

## MCOM FIRST SEMESTER

### COMM -C101- ORGANISATIONAL BEHAVIOUR-4 CREDIT

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**Unit-I: Introduction:** Emergence of Organizational Behavior; Management and OB; Hawthorne Studies and Human Relations School; Challenges and Opportunities for Organizational Behavior; Positive Organizational Behavior; Computer-based assignments; Lab-based assignments.

**Emergence of Organizational Behavior** - Organizational Behavior (OB) emerged as a distinct field of study in the late 1950s and early 1960s, evolving from a shift in focus from purely technical and structural aspects of management to the **human element** within organizations. This emergence was not a sudden event, but rather a culmination of several historical movements and studies that highlighted the importance of people in the workplace.

**1. The Classical Era (Late 19th to Early 20th Century)**-The initial approaches to management focused on efficiency and productivity, viewing the worker as a cog in a machine. This era laid the groundwork for the modern workplace but largely ignored human factors.

- **Scientific Management:** Pioneered by **Frederick Winslow Taylor**, this movement advocated for a systematic, scientific approach to work. It focused on time-and-motion studies, task specialization, and incentive-based pay to maximize output. Taylor's ideas, while increasing productivity, treated workers as rational beings motivated solely by money.
- **Bureaucratic Theory:** German sociologist **Max Weber** introduced the concept of bureaucracy as the most efficient and rational form of organization. He proposed a rigid structure with a clear hierarchy, formal rules, and impersonal relationships. While this

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model provided stability and control, it was criticized for stifling creativity and ignoring social relationships.

- **Administrative Theory: Henri Fayol** contributed to the classical view by proposing a set of universal principles of management, such as unity of command and division of labor. His focus was on the functions of management—planning, organizing, commanding, coordinating, and controlling—rather than individual worker behavior.

**2. The Human Relations Movement (1930s to 1950s)**-This movement marked a significant turning point, challenging the classical view and putting a spotlight on the social and psychological aspects of work.

- **The Hawthorne Studies:** Conducted at the Western Electric Hawthorne plant from the 1920s to the 1930s, these experiments, led by **Elton Mayo**, were initially designed to study the effects of physical conditions on productivity. To the researchers' surprise, productivity increased regardless of changes in lighting or rest periods.
- **Key Finding:** The studies revealed that workers' performance was heavily influenced by **social factors**, informal group dynamics, and the feeling of being valued and paid attention to by management. This finding, known as the **Hawthorne Effect**, demonstrated that human relations and feelings were more powerful motivators than financial incentives alone. This was a critical milestone in the emergence of OB.
- **Maslow's Hierarchy of Needs: Abraham Maslow's** theory, developed in the 1940s, posited that individuals are motivated by a hierarchy of needs, from basic physiological and safety needs to higher-level needs for esteem and self-actualization. This theory provided a new framework for understanding employee motivation beyond monetary rewards alone.
- **3. The Behavioral Science Era (1950s onwards)**-Building on the human relations movement, this era saw the formalization of OB as an academic discipline, integrating concepts from various fields.

- **Integration of Disciplines:** Scholars began to systematically apply theories from **psychology** (individual behavior, motivation, learning), **sociology** (group dynamics, social systems), and **anthropology** (cultural influences) to the study of organizations.
- **Shift to a Systems View:** The field moved toward a **systems approach**, viewing an organization as a complex system of interconnected parts, where changes in one part affect the whole. This perspective helped in understanding the dynamic interactions among individuals, groups, and the organization's structure.
- **Key Thinkers:** Prominent scholars like **Douglas McGregor** (Theory X and Theory Y) and **Victor Vroom** (Expectancy Theory) contributed to a more nuanced understanding of human motivation and behavior in a work context. This period solidified the belief that understanding human behavior was essential for effective management.

**Management and OB** -Management is the art of getting things done through people, while **Organizational Behavior (OB)** is the scientific study of how people act within an organization. Management is an applied discipline focused on achieving goals, whereas OB is a field of study that provides the knowledge and tools for managers to do so effectively.

**Management** is a goal-oriented process that involves planning, organizing, leading, and controlling resources to achieve organizational objectives efficiently and effectively. It's a universal concept, applied in all types of organizations, from businesses to non-profits and government agencies.

- **Planning:** Defining goals and a strategy to achieve them.
- **Organizing:** Structuring work and allocating resources to execute the plan.
- **Leading:** Motivating and influencing people to work toward the goals.
- **Controlling:** Monitoring performance, comparing it to goals, and making corrections.

## FOUR FUNCTIONS OF MANAGEMENT



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**Organizational Behavior (OB)**-Organizational Behavior (OB) is an interdisciplinary field that studies the behavior of individuals, groups, and structures within an organization. The knowledge gained from OB is used to improve an organization's effectiveness and an individual's career success. It draws on fields such as psychology, sociology, and anthropology to understand why people behave as they do in the workplace.

- **Individual Level:** Focuses on topics like personality, attitudes, perception, and motivation.
- **Group Level:** Examines group dynamics, teamwork, communication, and conflict resolution.
- **Organizational System Level:** Analyzes organizational culture, structure, and change.

**Relationship Between Management and OB:** Management and OB are synergistic. Management is the practice, and OB is the theory that informs that practice.

- **OB is a tool for management:** OB provides managers with a deeper understanding of human behavior, which is essential for effective leadership. It helps managers predict and explain their employees' behavior.
- **Management applies OB principles:** Managers use the knowledge from OB to perform their functions more effectively. For instance, to lead and motivate employees, a manager must understand OB theories of motivation. To organize a team, a manager must consider group dynamics.
- **Without OB, management is limited:** Management's classical approach, which focused on structure and process, often failed to account for the human element. The Hawthorne studies demonstrated that social and psychological factors have a more significant impact on productivity than physical conditions. OB emerged to fill this gap, providing a more holistic and human-centered approach to management.

**Hawthorne Studies and Human Relations School** -The Hawthorne Studies, conducted in the 1920s and 1930s, were a series of experiments that revolutionized management theory. They gave rise to the **Human Relations School**, which challenged the classical view of workers as purely economic beings and emphasized the importance of social and psychological factors in the workplace.

**The Hawthorne Studies**-The studies were conducted at the Western Electric Company's Hawthorne Works in Chicago by a team of researchers led by **Elton Mayo**. They were initially designed to investigate the effects of physical working conditions, such as lighting and rest breaks, on employee productivity.

- **Illumination Experiments:** Researchers varied the lighting in the workspace, expecting to see productivity increase with brighter light. Surprisingly, productivity increased whether the light was brighter or dimmer, and even when it was returned to its original level. This suggested that factors other than physical conditions were at play.

- **Relay Assembly Test Room:** A small group of female workers was placed in a separate room and subjected to various changes in work hours, rest periods, and supervision. Again, productivity consistently increased, regardless of the change. Researchers concluded that the positive attention the workers received and the sense of belonging to a special group were the primary drivers of improved performance. This is known as the **Hawthorne Effect**.
- **Bank Wiring Observation Room:** This study revealed the powerful influence of **informal work groups**. Workers in this group were found to have their own unwritten rules and norms for production, and they often intentionally restricted their output to avoid "rate-busting" (producing too much) or "chiseling" (producing too little), even though they were paid by individual output. This showed that peer pressure and a desire to belong were more powerful motivators than financial incentives.

**The Human Relations School-**The findings from the Hawthorne Studies led to the birth of the Human Relations School of management. This new approach rejected the rigid, task-oriented principles of classical management theory and advocated for a more human-centered approach.

- **Shift in Focus:** It shifted the focus from an organization's structure and processes to the **human element**. It recognized that employees are not just cogs in a machine but are social beings with emotional and psychological needs.
- **Key Principles:** The Human Relations School emphasized that:
  - **Social needs** are a powerful motivator. Workers are more productive when they feel valued and have a sense of belonging.
  - **Informal groups** and social interactions significantly influence worker behavior and productivity.
  - **Democratic leadership** and open communication are more effective than an authoritarian management style.
  - **Job satisfaction** and morale are directly linked to productivity.

In essence, the Human Relations School taught that treating employees with respect, involving them in decision-making, and fostering a positive work environment are essential for a company's success.

**Challenges and Opportunities for Organizational Behavior** -Challenges and opportunities in Organizational Behavior (OB) are two sides of the same coin. The very issues that make managing people complex and difficult—like diversity, ethics, and technology—also present unique opportunities for organizations to gain a competitive advantage by creating more effective, inclusive, and productive workplaces.

**Challenges in Organizational Behavior**-Modern workplaces are dynamic and face several challenges that OB aims to address.

- **Globalization and Cultural Diversity:** Operating in a globalized world means managing a workforce with diverse cultural backgrounds, values, and work ethics. This can lead to communication breakdowns, conflicts, and a need for culturally sensitive management practices. The challenge is to foster a sense of cohesion and common purpose while respecting and leveraging individual differences.
- **Managing a Diverse Workforce:** Beyond culture, organizations are becoming more diverse in terms of age, gender, ethnicity, and ability. A major challenge is addressing potential biases, promoting inclusion, and ensuring fair treatment for all employees. Generational differences, for example, can create varying expectations about work-life balance, career progression, and communication.
- **Technological Advancement:** The rapid pace of technological change, including the rise of AI, automation, and remote work, presents a significant challenge. OB must address issues like employee privacy, the ethics of using AI in decision-making, and the psychosocial effects of a constantly connected, "always-on" work culture.

- **Ethical Dilemmas:** Organizations and managers are increasingly confronted with ethical challenges, from corporate social responsibility to employee surveillance. OB helps in understanding the factors that influence ethical behavior and in developing a strong ethical culture.

**Opportunities in Organizational Behavior-**The challenges mentioned above also create significant opportunities for organizations to improve and thrive.

- **Fostering an Inclusive Culture:** Embracing diversity is not just a moral obligation; it's a business opportunity. OB provides tools to create an inclusive environment where all employees feel valued and respected. Diverse teams are often more innovative and effective at problem-solving due to a wider range of perspectives.
- **Enhancing Employee Engagement and Motivation:** Understanding OB principles allows managers to move beyond traditional incentives and find new ways to engage employees. By focusing on factors like job satisfaction, career development, and a sense of purpose, organizations can boost morale and productivity.
- **Adapting to a Changing Workplace:** The shift to remote and hybrid work models, driven by technology and recent events, is a massive opportunity. OB research can help design effective remote work policies, improve virtual communication, and ensure employees stay connected and productive from a distance.
- **Developing Effective Leadership:** OB provides insights into what makes a leader effective. By studying traits like emotional intelligence and adaptive leadership, organizations can develop managers who are better at motivating teams, resolving conflicts, and navigating complex organizational changes. This is critical for building a resilient and successful organization.

**Positive Organizational Behavior** - Positive Organizational Behavior (POB) is an applied field of positive psychology that focuses on improving employee performance and well-being in the

workplace. It shifts the traditional focus of organizational behavior from what is wrong with employees to what is right, emphasizing human strengths and psychological capacities that can be measured, developed, and managed.

**Key Concepts of Positive Organizational Behavior (POB)** are built around four core psychological capacities, often referred to as **Psychological Capital (PsyCap)**. These are state-like qualities, meaning they are not fixed personality traits but can be developed through training and management.

1. **Self-Efficacy:** This is a person's belief in their own ability to execute the courses of action required to perform a specific task successfully. A high degree of self-efficacy leads to greater effort, perseverance, and resilience in the face of challenges.
2. **Hope:** In POB, hope is not just a wish but a motivational state involving two components: **willpower** (the goal-directed energy to pursue a goal) and **way power** (the ability to develop plans and alternative pathways to achieve that goal).
3. **Optimism:** This is a positive explanatory style where a person attributes good events to internal, permanent causes and bad events to external, temporary causes. Optimistic employees are more likely to persevere through setbacks and believe in a positive outcome.
4. **Resilience:** The ability to bounce back from adversity, conflict, or failure. A resilient employee is adaptable, flexible, and can recover quickly from negative experiences.

**POB in Practice-**By focusing on these core capacities, organizations can implement strategies to enhance employee well-being and productivity. This includes:

- **Training and Development:** Programs aimed at building self-efficacy, hope, optimism, and resilience. For example, a training program might teach employees how to reframe negative thoughts or set realistic, achievable goals.
- **Performance Management:** Shifting the focus of performance reviews to an individual's strengths and potential for growth rather than solely on weaknesses or failures.

- **Leadership:** Fostering a positive work environment through supportive and empowering leadership. Leaders with high PsyCap themselves can inspire these qualities in their teams.
- **Organizational Culture:** Cultivating a culture that values and celebrates human strengths, promotes psychological safety, and encourages open communication.

**Unit-II: Individual Behavior: Foundations of Individual Behavior; Perception; Attribution; Personality; Attitude; Learning and Values; Motivation, Theoretical and Practical Dimensions; Lab-based assignments.**

**A complex interplay of psychological factors shapes the foundations of individual behavior in an organization.** Understanding these elements is crucial for effective management and leadership.

**Perception:** the process by which individuals organize and interpret their sensory impressions to give meaning to their environment. It's how people make sense of the world around them, and it's a critical foundation of individual behavior because behavior is based on what we perceive as reality, not on reality itself.

- **Factors Influencing Perception:** Our perceptions are influenced by several factors:
  - **The Perceiver:** Our attitudes, motives, interests, and experiences shape how we see the world.
  - **The Target:** The characteristics of the object or person being perceived, such as novelty, sound, or size, can affect our attention.
  - **The Situation:** Context matters. For example, a person's behavior in a church will be perceived differently than the same behavior at a party.
- **Perceptual Errors:** Common errors in perception include:
  - **Stereotyping:** Judging someone based on the perception of the group they belong to.

- **Halo Effect:** Forming a general impression about a person based on a single characteristic, such as intelligence or appearance.
- **Contrast Effect:** Our perception of a person is influenced by other people we have recently encountered.

**Attribution** theory explains how we judge people differently depending on what meaning we attribute to a given behavior. We try to determine whether internal or external factors cause a person's behavior.

- **Internally Caused Behavior:** This is behavior believed to be under the personal control of the individual. For example, if an employee is late, we might attribute it to their laziness (an internal cause).
- **Externally Caused Behavior:** This is behavior believed to be the result of outside causes. We might attribute the same lateness to a traffic jam (an external cause).
- **Attribution Errors:**
  - **Fundamental Attribution Error:** Our tendency to underestimate the influence of external factors and overestimate the influence of internal factors when judging the behavior of others. For example, we assume a coworker is a bad performer because they're lazy (internal), not because they were given an impossible task (external).
  - **Self-Serving Bias:** Our tendency to attribute our own successes to internal factors (ability, effort) and our failures to external factors (bad luck, a difficult task).

**Personality:** **Personality** is the total of ways in which an individual reacts to and interacts with others. It's the stable pattern of behaviors and internal states that defines a person. Understanding an individual's personality can help predict their behavior in the workplace.

- **The Big Five Model:** This is a widely accepted model that identifies five key personality dimensions:
  1. **Extraversion:** The degree to which a person is outgoing, sociable, and assertive.

2. **Agreeableness:** The extent to which a person is cooperative, trusting, and good-natured.
3. **Conscientiousness:** The measure of reliability, responsibility, and organization.
4. **Emotional Stability (or Neuroticism):** The ability to withstand stress.
5. **Openness to Experience:** The range of a person's interests and their fascination with novelty.

**Attitude**-Attitude is a person's overall evaluation of a person, object, or idea. It's a settled way of thinking or feeling about something. Attitudes are important in organizational behavior because they can influence a person's job performance and satisfaction.

- **Components of an Attitude:** Attitudes have three main components:
  - **Cognitive Component:** The beliefs, thoughts, and knowledge a person has about an object. ("My job is challenging.")
  - **Affective Component:** The feelings or emotions associated with the object. ("I love my job.")
  - **Behavioral Component:** The intention to behave in a certain way toward the object. ("I will work overtime to finish this project.")

Understanding these four foundational concepts—Perception, Attribution, Personality, and Attitude—helps managers and leaders better understand, predict, and influence employee behavior in the workplace.

### **Learning and Values: Motivation, Theoretical and Practical Dimension**

**Learning** is a relatively permanent behavior change that occurs as a result of experience. It is a fundamental process in organizational behavior, influencing how employees acquire new skills, knowledge, and attitudes. Learning can be categorized into two main types:

- **Classical Conditioning:** This involves an association between a stimulus and a response. For example, a manager's positive reinforcement (praise) after a task is completed may condition an employee to associate task completion with a positive feeling.
- **Operant Conditioning:** This involves learning through consequences. An employee's behavior is influenced by the rewards or punishments that follow it. For instance, a bonus for high sales performance increases the likelihood that that performance will be repeated.
- **Social Learning Theory:** This suggests that individuals learn through observation and direct experience. Employees can learn by observing others and modeling their behavior, especially if the observed behavior is rewarded.

**Values-Values** are basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. They are the ethical and moral principles that guide an individual's behavior and judgments. Values are foundational to understanding an individual's attitudes and motivation.

- **Terminal Values:** These are the desirable end-states of existence, the goals a person would like to achieve in their lifetime (e.g., prosperity, a comfortable life, freedom).
- **Instrumental Values:** These are the preferred modes of behavior or means for achieving terminal values (e.g., ambitious, honest, courageous).

**Motivation: Theoretical and Practical Dimensions-Motivation** is the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal. It is what drives people to act.

**Theoretical Dimensions-**The theoretical understanding of motivation is based on several key models:

- **Maslow's Hierarchy of Needs:** This theory proposes that people are motivated to fulfill a series of five needs in a specific order: physiological, safety, social, esteem, and self-

actualization. A lower-level need must be satisfied before the next one becomes a motivator.



## Maslow's hierarchy of needs

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- **Herzberg's Two-Factor Theory:** This model suggests that different sets of factors cause job satisfaction and dissatisfaction. **Hygiene factors** (e.g., salary, working conditions) prevent dissatisfaction but do not lead to motivation. **Motivators** (e.g., recognition, achievement, growth) are what truly drive employees to perform.
- **McClelland's Theory of Needs:** This theory focuses on three acquired needs: the need for **achievement** (nAch), the need for **power** (nPow), and the need for **affiliation**. Their dominant need drives an individual's motivation.

- **Expectancy Theory:** This theory states that an individual will be motivated to exert a high level of effort when they believe that:
  1. Their effort will lead to a good performance appraisal (**Expectancy**).
  2. A good performance appraisal will lead to organizational rewards (**Instrumentality**).
  3. The rewards will satisfy their personal goals (**Valence**).
- **Goal-Setting Theory:** This theory posits that specific and challenging goals, along with feedback, lead to higher performance. Setting clear, difficult goals motivates individuals to exert more effort.

**Practical Dimensions-**The practical application of motivational theories in organizations involves several strategies:

- **Job Design:**
  - **Job Rotation:** Moving employees from one task to another to reduce boredom and increase skills.
  - **Job Enlargement:** Increasing the number of tasks an employee performs to provide greater variety.
  - **Job Enrichment:** Giving employees more autonomy and responsibility, providing them with opportunities for growth and achievement.
- **Employee Involvement:** Involving employees in decision-making processes gives them a sense of ownership and control over their work.
- **Rewards and Recognition:** Using a variety of rewards, both monetary (bonuses, salary increases) and non-monetary (praise, public recognition), to reinforce desired behaviors.
- **Flexible Work Arrangements:** Offering flexible schedules, telecommuting, or compressed workweeks to provide employees with greater autonomy and work-life balance.

- **Performance-Based Pay:** Tying an employee's compensation directly to their performance, such as through profit-sharing, bonuses, or merit-based pay.

**Unit-III: Group Behavior: Group Dynamics; Cohesiveness and Productivity; Group Decision Making; Managing Organizational Conflict; Managing Misbehavior at Work; Lab-based assignments.**

**Group Behavior: Group Dynamics** - Group behavior refers to how individuals act and interact within a group setting. It is a field of study that focuses on understanding the dynamics, formation, and functioning of groups.

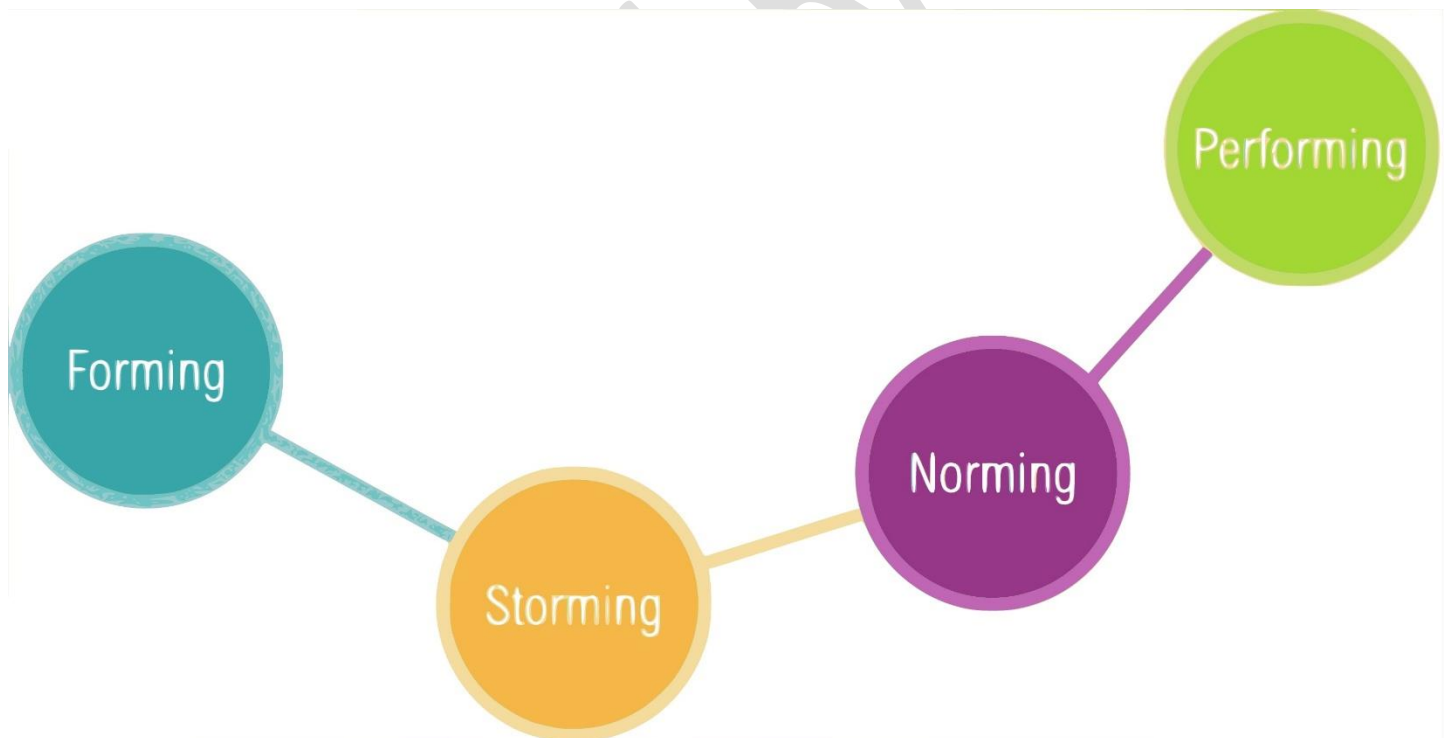
**Group Dynamics-Group dynamics** refers to the processes and interactions within a group, including the forces that influence its members' behavior and relationships. It's the study of how groups are formed, how they function, and how they affect the members and the organization. The term was coined by Kurt Lewin, a pioneer in social psychology, who saw a group as a unified system of interacting forces.

**Factors Influencing Group Dynamics**

1. **Group Norms:** These are the informal rules of conduct that govern the behavior of group members. Norms can relate to performance, appearance, or social arrangements. For example, a norm in a sales team might be to arrive 15 minutes early for the morning meeting.
2. **Group Roles:** These are the sets of expected behavior patterns attributed to someone occupying a given position in a social unit. Roles can be formal (e.g., manager, team leader) or informal (e.g., the group clown, the idea person).
3. **Status:** This is a socially defined position or rank given to groups or group members by others. A person with higher status may have greater influence and be more likely to deviate from group norms without facing the same sanctions as others.

4. **Cohesiveness:** This is the degree to which group members are attracted to each other and are motivated to stay in the group. A highly cohesive group is more likely to perform well when its goals align with the organization's goals.
5. **Group Size:** The number of members in a group affects its dynamics. Smaller groups are typically faster at completing tasks, while larger groups are better at problem-solving and generating diverse ideas.
6. **Group Conflict:** Conflict is a natural part of group interaction. It can be functional (constructive) or dysfunctional (destructive). Functional conflict can improve decision-making and innovation, while dysfunctional conflict can hinder productivity.

**Stages of Group Development:** Most groups go through a predictable sequence of stages. Understanding these stages can help managers facilitate group development and improve performance.



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1. **Forming:** The initial stage where members are uncertain about the group's purpose, structure, and leadership. Members "test the waters" to determine acceptable behaviors.
2. **Storming:** A stage of intragroup conflict. Members accept the group's existence but resist the constraints it imposes on their individuality. Conflict arises over who will control the group.
3. **Norming:** The stage where close relationships develop, and the group demonstrates cohesiveness. The group establishes a clear set of norms and expectations for behavior.
4. **Performing:** The group is fully functional and accepted. The group's energy has shifted from understanding one another to performing the task at hand.
5. **Adjourning:** The final stage for temporary groups. The group prepares for its disbandment, and members focus on wrapping up activities rather than on task performance.

**Cohesiveness and Productivity** -Cohesiveness and productivity have a complex and often misunderstood relationship. While a cohesive group generally feels more positive, its impact on productivity is not straightforward; it depends on the group's performance norms.

**What is Cohesiveness?** Cohesiveness is the degree to which members are attracted to a group and motivated to stay in it. It's the "we-feeling" or sense of belonging that binds members together. Highly cohesive groups are more likely to have a positive group identity, lower turnover, and greater member satisfaction.

**The Relationship between Cohesiveness and Productivity:** The link between a group's cohesiveness and its productivity is not direct. It's moderated by the group's performance norms—the standards of behavior and output that the group accepts. There are four possible scenarios:

1. **High Cohesiveness + High Performance Norms:** This is the most desirable situation. When a cohesive group sets high performance standards, its members are more likely to

work together to achieve those goals. This combination leads to **high productivity** because the group's strong social bonds reinforce the shared commitment to excellence.

2. **High Cohesiveness + Low Performance Norms:** This is a detrimental combination. In this scenario, the group is unified, but its members' shared norms are to produce minimal output or avoid high-effort work. The group's strong bonds reinforce these negative behaviors, leading to **low productivity**. This is often seen in groups where members are highly loyal to each other but are disengaged from the organization's goals.
3. **Low Cohesiveness + High Performance Norms:** The group has a strong desire to perform well, but its members are not strongly bonded. While individuals may work hard, the lack of cooperation and mutual support can lead to inefficiency and difficulty in coordinating tasks. This typically results in **moderate productivity**.
4. **Low Cohesiveness + Low Performance Norms:** This is the worst-case scenario. There is no social glue holding the group together, and there's no shared commitment to performance. Members are disengaged from both the group and the organizational goals, resulting in **very low productivity**.

In summary, a cohesive group is not inherently productive. The key to leveraging cohesiveness is to align it with high-performance norms. A manager's role is to build a cohesive team and then guide that team toward a shared commitment to high-quality work and productivity.

### **Group Decision Making; Managing Organisational Conflict; Managing Misbehaviour at Work**

**Group Decision-Making-**Group decision-making is the process of individuals working together to make a choice. While it can lead to higher quality outcomes, it also presents unique challenges.

## Techniques for Group Decision-Making

1. **Brainstorming:** This technique encourages the free flow of ideas without criticism. The goal is to generate as many ideas as possible in a short period to stimulate creativity and overcome production blocks.
2. **Nominal Group Technique (NGT):** This is a structured method that combines individual work with group discussion. Members silently write down their ideas, then present them to the group for a structured discussion, and finally, ideas are ranked through a private vote. NGT is a valuable tool for reducing the influence of dominant personalities.
3. **Delphi Technique:** This method does not require physical interaction among members. A panel of experts is asked to provide their opinions, which are then summarized and fed back to the group. This process is repeated until a consensus is reached. This is particularly useful when experts are geographically dispersed or when a high degree of anonymity is desired.
4. **Traditional Interactive Groups:** These are the most common groups where members meet face-to-face and interact freely. They are often informal and can lead to a more collaborative and in-depth discussion.

**Managing Organizational Conflict-Organizational conflict** is a disagreement or opposition between individuals or groups within an organization. It can be constructive or destructive, and a manager's role is to minimize the latter and encourage the former.

### Causes of Conflict

- **Differences in Goals:** Departments or individuals may have different objectives that create tension. For example, a sales team's goal to increase revenue may conflict with a finance team's goal to minimize expenses.
- **Competition over Scarce Resources:** Conflict arises when two or more parties compete for limited resources, such as budget, equipment, or personnel.

- **Communication Breakdown:** Poor or misunderstood communication can lead to mistrust and misinterpretations, which can quickly escalate into a conflict.
- **Differing Values or Beliefs:** People from different backgrounds may have different values, which can lead to clashes in the workplace.

## Conflict Management Techniques

- **Conflict Resolution:**
  - **Avoiding:** Withdrawing from the conflict. This is a temporary solution and may not resolve the underlying issue.
  - **Collaborating:** Working together to find a win-win solution that satisfies all parties' concerns. This requires a high degree of trust and communication.
  - **Competing:** Pursuing one's own interests at the expense of the other party. This can be effective in emergencies but can damage relationships.
  - **Accommodating:** Giving in to the other party's demands. This is often used when the issue is more important to the other person or to preserve the relationship.
- **Conflict Stimulation:**
  - **Encouraging Competition:** Introducing a level of healthy competition can stimulate positive conflict and improve performance.
  - **Devils' Advocate:** Assigning someone to challenge the majority opinion can help prevent groupthink and lead to better decisions.

**Managing Misbehavior at Work-Workplace misbehavior** is any voluntary behavior that violates significant organizational norms and, in doing so, threatens the well-being of the organization or its members. Managing it requires a proactive and consistent approach.

## Types of Misbehavior

- **Incivility:** Rude, discourteous, or disrespectful behavior that falls below the threshold of illegal or unethical conduct. Examples include eye-rolling or gossiping.
- **Aggression and Violence:** Physical or verbal attacks that are intended to cause harm.
- **Theft:** Stealing from the company or other employees.
- **Absenteeism and Tardiness:** Unjustified absence or being consistently late.

## Strategies for Managing Misbehavior

1. **Set Clear Expectations:** Establish a clear code of conduct and communicate it effectively to all employees. Employees need to know what is considered acceptable behavior.
2. **Consistent Consequences:** Apply disciplinary actions fairly and consistently. Inconsistent discipline can lead to resentment and a lack of respect for management.
3. **Early Intervention:** Address misbehavior as soon as it occurs. Ignoring small issues can signal that the behavior is acceptable and lead to more serious problems.
4. **Provide Training:** Offer training on topics like conflict resolution, emotional intelligence, and stress management to help employees better handle difficult situations.
5. **Maintain Psychological Safety:** Create an environment where employees feel safe to report misbehavior without fear of retaliation. This encourages transparency and early detection of problems.

**Unit-IV: Leadership: Influence, Power and Politics; Leadership – Theoretical and Practical Dimension. Organization System & Processes: Organization Structure – Foundation and Types; Climate and Ethos; Communication; Organizational Effectiveness & Performance, Managing Change, Lab based assignments.**

**Leadership: Influence, Power and Politics** -Leadership is a multifaceted concept that is inextricably linked to influence, power, and politics. While often used interchangeably, these

terms have distinct meanings that are critical to understanding how leaders operate and achieve their goals.

### **Influence vs. Power**

- **Power** is the **ability to influence others**. It's the capacity to get people to do something they might not otherwise do. Power can be derived from various sources, and it's often associated with an individual's position or formal authority within an organization.
  - **Positional Power:** This type of power comes from the role or office a person holds. Examples include legitimate power (formal authority), reward power (ability to give incentives), and coercive power (ability to impose penalties).
  - **Personal Power:** This power is rooted in an individual's personal characteristics and is not tied to their position. Examples include expert power (based on specialized knowledge or skills) and referent power (based on respect, trust, and admiration).
- **Influence** is the **process of using power** to shape the behavior, attitudes, or decisions of others. It's the action or effect of power. While power is the potential, influence is the act of persuasion and changing outcomes. A leader with strong influence can inspire and motivate a team to action even without formal authority. Influence is often built on trust, shared values, and strong relationships.

In short, power is the potential to influence, while influence is the actual act of shaping outcomes. An effective leader often relies more on influence than on raw power, as influence can create lasting change and foster a more engaged and positive organizational culture.

**The Role of Politics in Leadership**-Organizational politics is the use of power and influence to achieve personal or organizational goals. It is a natural and inevitable part of organizational life, and it's neither inherently good nor bad. Politics can be a positive force when used ethically to

align people and resources to achieve a common vision, but it can also be a negative one when it is self-serving and erodes trust.

- **Politics as a process:** Politics is a set of actions and behaviors aimed at gaining and using power. This can involve building alliances, controlling information, and managing impressions.
- **Navigating the political landscape:** A politically savvy leader understands the informal power dynamics within an organization. They can identify key stakeholders, understand their motivations, and build relationships to garner support for their initiatives. This skill is crucial for getting things done, especially in complex or decentralized organizations.
- **The ethical dimension:** The ethical use of politics in leadership is about using power and influence to benefit the organization and its members, not just for personal gain. This involves acting with integrity, being transparent, and ensuring that decisions are fair and align with the organization's mission.

In summary, leadership is about the effective and ethical use of influence, power, and politics to achieve desired results. A great leader understands the nuances of each and uses them strategically to inspire, motivate, and guide their team toward a shared vision.

**Leadership – Theoretical and Practical Dimension** -Leadership can be understood through both **theoretical** and **practical** dimensions. The theoretical side provides frameworks for understanding leadership, while the practical side focuses on how those concepts are applied in the real world.

**1. Theoretical Dimensions of Leadership**-Leadership theory has evolved over time, moving from the idea that leaders are born to the understanding that leadership is a skill that can be developed. Major theoretical dimensions include:

- **Trait Theories:** These early theories proposed that leaders possess certain innate qualities or traits that distinguish them from non-leaders. Key traits often cited include intelligence, self-confidence, integrity, and charisma.
- **Behavioral Theories:** Shifting focus from "who leaders are" to "**what they do**," these theories suggest that specific behaviors differentiate leaders from others. This led to models like the Managerial Grid, which plots leadership styles based on a concern for people versus a concern for production.
- **Contingency/Situational Theories:** This perspective argues that there is no single "best" leadership style. Instead, effective leadership is **contingent** on the situation. The leader must adapt their style to factors such as the maturity and readiness of their followers, the nature of the task, and the leader's own position power.
- **Transformational and Transactional Theories:**
  - **Transactional leadership** is based on an exchange between the leader and follower, using rewards and punishments to achieve goals. It's about maintaining the status quo.
  - **Transformational leadership** focuses on inspiring and motivating followers to exceed their own self-interest for the greater good of the organization. Transformational leaders act as role models, provide intellectual stimulation, and give individualized consideration to their team members.

**2. Practical Dimensions of Leadership-**The practical dimension of leadership is about applying the theoretical frameworks to real-world situations. It involves a combination of skills, behaviors, and self-awareness.

- **Self-Awareness:** A practical leader must understand their own strengths, weaknesses, and preferred leadership style. By knowing yourself, you can better adapt to different situations and understand your impact on others.

- **Adaptability:** Since no single style works for every situation, a practical leader must be flexible. This means being able to switch from a **directive** style during a crisis to a **participative** style when brainstorming with a seasoned team. The ability to read a situation and respond appropriately is a hallmark of a good leader.
- **Communication and Influence:** Leadership is fundamentally about getting others to follow a vision. This requires excellent communication skills to articulate goals clearly and the ability to influence others without relying solely on formal authority.
- **Motivation and Development:** A practical leader is not just concerned with task completion but also with the growth and well-being of their team. They act as coaches and mentors, providing support, recognizing achievements, and empowering their team members to take ownership and develop their own leadership skills.
- **Ethical Decision-Making:** Practical leadership requires integrity. This means making fair and transparent decisions, building trust with your team, and acting in a way that aligns with the organization's values and mission. Ethical leaders serve as a moral compass for their teams and the broader organization.

**Organization System & Processes** -An organization is a complex system made up of interconnected parts—people, processes, and technology—that work together to achieve common goals. **Organizational systems** and **processes** are the fundamental building blocks that define how a business operates, ensuring consistency, efficiency, and a clear path for success.

**Organizational Systems**-An organizational system is the **structured framework** that defines a company's overall operations. It's the "what" of an organization, encompassing its hierarchy, communication channels, and information flow. Think of it as the nervous system of a business; it connects all the parts and allows them to function as a single unit.

Key components of an organizational system include:

- **Structure:** This is the formal layout of the company, such as a hierarchical, flat, or matrix structure. It defines who reports to whom and how departments are arranged.
- **Culture:** The shared values, beliefs, and behaviors that influence how employees interact and work together. A strong culture aligns people with the company's mission.
- **Technology:** The tools and software used to support business operations, from communication platforms to Enterprise Resource Planning (ERP) systems.



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- **Policies and Procedures:** The official rules and guidelines that govern employee behavior and decision-making.

A well-designed organizational system provides clarity, reduces confusion, and ensures that everyone knows their role and responsibilities. It's the blueprint that guides the organization's strategic direction.

**Organizational Processes:** An organizational process is a **series of repeatable activities** or workflows that transform inputs into outputs. While the system is the "what," the process is the "**how.**" Processes are the actions that take place within the organizational system to get work done. There are three main types of organizational processes:

- **Core Processes:** These are the primary value-creating activities that directly serve the customer. Examples include product development, sales, and customer service.
- **Support Processes:** These are essential for keeping core processes running smoothly but don't directly add value for the customer. Examples include human resources, IT support, and finance.
- **Management Processes:** These guide how the organization is managed and make key decisions. This includes strategic planning, performance evaluation, and risk management.

Processes are the lifeblood of a business. They ensure consistency in quality, reduce waste, and allow a company to scale its operations efficiently.

**Impact on a Business:** The synergy between organizational systems and processes profoundly affects a business's performance.

- **Increased Efficiency and Productivity:** Clear processes and systems streamline workflows, reduce errors, and prevent the duplication of work. This enables employees to be more productive and frees up resources for innovation and growth.
- **Clarity and Accountability:** A well-defined system eliminates ambiguity. Everyone knows their roles, what's expected of them, and who is responsible for specific tasks. This clarity boosts employee morale and accountability.

- **Improved Decision-Making:** When systems are in place to collect and distribute information effectively, leaders can make more informed and strategic decisions.
- **Consistency and Quality:** Processes standardize how tasks are performed, ensuring a consistent level of quality in products and services. This is crucial for building customer trust and brand loyalty.
- **Scalability:** Robust systems and processes allow a business to grow without succumbing to chaos. They provide a predictable framework that can be replicated as the company expands, whether by adding new employees or opening new locations.

### Organization Structure – Foundation and Types; Climate and Ethos; Communication

An organization's structure, climate, and ethos are key factors that shape its operations and success. The structure provides a formal framework, while climate and ethos define the informal atmosphere and guiding principles. All three are deeply influenced by the organization's communication.

**Organization Structure: Foundation and Types-**An organization's structure is the formal framework that dictates how tasks are divided, grouped, and coordinated. Its foundation lies in the principles of **differentiation** (breaking down tasks) and **integration** (coordinating them).

- **Functional Structure:** Employees are grouped by their specialized functions or departments (e.g., marketing, finance, production). This promotes expertise and efficiency within departments but can lead to "silos," where communication and collaboration across departments are limited.
- **Divisional Structure:** The organization is divided into semi-autonomous divisions based on products, services, geographical locations, or customer segments. Each division has its own set of functional departments. This structure is flexible and allows for a focused approach on specific markets, but can be costly due to resource duplication.

- **Matrix Structure:** This structure combines functional and divisional frameworks. Employees report to two managers: a functional manager and a project or product manager. This promotes cross-functional collaboration and resource sharing but can lead to confusion and conflicts over authority due to the dual reporting lines.
- **Flat Structure:** This structure has few or no levels of middle management. It gives employees more autonomy and encourages direct communication with leadership. It's often seen in smaller businesses or startups and can lead to faster decision-making but may struggle with accountability and scalability as the company grows.

**Organizational Climate and Ethos:** **Organizational** climate and ethos are two distinct but related concepts that describe the informal atmosphere and character of a workplace.

- **Organizational Climate:** This refers to the **shared perceptions** that employees have about the work environment. It's the "mood" or "atmosphere" of the workplace at a given time. Climate reflects current policies, practices, and procedures, and it can change relatively quickly. For example, a new manager's leadership style or a recent change in company policy can immediately impact the organizational climate. It's often measured through employee surveys on topics like trust, support, and autonomy.
- **Organizational Ethos:** This is the deep-seated **moral character or guiding philosophy** of an organization. It's a more enduring concept, representing the core values, principles, and beliefs that define its collective identity. Ethos is what the organization stands for; it's the "soul" of the company. It influences how employees think and behave, often subconsciously, and is much harder to change than the climate. For example, an organization's ethos might be rooted in a commitment to innovation, integrity, or social responsibility.

**The Role of Communication-**Communication is the vital link that connects and shapes an organization's structure, climate, and ethos.

- **Influence on Structure:** A company's communication style can determine which structure works best. For example, a flat structure relies on **direct, open communication** to function effectively. Without it, there would be no clear chain of command, leading to chaos. In contrast, a hierarchical or functional structure often relies on more **formal, top-down communication** channels.
- **Influence on Climate and Ethos:** Communication is the primary vehicle for building and reinforcing a company's climate and ethos. When leaders consistently and transparently communicate the organization's values and mission, it strengthens the ethos. The way managers and peers interact and give feedback—whether openly and supportively or critically and defensively—directly shapes the organizational climate. Open, two-way communication builds trust and psychological safety, fostering a positive climate. In contrast, poor communication or the withholding of information can breed mistrust and a negative climate.

**Organizational Effectiveness & Performance, Managing Change** -Organizational effectiveness is how successfully an organization achieves its goals and objectives. It is a broad concept encompassing a variety of metrics and factors beyond profitability. **Organizational performance** is often used interchangeably with effectiveness and measures the results of the organization's activities. Managing change is the process of guiding and supporting an organization and its people through a transition.

**Organizational Effectiveness and Performance**-Organizational effectiveness is a holistic measure of a company's ability to achieve its intended outcomes. It's about being a healthy and successful enterprise in the long run. Performance is the measurable output of that effectiveness. An organization may have high performance in one area, such as sales, but low effectiveness overall due to high employee turnover or poor morale.

Key elements of organizational effectiveness and performance include:

- **Financial Performance:** Metrics like profitability, return on investment (ROI), and revenue. This is a crucial, but not the only, indicator.
- **Customer Satisfaction:** The degree to which the organization's products or services meet customer needs. This can be measured by surveys, repeat business, and net promoter scores (NPS).
- **Employee Engagement and Productivity:** The level of commitment, motivation, and efficiency of the workforce. High engagement often leads to lower turnover and higher productivity.
- **Operational Efficiency:** The ability to use resources—human, financial, and technological—to maximize output and minimize waste. Lean principles and process optimization are key to this.
- **Adaptability and Innovation:** The organization's capacity to respond to a changing market and evolving customer needs. This is critical for long-term survival.

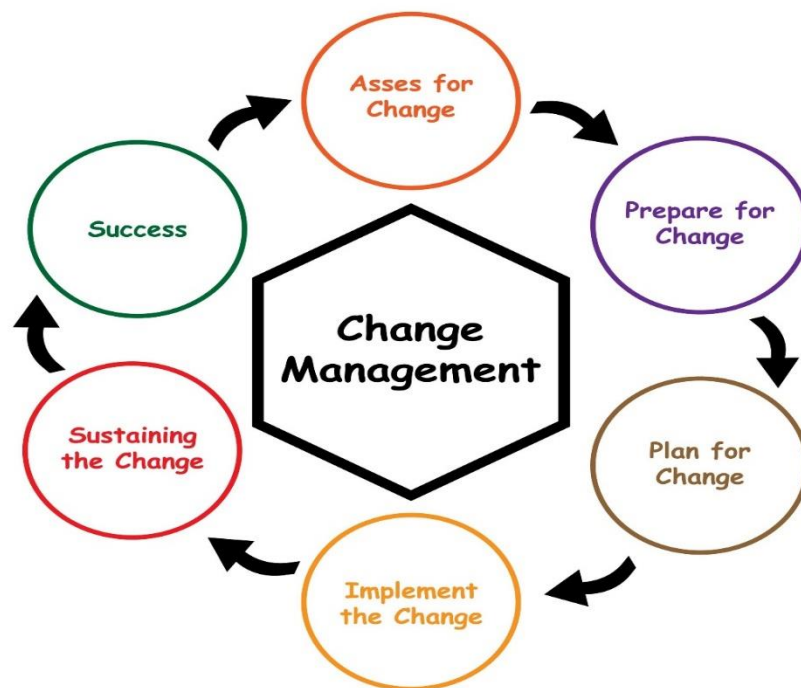
**Managing Change**-Change is a constant in the business world, whether it's due to new technology, market shifts, or a change in leadership. **Change management** is a systematic approach to transitioning individuals, teams, and organizations from a current state to a desired future state. It's about minimizing disruption and resistance while maximizing the benefits of the change.

A successful change management process often follows these steps:

1. **Prepare for the Change:** This initial phase involves identifying the need for change, assessing the risks and impact, and creating a strategic vision. Leaders must be able to clearly communicate the "why" behind the change to all stakeholders.
2. **Plan and Communicate:** Develop a clear roadmap for how the change will be implemented. Communication is vital here. It should be transparent, consistent, and

involve two-way feedback channels. Engaging employees in the planning process helps to reduce resistance.

3. **Implement the Change:** This is the execution phase. It requires strong leadership to guide the process, provide necessary training, and offer continuous support to employees as they adapt to new processes or systems.
4. **Embed and Sustain the Change:** Once the change has been implemented, it's crucial to ensure that it sticks. This involves reinforcing new behaviors, celebrating successes, and establishing new metrics to monitor performance. Without this step, old habits can quickly return.
5. **Review and Analyze:** The final stage is a continuous process of reviewing what worked and what didn't. This feedback loop allows the organization to make adjustments and improve its change management capabilities for future transitions.



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