform activities that no one else can handle.

a. The more central these activities are to organizational effectiveness, the more power a manager gains from being irreplaceable.

4. Being in a Central Position: Managers in central positions are responsible for activities that are directly connected to an organization's goals.

a. Being in a central position is likely to increase a manager's power because he or she will have control over crucial organizational activities and have access to important information.

b. Organizational members are dependent on them for their knowledge, expertise, advice, and support.

c. Managers who are outstanding performers, have a wide knowledge base, and have made important and visible contributions are likely to be offered central positions.

5. Generating Resources: Organizations need three kinds of resources to be effective: 1) Input resources such as raw materials, skilled workers, and financial capital, 2) Technical resources such as machinery and computers, and 3) Knowledge resources such as marketing or engineering expertise.

a. To the extent that a manager is able to generate one or more of these resources, that manager's power is likely to increase.

6. Building Alliances: When managers build alliances, they develop mutually beneficial relationships with people both inside and outside the organization.

a. Alliances give managers power because they provide the manager with support for his or her initiatives.

b. Partners to alliances provide support because they know that the managers will reciprocate when their partners need support.