

Subject: OB
Subject Code: HSSM 3205
Branch: B. Tech. all branches
Semester: (3rd / 4th SEM)

Lecture notes prepared by:

Dr. Geetanjali Pradhan (Coordinator)

Asst. Prof. Mathematics, Dept. of Mathematics and Humanities
College Of Engineering and Technology, BBSR, BPUT

i) Ms. Sai Rasmi Patra

Lecturer in Management
College Of Engineering and Technology, BBSR, BPUT

ii) Mr. M. K. Behera

Lecturer in Management
College Of Engineering and Technology, BBSR, BPUT

iii) Mr. S. K. Tripathy

Lecturer in Management
College Of Engineering and Technology, BBSR, BPUT

Disclaimer:

The lecture notes have been prepared by referring to many books and notes prepared by the teachers. This document does not claim any originality and cannot be used as a substitute for prescribed textbooks. The information presented here is merely a collection of materials by the committee members of the subject. This is just an additional tool for the teaching-learning process. The teachers, who teach in the class room, generally prepare lecture notes to give direction to the class. These notes are just a digital format of the same. These notes do not claim to be original and cannot be taken as a text book. These notes have been prepared to help the students of BPUT in their preparation for the examination. This is going to give them a broad idea about the curriculum. The ownership of the information lies with the respective authors or institutions. Further, this document is not intended to be used for commercial purpose and the committee faculty members are not accountable for any issues, legal or otherwise, arising out of use of this document. The committee faculty members make no representations or warranties with respect to the accuracy or completeness of the contents of this document and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose.

Organizational Behaviour

Module I :

The study of Organizational Behaviour : Definition and Meaning, Why Study OB

Learning – Nature of Learning, How Learning occurs, Learning and OB.

Foundations of Individual Behaviour : Personality – Meaning and Definition, Determinants of Personality, Personality Traits, Personality and OB.

Perception – Meaning and Definition, Perceptual Process, Importance of Perception in OB. Motivation – Nature and Importance, Herzberg's Two Factor Theory, Maslow's Need Hierarchy Theory, Alderfer's ERG Theory, Evaluations.

Module II :

Organizational Behaviour Process : Communication – Importance, Types, Gateways and Barriers to Communication, Communication as a tool for improving Interpersonal Effectiveness, Groups in Organizations – Nature, Types, Why do people join groups, Group Cohesiveness and Group Decision-making Managerial Implications, Effective Team Building. Leadership-Leadership & Management, Theories of Leadership-Trait theory, Leader Behaviour theory, Contingency Theory, Leadership and Follower ship, How to be an effective Leader, Conflict-Nature of Conflict and Conflict Resolution. An Introduction to Transactional Analysis (TA).

Module-III :

Organization : Organizational Culture – Meaning and Definition, Culture and Organizational Effectiveness. Introduction to Human Resource Management-Selection, Orientation, Training and Development, Performance Appraisal, Incentives Organizational Change – Importance of Change, Planned Change and OB techniques. International Organisational Behaviour – Trends in International Business, Cultural Differences and Similarities, Individual and Interpersonal Behaviour in Global Perspective.

Organizational Behavior

MODULE -1

Definition and Meaning

Organizational behavior (often abbreviated OB) is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

OB is the study of what people do in an organization and how their behavior affects the organization's performance.

OB includes the core topics of motivation, leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.

Why study OB?

Today's challenges bring opportunities for managers to use OB concepts. In this section, we review some of the most critical issues confronting managers for which OB offers solutions—or at least meaningful insights toward solutions.

Responding to Economic Pressures

When times are bad, though, managers are on the front lines with employees who must be fired, who are asked to make do with less, and who worry about their futures. The difference between good and bad management can be the difference between profit and loss or, ultimately, between survival and failure. In good times, understanding how to reward, satisfy, and retain employees is at a premium. In bad times, issues like stress, decision making, and coping come to the fore.

Responding to Globalization

Organizations are no longer constrained by national borders all major automobile makers now manufacture cars outside their borders; Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in South Africa.

The world has become a global village. In the process, the manager's job

has changed. All major automobile makers now manufacture cars outside their borders; Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in South Africa.

The world has become a global village. In the process, the manager's job has changed. All major automobile makers now manufacture cars outside their borders; Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in South Africa. The world has become a global village. In the process, the manager's job has changed.

Increased Foreign Assignments

If you're a manager and you are transferred to your employer's subsidiary in another country, you have to manage a workforce having different needs, aspirations, and attitudes.

Working with People from Different Cultures

To work effectively with people from different cultures, you need to understand how their culture, geography, and religion have shaped them and how to adapt your management style to their differences.

Overseeing Movement of Jobs to Countries with Low-Cost Labor

In a global economy, jobs tend to flow where lower costs give businesses a comparative advantage. It's not by chance that many in the United States wear clothes made in China, work on computers whose microchips came from Taiwan, and watch movies filmed in Canada.

Managing Workforce Diversity

One of the most important challenges for organizations is adapting to people who are different. We describe this challenge as *workforce diversity*. Whereas globalization focuses on differences among people *from* different countries, workforce diversity addresses differences among people *within* given countries.

Workforce diversity acknowledges a workforce of women and men; many racial and ethnic groups; individuals with a variety of physical or psychological abilities; and people who differ in age and sexual orientation.

Improving Customer Service

Management needs to create a customer-responsive culture. OB can provide

considerable guidance in helping managers create such cultures—in which

employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.

Improving People Skills

You'll gain insights into specific people skills that you can use on the job. You'll learn ways to design motivating jobs, techniques for improving your listening skills, and how to create more effective teams.

Stimulating Innovation and Change

An organization's employees can be the impetus for innovation and change. The challenge for managers is to stimulate their employees' creativity and tolerance for change. The field of OB provides a wealth of ideas and techniques to aid in realizing these goals.

Coping with "Temporariness"

Today most managers and employees today work in a climate best characterized as "temporary. permanent employees are replaced with temporary workers.

Managers and employees must learn to cope with temporariness, flexibility, spontaneity, and unpredictability. The study of OB can help you better understand a work world of continual change, overcome resistance to change, and create an organizational culture that thrives on change.

Working in Networked Organizations

Networked organizations use e-mail, the Internet, and video-conferencing allow employees to communicate and work together even though they are thousands of miles apart. The manager's job in a networked organization requires different techniques from those used when workers are physically present in a single location.

Helping Employees Balance Work–Life Conflicts

Employees increasingly recognize that work infringes on their personal lives, and they're not happy about it. Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manage work–life conflicts. OB offers a number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work–life conflicts.

Creating a Positive Work Environment

organizations are trying to realize a competitive advantage by fostering a positive work environment which means practicing engagement, hope, optimism, and resilience in the face of strain.

Improving Ethical Behavior

Employees see people all around them engaging in unethical practices—elected official Employees paid expense accounts or take bribes; corporate executives inflate profits so they can cash in lucrative stock options; and university administrators look the other way when winning coaches encourage scholarship athletes to take easy courses.

Managers and their organizations are responding to the problem of unethical behavior in a number of ways. They're writing and distributing codes of ethics to guide employees through ethical dilemmas. They're offering seminars, workshops, and other training programs to try to improve ethical behaviors. They're providing in-house advisors who can be contacted, in many cases anonymously, for assistance in dealing with ethical issues, and they're creating protection mechanisms for employees who reveal internal unethical practices

LEARNING

INTRODUCTION

If a manager wants to explain and predict human behaviour, he/she needs to understand how learning occurs or how people learn. So it is very very necessary to know the nature, process and principles of learning.

According to S.P. Robbins, “learning is any relatively permanent change in behavior that occurs as a result of experience.”

LEARNING PROCESS/NATURE

Theories of Learning: Learning is part of every one’s life. In our life, all complex behavior is learned. Learning is defined as any relatively permanent change in behavior that occurs as a result of experience. Whenever any change occurs learning is taken place in the individual. If an individual behaves, reacts, responds as a result of experience which is different from others, a person has encountered some new learning experience in his life. This definition consists of the following four key elements:

i) **Change process:** Learning involves some change in oneself in terms of observable actions explicitly shown to others or change in one’s attitude or thought process occur with oneself implicitly. Change may be good or bad or positive or negative from an organization point of view. If a person is happened to experience some negative incidents, that person will hold prejudices or bias or to restrict their output. On the contrary, if a person is encountering some good incident, that person is likely to hold positive attitude.

ii) **Permanent change:** Due to whatever exposure a person encounters, the impact what it generates may be long lasting and permanent. Hence, the change must be of relatively permanent. If change occurs due to fatigue or alcohol consumption or temporary adaptation, it may be vanished once the goal is achieved.

iii) **Setting behavioral actions:** Explicit changes occurring in behavior is the main goal of learning process. A change in an individual’s thought process or attitudes without any changes in many explicit behavior will not be considered as learning process.

iv) **Need for meaningful experiences:** Some form of experiences is necessary for learning. Experience may be acquired directly through observation or practice. If experience results in a relatively permanent change in behavior, one can confidently say that learning has taken place.

Theories of Learning: There are three types of learning theories. These theories are classical conditioning, operant conditioning and social learning.

FACTORS AFFECTING LEARNING

- Motivation of the learner
- Mental set of the learner

- Nature of Learning Material
- Practice
- Environment

CLASSICAL CONDITIONING THEORY

Russian physiologist Ivan Pavlov developed classical conditioning theory. When he was doing a research on the chemical properties of saliva of dog, he noticed accidentally that the dog started salivating the moment hearing the sound of a door of cupboard clanging. Based on his observation, he wanted to do some experiment whether the dog can be conditioned to respond to any neutral stimuli. He used a simple surgical procedure to operate the salivary glands of a dog to measure accurately the amount of saliva.

Pavlov's Experiment: Pavlov conducted his experiment in three stages.

Stage I: When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. The meat is unconditional stimulus and salivation is unconditional response.

Stage II: In this stage, the dog was not given a piece of meat but only exposed to a sound of ringing bell; the dog did not salivate to the mere sound of a ringing bell.

Stage III: Pavlov decided to link both the presentation of meat and the ringing of a bell one after the other with an interval of 5 minutes. After repeatedly hearing the bell before getting the meat, the dog began to salivate as soon the bell rang. There is an association or link between meat and ringing a bell. After repeating the association between meat and ringing a bell, the dog started salivating merely at the sound of the bell, even if no food was offered. The dog is now conditioned to respond to a sound of a bell and started salivating. This is called classical conditioning process.

Thus, classical condition is defined as the formation of S-R link (Stimulus-Response) or habit between a conditioned stimulus and a conditioned response through the repeated pairing of conditioned stimulus with an unconditioned stimulus. In this experiment, the meat is unconditioned stimulus, and the expected response that is, salivating to the meat is called as unconditioned response. The sound of a bell is a neutral stimulus which does not have any property to elicit salivation, is called as conditioned stimulus.

Although it was originally neutral, if the bell was paired with meat (unconditioned stimulus) it acquired the same property as meat eliciting the salivation.

The sound of a bell produced salivation when presented alone. This is called conditioned response, that is, now the dog is conditioned to respond to the sound of a bell. Learning conditioned response involves building up an association between a conditioned stimulus and unconditioned stimulus. When the stimuli, one is natural and the other one neutral are paired, the neutral one becomes a conditioned stimulus and hence takes on the properties of the unconditioned stimulus.

APPLICATION OF CLASSICAL CONDITIONING PRINCIPLES AT WORK

Whenever President or Vice-President of Corporate Office visits factory site the employees in the shop floor will more attentive at work and look more prim, proper and active in their work life. It is quite natural that top management personnel visit (Unconditioned Stimulus) evoking or eliciting a desired response- being prim and proper at work from the employees (Unconditioned Response). The routine cleaning of windows or floor of the administrative office will be neutral stimulus never evoking any response from the employees. If the visit of the top management personnel is associated with such cleaning process, eventually the employees would turn on their best output and look prim and active the moment windows and floor are being cleaned up. The employees had learned to associate the cleaning of the windows with a visit from the head office. The cleaning process (conditioned stimulus) evoked attentive and active work behavior (conditioned response). Similarly, Christmas Carols songs bring pleasant memories of childhood as these songs are being associated with the festive Christmas Spirit. Classical conditioning is passive. It is elicited in response to a specific, identifiable event.

OPERANT CONDITIONING

Operant conditioned principle is proposed by B.F. Skinner, an American Psychologist. It is a type of conditioning in which desired voluntary behavior leads to a reward or prevent a punishment. Operant conditioning principle emphasizes strongly that the behavior of an individual is a function of its consequences. If the consequences are pleasant, the behavior associated with such consequences will be repeated again and again. If the consequences are unpleasant, the behavior will be in extinct. The rationale behind this theory is that people learn to behave in order to get something they want or to avoid something they don't want. Operant condition is learned process. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behavior. The proper reinforcement strengthens a behavior and increases the likelihood that it will be repeated.

Skinner's Experiment: Skinner developed an apparatus to conduct a series of learning experiment using rats. He named that apparatus as Skinner's Box which has certain features such as a lever, bowl, light, water container etc. A highly deprived rat is placed in the box. Once a rat nudges or touches or hits the lever attached in the corner of the box, a piece of food pellet is dropped in the bowl. By trial and error, the rat learns that hitting the lever is followed by getting a food pellet in the bowl. Skinner coined the term operant response to any behavioral act such as pressing or hitting or nudging the lever that has some effect on the environment. Thus in a typical experiment with a skinner box, hitting or pressing the lever is an operant response, and the increased rate of lever hitting or pressing that occurs when the response is followed by a pellet of food exemplifies operant

conditioning.

APPLICATION OF OPERANT CONDITIONING IN WORK LIFE

If a sales person who hits the assigned target of sales quota will be reinforced with a suitable attractive reward, the chances of hitting further sales target in future will be exemplified. Skinner argued that creating pleasant consequences (giving attractive rewards) to follow specific forms of behavior (hitting sales target) would increase the frequency of that behavior. People will most likely engage in desired behaviors if they are positively reinforced for doing so. Rewards are most effective if they immediately follow the desired response. In addition, behavior that is not rewarded is less likely to be repeated. A commissioned sales person wanting to earn a sizeable income finds that doing so is contingent on generating high sales in his territory.

COGNITIVE LEARNING THEORY

Cognition refers to an individual's thoughts, knowledge, interpretations, understandings or views about oneself and his/her environment. Based on it cognitive theory argues that the person tries to form his/her cognitive structure in memory, which preserves and organizes all information relating to the events that may occur in learning situation. Here an experiment was conducted on a monkey by Kohler. Kohler presented two sticks to a monkey in a cage. Both sticks were too short to reach a banana lying outside cage. This produced an experience, or say, cognition, insight monkey. What monkey did without any prior exposure, joined both sticks together and pulled the banana inside the cage. Clearly learning took place inside the mind of monkey. Thus, the learning process involved in this case is putting or organizing bits of information in a new manner perceived inside the mind. This type of learning is very imp in organizational behaviour for changing attitudes by the individuals.

SOCIAL LEARNING THEORY

People learn through both observation and direct experience, which is called as social learning theory. Individual learn by observing what happens to other people and just by being told about something, as well as by direct experiences. By observing people around us, mostly from parents, teachers, peers, films and television performers, bosses, we learn new behavior pattern.

The following four processes are vital to determine the influence that a model will have on an individual.

- i) Attention Process: People learn from a model only when they recognize and pay attention to its critical features. People tend to be most influenced by models that are attractive, repeatedly available similar to us in our estimation.
- ii) Retention Process: A model's influence will depend on how well the individual remembers the model's action after the model is no longer readily available.
- iii) Motor Reproduction Process: After a person has seen a new behavior by

observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.

iv) Reinforcement Process: Individual will be motivated to exhibit they modeled behavior if positive incentives or rewards are provided. Behavior that is positively reinforced will be given more attention, learned better and performed more often.

Personality

Meaning and Definition

personality is defined as the sum total of ways in which an individual reacts to and interacts with others.

Personality Determinants

An individual's personality is the result of heredity and environment.

Heredity refers to factors determined at conception. Heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes.

Physical environment determines cultural development and to the extent, that culture in turn determines personality, a relationship between personality and environment becomes clear. Climate and topography determine to a great extent the physical and mental traits of a people. The people of mountains as well as deserts are usually bold, hard and powerful.

PERSONALITY TRAITS

Big Five Model gives five basic personality traits presented below.

- *Extraversion*. The **extraversion** dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
- *Agreeableness*. The **agreeableness** dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
- *Conscientiousness*. The **conscientiousness** dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
- *Emotional stability*. The **emotional stability** dimension—often labeled by its converse, neuroticism—taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure.
- *Openness to experience*. The **openness to experience** dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive. Those at the other end of the category are conventional and find comfort in the familiar.

PERSONALITY AND OB

Here we would discuss How the Big Five personality Traits affect OB Criteria.

Emotional stability

WHY IS IT RELEVANT?

- Less negative thinking and fewer negative emotions
- Less hyper-vigilant

WHAT DOES IT AFFECT?

- Higher job & life satisfaction
- Lower stress levels

Extroversion

WHY IS IT RELEVANT?

- Better interpersonal skills
- Greater social dominance
- More emotionally expressive

WHAT DOES IT AFFECT?

- Higher performance*
- Enhanced leadership
- Higher job & life satisfaction

Openness

WHY IS IT RELEVANT?

- Increased learning
- More creative
- More flexible & autonomous

WHAT DOES IT AFFECT?

- Training performance
- Enhanced leadership
- More adaptable to change

Agreeableness

WHY IS IT RELEVANT?

- Better liked
- More compliant and Conforming

WHAT DOES IT AFFECT?

- Higher performance*
- Lower levels of deviant behavior

Conscientiousness

WHY IS IT RELEVANT?

- Greater effort & persistence
- More drive and discipline
- Better organized & planning

WHAT DOES IT AFFECT?

- Higher performance
- Enhanced leadership
- Greater longevity

Other Personality Traits Relevant to OB

The other personality traits are Machiavellianism, narcissism, self-monitoring, propensity for risk taking, proactive personality, and other-orientation.

core self-evaluation *Bottom-line conclusions individuals have about their capabilities, competence, and worth as a person.*

Machiavellianism *The degree to which an individual is pragmatic, maintains emotional distance, and believes that ends can justify means.*

narcissism *The tendency to be arrogant, have a grandiose sense of self-importance, require excessive admiration, and have a sense of entitlement.*

self-monitoring *A personality trait that measures an individual's ability to adjust his or her behavior to external, situational factors.*

High risk-taking managers made more rapid decisions and used less information than did the low risk takers. Interestingly, decision accuracy was the same for both groups.

proactive personality *People who identify opportunities, show initiative, take action, and persevere until meaningful change occurs.*

Other-orientation, a personality trait that reflects the extent to which decisions are affected by social influences and concerns vs. our own well-being and outcomes. It appears that having a strong orientation toward helping others does affect some behaviors that actually matter for organizations.

PERCEPTION

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Factors That Influence Perception

A number of factors influence perception.

There are three factors influencing perception which are related to the **perceiver**, factors related to the **target**, Factors related to the **situation**.

FACTORS RELATED TO THE PERCEIVER

i)Projection: The perceiver tries to project his personality attributes in others is known as projection.

ii)Mental makeup: The perceiver has pre set notion in his mind about certain objects, events and people. The moment he has to deal or act upon those events, he already knows how to act or react as he has made his mental set up to deal with such situations.

iii)Stereotyping: *Judging someone on the basis of one's perception of the group to which that person belongs.*

In organizations, we frequently hear comments that represent stereotypes based on gender, age, race, religion, ethnicity, and even weight .

“Men aren't interested in child care,” “Older workers can't learn new skills,”

“Asian immigrants are hardworking and conscientious.”

iv) Halo Effect: . When we draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a **halo effect** is operating.

v) First Impression :The perceiver forms an impression about the perceived when he meets him for the first time. First impression is normally difficult to change

vi) Recency Effect: Recency effect is the effect that the recent event has on the perceiver. During performance appraisal, the employees are rated on the basis of their latest performance.

FACTORS RELATED TO THE TARGET

Characteristics of the target also affect what we perceive. Loud people are more likely to be noticed in a group than quiet ones. So, too, are extremely attractive or unattractive individuals. Because we don't look at targets in isolation, the relationship of a target to its background also influences perception, as does our tendency.

FACTORS RELATED TO THE SITUATION:

Situation matters too. Factors in the situation are time, work setting and social setting. The time at which we see an object or event can influence our attention, as can location, light, heat, or any number of situational factors.

PERCEPTUAL PROCESS:

Stage I: Receiving stimuli : The perception process starts with receiving stimuli. It depicts the environmental stimuli being received by the five sense organs.

Stage II: Selection of the Stimuli: In this stage, selection of some stimuli happens for further processing while the rest are screened out. This is governed by both factors external to the individual, such as the size, intensity, repetition, contrast and internal to the individual, such as the self concept, belief, expectation, response disposition of the perceiver.

Stage III: Organisation of stimuli : The selected stimuli is organized in the perceiver's mind to give it a meaningful term. The perceiver is influenced by figure and ground and perceptual grouping .

Figure and Ground:

What a person observes is dependent on how a central figure is being separated from its background. This implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. In a dance programme, the spectators' tend to perceive the dance performance against the background music, backdrop setup etc. The perceiver thus tends to organize only the information which stands out in the environment which seems to be significant to the individual.

Perceptual Grouping: It means grouping stimuli into an organized pattern. It happens on the basis of proximity, similarity and closure.

Proximity: People tend to perceive things, which are nearer to each other, as together as group rather than separately. If four or five members are standing together, we tend to assume that they are belonging to same group rather than as separately. As a result of physical proximity, we often put together objects or events or people as one group even though they are unrelated. Employees in a particular section are seen as group.

Similarity: Persons, objects or events that are similar to each other also tend to be grouped together. This organizing mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with too many details. For example, if we happen to see a group of foreign nationals at an International seminar, Indians are grouped as one group, British as another, Americans as yet another based on the similarity of nationalities.

Closure: In many situations, the information that we intend to get may be in bits and pieces and not fully complete in all respects. However, we tend to fill up the gaps in the missing parts and making it as a meaningful whole. Such a mental process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, the managers will try to get full information to make an effective decision, in absence of getting complete information, managers try to make meaningful assumptions and based on that suitable decision will be made.

Stage IV: Interpretation: Assigning meaning to data is called interpretation. Once the inputs are organized in human mind, the perceiver interprets the inputs and draws a conclusion from it. But interpretation is subjective as different people interpret the same information in different ways.

Stage V: Behavior Response or Action: In this stage the response of the perceiver takes on both covert and overt characteristics. Covert response will be reflected in the attitudes, motives, and feelings of the perceiver and overt responses will be reflected in the actions of the individual.

IMPORTANCE OF PERCEPTION IN OB

People in organisations are always assessing others. Managers must appraise their subordinate's performance, evaluate how co-workers are working. When a new person joins a department he or she is immediately assessed by the other persons. These have an important effect on the organisation.

Employment Interview: Employment interview is an important input into the hiring decision, and perceptual factors influence who is hired and vis-à-vis the Quality of an organisation's labour force.

Performance Appraisals: Performance appraisal is dependent on the perceptual process. An employee's future is closely tied to the appraisal—promotion, pay raises, and continuation of employment are among the most obvious outcomes.

Assessing Level of Effort: In many organisations, the level of an employee's effort is given high importance. Assessment of an individual's effort is a subjective judgment susceptible to perceptual distortions and bias.

Assessing Loyalty: Another important judgment that managers decide about employees is whether they are loyal to the organisation.

Productivity: What individuals perceive from their work situation will influence their productivity. More than the situation itself than whether a job is actually interesting or challenging is not relevant. How a manager successfully plans and organises the work of his subordinates and actually helps them in structuring their work is far less important than how his subordinates perceive his efforts. Therefore, to be able to influence productivity, it is necessary to assess how workers perceive their jobs.

Absenteeism and Turnover: Absence and Turnover are some of the reactions to the individuals perception. Managers must understand how each individual interprets his job. and where there is a significant difference between what is seen and what exists and try to eliminate the distortions. Failure to deal with the differences when individuals perceive the job in negative terms will result in increased absenteeism and turnover.

Job Satisfaction:

Job satisfaction is a highly subjective, and feeling of the benefits that derive from the job. Clearly his variable is critically linked to perception. If job satisfaction is to be improved, the worker's perception of the job characteristics, supervision and the organisation as a whole must be positive.

Understanding the process of perception is important because (1) It is unlikely that any person's definition of reality will be identical to an objective assessment of reality. (2) It is unlikely that two different person's definition of reality will be exactly the same. (3) Individual perceptions directly influences the behaviour exhibited in a given situation.

MOTIVATION

Nature and importance of Motivation:

We define motivation as the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal.

Importance of Motivation

To increase work efficiency

To combine ability with willingness

To reduce the rate of labour turnover

To develop the leadership quality

THEOREIS OF MOTIVATION

Maslow's Hierarchy of Needs

The best-known theory of motivation is Abraham Maslow's **hierarchy of needs** . 5
Maslow hypothesized that within every human being, there exists a hierarchy of five needs:

1. Physiological. Includes hunger, thirst, shelter, sex, and other bodily needs.

2. Safety. Security and protection from physical and emotional harm.

3. Social. Affection, belongingness, acceptance, and friendship.

4. Esteem. Internal factors such as self-respect, autonomy, and achievement, and external factors such as status, recognition, and attention.

5. Self-actualization. Drive to become what we are capable of becoming; includes growth, achieving our potential, and self-fulfillment.

Although no need is ever fully gratified, a substantially satisfied need no longer motivates. Thus as each becomes substantially satisfied, the next one becomes dominant. So if you want to motivate someone, according to Maslow, you need to understand what level of the hierarchy that person is currently on and focus on satisfying needs at or above that level, moving up the steps in.

Implications of Maslow's Hierarchy of Needs Theory

This model helps the managers to understand and deal with issues of employee

motivation at the workplace. This model can be applied to motivate people at all levels in the organization. Managers who understand the need patterns of their staff can help the employees to engage in the kinds of work activities and provide the types of work environment that will satisfy their needs at work. For instance, the employees love and belonging needs can be fully satisfied by organizing yearly dinner and dance program, office week end parties, creating recreation clubs or social clubs etc. Fortunately, the workplace has the potential to offer need gratification for several different types of needs, and managers can motivate employees by giving appropriate organizational support which will gratify individual's needs. Thus, despite its drawbacks, Maslow's theory offers managers a good technique on understanding the motives or needs of individuals and how to motivate organizational members.

Herzberg's Two-Factor Theory of Motivation

Herzberg's Two-Factor Theory is also called *motivation-hygiene theory*.

A theory that relates intrinsic factors to job satisfaction and associates extrinsic factors with dissatisfaction.

hygiene factors *Factors—such as company policy and administration, supervision, and salary—that, when adequate in a job, placate workers.*

Herzberg argued that improvement in the hygiene factors would only minimize dissatisfaction but not increase satisfaction and motivation

Motivating Factors

The presence of motivating factors always ensures job satisfaction and happiness among the employees. They are: achievement, recognition, responsibility, advancement, growth and the work itself. These motivating factors are relating to the work content factors.

Implications for Managers

In Herzberg's framework, these managerial reactions have focused primarily on the hygiene factors surrounding the job, which has resulted in bringing individual to the theoretical "zero point" of motivation. The two-factor theory would predict that improvements in motivation would only appear when managerial action focused not only the factors surrounding the job but on the inherent in most assembly line jobs and developing jobs that can provide increased levels of challenge and opportunities for a sense of achievement, advancement, growth and personal development.

ERG THEORY:

ERG Theory:

Alderfer proposed a modified version of Maslow's need hierarchy and labeled as ERG theory.

Alderfer's ERG refers to three groups of core needs – Existence, Relatedness and Growth(ERG).

Existence Needs:

These needs are various forms of physiological needs, such as hunger, thirst and shelter. In organizational settings, the need for pay, benefits, and physical working conditions are included in this category. This category is comparable to Maslow's physiological and certain safety needs.

Relatedness Needs:

These needs include interpersonal relationships with others in the workplace. This type of needs in individuals depends on the process of sharing and mutuality of feelings between others to attain satisfaction. This category is similar to Maslow's safety, social and certain ego-esteem needs.

Growth Needs:

These needs involve a person's efforts toward personal growth on the job. Satisfaction of growth needs results from an individual engaging in tasks that not only require the person's full use of his or her capabilities, but also may require the development of new capabilities. Maslow's self-actualization and certain of his ego esteem needs are comparable to those growth needs.

Implications of ERG Theory:

Alderfer has proposed two sets of views on individual's aspirations and fulfillment. One is satisfaction-progression and other frustration-regression. Satisfaction-progression is similar to Maslow's model in which once an individual's basic needs are satisfied, he/she will progress to the next level to satisfy the succeeding higher level to have them satisfied. Alderfer proposed yet another view of individual's aspirations and fulfillment. If people eventually become frustrated in trying to satisfy their needs at one level, their next lower level needs will re-emerge and they will regress to the lower level to satisfy more basic needs. This is called as frustration-regression. For managers, ERG theory provides a more workable approach to motivation in organization. Because of the frustration-regression approach component, it provides the manager with the opportunity of directing employee behavior in a constructive manner even though higher order needs are temporarily frustrated. In summary, ERG theory argues that satisfied lower-order needs lead to the desire to satisfy higher-order needs; but multiple needs can be operating as motivators at the same time and frustration in attempting to satisfy a higher-level need can result in regression to a lower level need .

MODULE-2

COMMUNICATION

INTRODUCTION

Communication is an important aspect of human behaviour. Communication is central to everything that we do. Without communication an organization can't function at all. No managers can be successful without communicating effectively. Communication has been derived from the Latin word "communis" which means common. Communication stands for sharing of ideas in common.

According to **Keith Davis**, "communication is a process of information and understanding from one person to another."

ELEMENTS OF COMMUNICATION

The process models of communication contain six main elements such as i) sender, ii) message, iii) receiver, iv) feedback, v) channel, vi) noise or interference. As communication occurs, sender and receiver interact by encoding/sending and decoding/receiving messages. Encoding means putting the message into words or diagram or nonverbal signals so that it can be transmitted. The receiver hears, reads or looks in order to decode or interpret the message.

Sender:

Communication begins with sender, the individual who reacts to situations from a unique vantage point, interpreting ideas and filtering experiences through their own perception. Sender conceives his ideas based on the accumulated attitudes, experiences, skills and cultural conditioning.

Message:

The message is the idea of feeling transmitted from the sender to the receiver to achieve understanding. It makes a connection between the sender and the receiver and may be made up of signs, words and movement. The tone of voice, inflection, the rate of speech, facial expression, touching and body movement may be misinterpreted by the receiver, or poorly constructed message may lead to misunderstanding. The message the sender meant to send is not always the message received.

Receiver:

The receiver decodes or interprets the message to achieve understanding. In doing this, the receiver also acts as an individual from a unique vantage point, interpreting the idea according to a particular personal perception of the message. This perception is also the result of

the receiver's unique background of experiences, beliefs and concerns. Interpretation of the same message may vary between people.

Feedback:

Feedback is an essential part of successful interpersonal communication. It is the receiver's response to the sender's message, telling the sender how their message is being received and helping the receiver confirm whether their perception of the message is correct. It can be intentional or unintentional. Feedback:

- Provides continuity in the communication
- Indicates effective understanding or misunderstanding of the message
- Stimulates further communication and discussion.

Channel:

A communication channel is the means of techniques used to signal or convey a message – for example, a conversation, letter, telephone call, e-mail or television program.

Sometimes these channels are internal to the organization; other channels are outside the organization and are thus external channels. An appropriate channel suits the communication purpose, the need of the sender, the message and the needs of the receiver. Different lines or channels of communication are used inside an organization. Horizontal channels operate between colleagues at the same level within the organization's structures, while vertical channels move communication up and down between different levels in the organization.

Noise:

The message received is not necessarily the same as the message sent. Something other than the intended message is received because noise or interference interrupts the intended message. Noise or interference that interrupts the message or communication flow between sender and receiver can lead to misunderstanding or to confused or ambiguous communication.

TYPES OF COMMUNICATION:

There are nine patterns of communication:

Downward communication:

It refers to the flow of communication from supervisor to the subordinate. To improve downward communication, managers can present job instructions clearly to subordinates, explain why things need to be done in a particular way so that people who perform the jobs understand better. For example, clear staff regulations, rules, handbooks, procedures manual etc. are the good examples of downward communication.

Upward communication:

It refers to the flow is from the subordinate to the superiors. To improve upward communication, screen upward messages so that the more relevant aspects of the information are received by top management, provide the climate in which members can communicate both positive and negative messages, detect biases when they occur, reduce status difference and wherever possible, require quantified data to be submitted rather than provide subjective information for decision making. For example, instituting suggestion scheme, union leader voicing their demands to management, etc..

Lateral/Horizontal Communication:

It takes place between or among members who are at the same level in the organization. For example, two supervisors of the same department or different department are discussing work matters with each other. To improve lateral communication, it is desirable to establish openness and trust among members of various department, develop reward systems that facilitate inter-departmental cooperation, learn that what the other departments are doing by getting involved in interdepartmental meetings and, if possible design the organization structure in such a way so that greater opportunities of interdepartmental contact exist.

Diagonal Communication:

It refers to the flow of messages between persons who are in position at different levels of the hierarchy and also in different departments. This type of communication takes place under special circumstances.

Formal Communication:

The channels of communication established formally by the management are called formal communication. These are used for the transmission of official messages within or outside organization. However it suffers from delay and also chances of distortion.

Informal communication:

Communication which takes place on the basis of informal or social relations among people in an organization is known as informal communication. It is otherwise known as grapevine communication. The grapevine has three main characteristics.

- i) It is not controlled by management.
- ii) It is perceived by most employees as being more believable and reliable than formal communication issued by top management.
- iii) It is largely used to serve the self interests of those people within it and it is one of the quickest means of communication.

Verbal Communication:

When the message is conveyed orally, it is called verbal communication. It is most economical in terms of time and money.

Written Communication:

Communication that takes place between people in written form is called written communication. For e.g. memos, reports, bulletins etc.. It is permanent, tangible and verifiable. But it is time consuming.

Nonverbal/Gestural communication:

Communicating nonverbally with body movements ,with some gestures is known as nonverbal communication.

The types of nonverbal communication can be classified into seven categories:

- i) Body movements or kinesics
- ii) Physical characteristics
- iii) ching behavior
- iv) Vocal qualities or paralanguage
- v) Use of space or proximity
- vi) Artifacts
- vii) Environment

FUNCTIONS OF COMMUNICATION

There are four major functions of communication. They are: Emotive, Motivation, Information and Control.

Emotive:

Through communication, employees can express their frustrations and satisfactions to each other and to management. In addition, communication provides a mechanism for individuals to compare attitude and resolve ambiguous about their jobs, their roles and areas of conflict between groups and individuals. If an employee is dissatisfied with his pay, he will often communicate with others informally, to determine whether the feelings are justified or not.

Motivation:

A second major function of communication is to motivate, direct, control and evaluate the performance of organizational members. Leadership is an influence process by which supervisors attempt to control the behaviour and performance of subordinates. Communication is the major vehicle of such control available to leaders. Hence, leadership activities, such as issuing orders, rewarding behavior and performance, reviewing and evaluating performance, making job and task assignments, and training and developing subordinates all involve communication.

Information:

Communication serves a vital information function for decision-making. It is based on

technological orientation and facilitates information processing activities and ways to improve the accuracy with which communication channels carry information going into individual, group and organizational decisions.

Control:

Organizations are attempting to control the activities of individuals through the design and use of formal communication channels. Most types of programs or standard operating procedures have a large communication component to them. Hence, formal communication channels represent a major structural means of control within organizations.

BARRIERS TO EFFECTIVE COMMUNICATION

Semantic Problems:

The use of inappropriate language, symbols, and words may affect the understanding capacity of the receiver. The sender must ensure that the proper words and language are chosen to communicate the intended message so that there is no room for misinterpretation or confusion as the receiver decodes the message exactly as it was encoded. Many words commonly used in communication carry quite different meanings for different people. Two general kinds' of semantic problems present barriers to communication.

- i) Some words and phrases are so general or abstract that they invite varying interpretation.
- ii) Semantic problem arise when different groups develop their own technical language.

Status Effects:

Status effect also hinder communication in as much as people occupying higher positions in the organization have a tendency to tell a lot to the subordinates but not to listen. When people do not listen, they do not understand each other and thus effective communication is blocked. Thus, the superior-subordinate status comes in the way of effective communication taking place.

Physical Distraction:

When people communicate with each other, noise may also enter in the form of various types of distraction. Distractions may occur because of situational factors such as constant telephone interruptions, people walking in and out of the room, or loud noises in the background. Apart from these physical noises, certain peculiar mannerism of the speaker may also be distracting to the listener and hide effective listening.

Information Overload:

This refers to too much volume of information which is beyond the level of a person to comprehend. Communication may be ineffective when too much information is transmitted at one time or when complex information is presented within a short time frame. The problem is compounded if the individual also has limited attention span and poor memory retention. Managers are literally drowned in communication and unable to attend to them fully. This includes variety of information received from different mode such as e-mail, memos, official letters, reports, instructions, circular, telephone, meetings etc. is required to attend.

Time Pressures:

Time is always short, and this fact often leads to distortion in communication. A major temptation when pressed for time is to short-circuit formal communication channels. Because of time pressures, many messages are hastily and inadequately communicated by managers, leaving the listener with much ambiguity and confusion as to what has been said and what action should be taken. Since managers have to deal with a large number of people on an ongoing basis within limited periods of time, giving incomplete information and verbally transmitted short, telegraphic message seems inevitable.

Cultural Differences:

Words, colors and symbols have different meanings in different cultures and sometimes even between sub-cultures within a national boundary.

Trust Level:

When there is lack of sufficient trust between the communicating parties, selective listening takes place, resulting in ineffective communication. Complete information is seldom exchanged under such circumstances and the withholding of information by one or both parties will further aggravate the trust issue and impersonal problems. Evaluating tendencies develop selective listening increases further and messages get distorted.

Selective Perception:

People have a tendency to listen to only part of a message and “block out” other information for a variety of reasons. One of the most important of aspect is a need to avoid or reduce cognitive dissonance. Thus, people have a tendency to ignore new information that conflicts with or denies already established beliefs, values, and expectations. Selective perception occurs when the receiver values the context of the communication including the role, identity, values, mood and motives of the sender (Perceptual Distortion).

Self-Concept:

An individual’s motives and personality strongly influence the decoding or symbolic interpretation process. An employee who has a highly felt need for advancement in an organization and whose personality tend be to quite optimistic might read a smile and casual comment from a supervisor as an indication that he is being groomed for promotion. A person with low need for advancement and a pessimistic disposition may read nothing more than a casual comment unrelated to anything else into the supervisor’s comment.

Absence of Two-way Communication:

If communication is only one way – from top to bottom or from superior to subordinate – without any feedback, would hinder communication from taking place in an effective manner. For instance, the receiver might decode the message in a way that was not intended. Neither the receiver nor the sender will then realize that the message was misinterpreted until it becomes too late to rectify the situations. For example, An examination question is one way communication

which could easily get misinterpreted by some students since attempts by students to seek clarifications in the examination hall is usually discouraged.

OVERCOMING BARRIERS TO COMMUNICATION

There are number of ways managers can minimize a number of communication barriers. In general, communication can be improved in two ways. First, the manger must sharpen his or her skills in manipulating symbols, that is, process of encoding. This implies that the sender must take as much care as possible in choosing symbols and establishing the context within which the message is transmitted. There are number of techniques that are commonly employed by managers to accomplish these ends.

Active listening:

It implies that the receiver of information engages in the following patterns of behavior. a) stop talking since it is impossible to talk and listen at the same time, b) remove the distracting elements as much as possible c) is patient and lets the other person say whatever needs to be said, d) appreciate the emotion behind the speaker's words and is empathic, e) is attentive, f) creates a positive listening environment f) uses feedback mechanisms to check understanding g) withholds judgment h) asks questions, i) reacts to the message and not he person. Active listening takes a lot of energy and be perfected by conscious and constant practice.

Follow up and Feedback:

The process of feedback makes communication a two-way process. In face-to-face situations, the sender should try to become sensitive to facial expressions and other signs that indicate how the message is being received. It is often important to solicit questions of clarification from the receiver. When more formal communication is involved, the writer may specify specific forms and times for responding to insure feedback.

Parallel Channels and Repetition:

A major principle of communication technology is to provide parallel channels of communication that reinforce each other. Thus, a verbal request may be followed up with a memo. In this way, the sender has ensured getting the attention of the receivers and also ensured that the sender will have a record to refer to in case lie or she forgets in its order.

Timing:

A manager may ignore a memo or request simply because other problems are pressing in at the same time. Two kinds of actions can be taken by management to ensure the accurate reception of communication through timing. i) they may want to standardize the timing of specific messages, ii) many organizations establish "retreats" or time away from normal job pressures to transmit material, ideas and instructions to employees. This action insures the undivided attention of the receivers.

Be patient and paying adequate attention:

When choosing a style of language, the sender must give a due consideration to the listener's intention, and his background. Effective use of language consists of tailoring one's message for the context of the receivers in order to maximize overall between the intended and received messages.

Information Communication and Information Centers:

Running parallel to formal communication channel in an organization is an informal network commonly called grapevines. They tend to be a universal fact of life in all organizations. They have been used to serve not only informational functions but also motivational functions as well. A number of employees needs are served by the powerful reinforce. Effective communicators often combine formal and informal (grapevine) channels of communication. Thus a manager may reinforce information received through formal with an off-the record talk with key subordinates. In reverse directing, he or she might reinforce and clarify a formal written with an informal chat session among employees.

Exception principle and need to know:

In order to deal effectively with the information overload problem many organizations try to establish certain principles for actually limiting the extent of communications. Many firms implement an "exception principle" in communication channels. This principle orders that only communications regarding exceptional derivations, from orders, plans, and policies be communicated upward on a routine basis. Hence, upper levels of management will receive only that information which truly demands their attention. A closely related principle involves downward communication. Here, managers should be selective and transmit information on a "need to know" basis. In this way, lower level personnel receive only communication that is immediately critical to carrying out their tasks. The success of these two principles depends on the type of organization within which jobs are carried out. They will be most effective in highly structured organizations where tasks are relatively simple and routine. In less formal organization, in which work is rather complex and not highly structured, communication needs to be as open and unrestricted as possible.

Being empathetic in understanding:

Good communicators are able to reduce the chance of communication barrier and the associated problems by communicating with empathy – a feeling and awareness of the other person and their point of view. A good communicator is able to recognize emotions in others and respond appropriately. It is reported that empathy as the foundation for the quality of a relationship. In a satisfying relations both parties have empathy for the other person's point of view and are also willing to provide appropriate and sufficient feedback to achieve the understanding.

Using feedback mechanisms:

Since feedback involved both receiver and sender, it is important to understand the conditions under which feedback session will be more effective both from the sender's and receiver's perspective. For feedback to be most effective, the person giving the feedback must:

- a) give specific and not general or vague feedback
- b) give feedback immediately or soon after the event has taken place rather than long after the event has occurred
- c) give feedback on aspects that the receiver can rectify rather than on aspects over which the individual has no control
- d) Be descriptive than evaluative
- e) Give feedback on a few critical issues where improvement is most urgently expected rather than on a wide range of problem areas
- f) Examine your own motivation in giving the feedback
- g) Be sure that the receiver is ready to receive feedback
- h) Be non-threatening and disregard your superior status while offering feedback.

Minimize Physical distraction:

Taking due care in minimizing the external noise, interruptions, awkward mannerism, unusual and unwanted incidences etc facilitate to heighten the attention levels of the members in attempting to satisfy a higher-level need can result in regression to a lower-level need.

GROUPS

INTRODUCTION

Groups have been a central part of our everybody lives. At any given time, we are members in many different groups such as family, student association, workgroups, different clubs.

A group is a collection of two or more individuals, interacting and interdependent, who have come together to achieve a particular common objective.

According to **D.H.Smith**, "A group is the largest set of two or more individuals who are jointly characterized by a network of relevant communication, a shared sense of collective identity and one or more shared disposition with associated normative strength.

The above definition stresses the following points.

Interaction

Size

Shared goal interest

Collective Identity

TYPES OF GROUPS

Various methods are used to classify the types of groups that exist in our organizations. In organizations, the predominant operating groups are the functional groups, task or project groups and interest groups. In addition, groups are also classified as formal and informal groups.

Formal groups:

Formal groups are collections of employees who are made to work together by the organization to get the job done smoothly and efficiently. For example, if five members are put together in a department to attend to customer complaints they would be a formal group. The formal groups are those whose primary purpose is facilitating, through member interactions, the attainment of the goals of the organization. Task groups/project groups, command groups and committees come under formal groups.

Task or Project Groups:

When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a task or project group. For example, the plant manager of a chemical processing plant may be interested in identifying potential safety problems in the plant. To provide a coordinated effort, the manager creates a four-person task force consisting of the production superintendent, maintenance superintendent, director of engineering and the safety engineer. The group members will deliberate these issues bring out suitable remediable measure for those safety problems within a deadline period.

If any problems are found, the plant manager may create other task forces to work toward the elimination of the potential problems. These activities create a situation that encourages the members of the task force to communicate, interact and to coordinate activities, if the purpose of the group is to be accomplished.

Informal groups:

Informal groups are groups that emerge or randomly get formed due to the formal group members' interaction with each other, and thereby develop common interest. For example, members who are showing interest in cricket will join together and share and enjoy talking about the cricket games. Informal groups provide a very important service by satisfying their members' social needs. Because of interactions that result from the close proximity of task interactions, group members play cricket together, spending their tea breaks together etc. Friendship groups, Interest groups and Reference groups come under informal groups.

Interest and Friendship Groups:

The group members form relationships based on some common characteristics such as age, political belief, or interests. Generally, it can be considered as informal group. Employees who joined together to have their fringe benefits continued to have its

implementation, to support a peer who has been fired, or to seek more festival holidays etc. they tend to unite together to further their common interest. Groups often develop because the individual members have one or more common characteristics. This is called friendship groups. For example, recreation clubs, social groups etc. Management usually doesn't have any control over these informal groups.

REASONS FOR JOINING GROUPS:

The most popular reasons for joining a group are related to our needs for security, identity, affiliation, power and engaging in common tasks.

Protection of common and individual Interest:

By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc. New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support. Employees develop a sense of security at personal as well as professional front by joining groups.

Status:

Inclusion in a group that is viewed as important by others provides recognition and status for its members. Being a member of Rotary Club, the members feel pride and gain status and recognition.

Self-Esteem:

Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. The self-esteem is bolstered when members are accepted by a highly valued group. Being assigned to a task force whose purpose is to review and make recommendations for the location of the company's new corporate headquarters can fulfill one's intrinsic needs for competence and growth.

Affiliation:

Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation.

Power:

For individuals who desire to influence others, groups can offer power without a formal position of authority in the organization. As a group leader he or she may be able to make requests of group members and obtain compliance without any of the responsibilities that traditionally go either formal managerial position.

Goal Achievement:

There are times when it takes more than one person to accomplish a particular task- there

is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

STAGES OF GROUP DEVELOPMENT:

i) **Forming:** At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members' seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as permanent group members. This is characterized by much uncertainty about group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

ii) **Storming:** At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensue at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intra-group conflict. Members accept the existence of the group, but there is resistance to the control the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

iii) **Norming:** This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members' roles get defined, and task and maintenance roles are assumed by group members. Group members' also begin to express satisfaction and confidence about being members of the group.

iv) **Performing:** This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members' activities are highly co-coordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members' satisfaction are sustained indefinitely;

v) **Adjourning:** This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has

treated the group and others may be sad over the loss of friendship gained during the life of the work groups. These five stages of group development are only a suggestive and not prescriptive. Sometimes, groups do not always proceed clearly from one stage to the next. Sometimes, several stages go on simultaneously as when groups are storming and performing at the same time. Under some conditions, high levels of conflict are conducive to high group performance.

GROUP COHESION:

Cohesion refers to the extent of unity in the group and is reflected in the members' conformity to the norms of the group, feelings of attraction for each other, and wanting to be co-members of the group. Attraction, cohesion and conforming to norms are all intertwined. The more the members feel attracted to the group, the greater will be the group cohesion. The greater the cohesion, the greater the influence of group members to persuade one another to conform to the group norms. The greater the conformity, the greater the identification of the members with the group, and the greater the group cohesion. Cohesive groups work together to achieve the group goals. They can be considered as valuable assets to the organization if the group's goals coincide with the organization's goals.

Factors increasing Cohesiveness:

The following factors can facilitate to increase the cohesiveness of the work group.

i) Common consent on Group Goals: If the group agrees on the purpose and direction of its activities, this will serve to bind the group together and structure interaction patterns towards successful goal accomplishment.

ii) Frequent Interactions: When group member have the opportunity to interact frequently with each other, the probability for closeness to develop will increase. Managers can provide opportunities for increased group interaction by calling frequent formal and informal meetings, providing a common meetings place or physically designing the facilities so that group members are within sight of one another.

iii) Personal Attractiveness: Cohesiveness is enhanced when members are attractive to one another if mutual trust and support already exists. Personal attraction also helps group members to overcome obstacles to goal accomplishment and personal growth and development.

iv) Inter-group Competition: Competition with other groups, both written and external to the organization is a mechanism that acts to bring groups closer together for attaining a common purpose.

v) Favorable Evaluation: If a group has performed in an outstanding manner, some recognition for its performance by management serves to elevate the prestige of the group in the eyes of the group members and other members of the group. Favorable evaluation helps make group members feel proud about being members of the group.

vi) Group Size: As the size of the group increases, the frequency of interaction between members decreases, thus decreasing the probability of maintaining cohesiveness. Past studies have shown the groups of four to six members provide the best opportunity for interaction.

vii) Pleasant experiences with the group: When group members are attracted to each other or there is a full trust and cooperation, interaction may become a pleasant experience resulting in high level of cohesiveness in the group.

viii) Lack of Domination: When one or few members dominate the group, cohesiveness cannot adequately develop. Such behavior can create smaller “cliques” within the group or identify individual members as isolates or deviates.

ix) Gender of Members: It is reported that women tend to have greater cohesion than men. A possible reason is that women are more likely to be feeling types than thinking types.

x) Previous Success: If a group has a history of success, it builds an esprit de corps that attracts and unites members. Successful organizations find it easier to attract and hire new employees than unsuccessful ones.

xi) Humor: Humor has been linked to increased cohesion in several studies. It is reported that the greater the cohesion, the greater the influence of the group over the behavior of members and subsequently group performance. As groups are composed of individuals who are attracted to the goals of the group and to each other, one would expect to find a strong relationship between cohesiveness and group performance. The major difference between highly cohesive and low cohesive groups would be how closely members conformed to the group norms. Further, the group performance would be influenced not only by cohesion, but by the level of group norms.

GROUP DECISION MAKING:

Decisions made by the members of the group in a collective way is known as group decision making. Groups offer excellent techniques for performing many of the steps in the decision making process. If the group is composed of individuals with diverse backgrounds, the alternatives generated should be more extensive and the analysis will be more critical.

Strengths of Group Decision-making:

The following aspects identified the main advantages that groups offer over individuals in the making of decisions.

i) More information and knowledge: By aggregating the resources of several individuals, the group brings more input into the decision process.

ii) Increased diversity of views: Group brings heterogeneity to the decision-making process and this opens up the opportunity for more approaches and alternatives to be considered.

iii) Increased acceptance of a solution: The group acceptance facilitates higher satisfaction among those employees required to implement it.

iv) Increased legitimacy: The group decision making process is consistent with demographic ideals and therefore may be perceived as being more legitimate than decisions made by an individual.

Weakness of group decision making:

Some of the main disadvantages are:

- i) Time-consuming: It takes time to assemble a group.
- ii) Pressures to conform: The desire by group members to be accepted and considered as an asset to the group can result in squashing any overt disagreement, thus encouraging conformity among viewpoints.
- iii) Domination by the few: Few people will try to dominate the group discussion. If such people are happened to be mediocre, the group overall effectiveness will suffer.
- iv) Ambiguous responsibility: In group decision, the responsibility of any single member is reduced.

Teams require individuals with technical expertise, as well as problem-solving, decision-making and interpersonal skills and high scores on the personality characteristics of extroversion, agreeableness, conscientious and emotional stability. Effective teams are neither too large nor too small- typically they range in size from five to twelve people. They also have adequate resources, effective leadership and a performance evaluation and reward system that reflect team contribution Effective teams have members committed to a common purpose, specific team goals, member who believe in the team's capabilities and a manageable level of conflict.

TEAMS

Team is a small no. of people with complementary skill who are committed for common purpose for which they hold themselves mutually accountable.

Types of Teams

There are four common types of teams:

i) **Problem-solving Teams:**

The primary goals of these teams are improving quality, efficiency and the work environment. The members share ideas or offer suggestions about how work process and methods can be improved. Quality circles are one of the problem solving teams where the work group members meet regularly to discuss and solve problems. The team members use tools and techniques to examine these problems and to present to management solutions and the costs and benefits of solving a problem.

ii) **Self-managed Teams:**

This refers to a team of employees who perform highly related or inter-dependent jobs and to take on many of the responsibilities of their former supervisors. Typically this includes planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions and taking action on problems. Self-managed teams meet their own goals and measure their own performance once top management sets the overall objectives. Fully self-managed work teams even select their own members and have the members evaluate each other's performance.

iii) **Cross-functional Teams:**

This refers to a type of teams where employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Examples of Cross functional include task force to resolve emergency cases, committee composed of members from across departmental lines etc.

iv) **Virtual Teams:**

Teams that use computer technology to tie together physically dispersed member in order to achieve a common goals. They allow people to collaborate on-line using communication links such as wide area networks, video conferencing or e-mail. The three primary factors that differentiate virtual teams from face to face teams are: i) the absence of Para verbal and non-verbal cues, ii) limited social context and iii) the ability to overcome time and space constraints. In virtual teams the members will never have an opportunity to have an access of Para language and non-verbal communication. And also suffer social support and less direct interaction among members.

Difference between Groups and Teams:

Group: A group that interacts primarily to share information to make decision to help each group member perform within his or her area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort.

Team: A group whose individual effort results in a performance that is greater than the sum of the individual inputs. A team gets a greater degree of individual commitment towards the common shared goal. The efforts of the team members result in more synergy and may achieve a better total performance.

TEAM BUILDING:

It is defined as planned interventions facilitated by a third-party consultant that developed problem solving procedures and skills, increase role clarity, solve major problems and improve effectiveness of work groups. Experts have clustered team-building activities into four general types such as interpersonal process, goal setting, defining roles and problem solving.

i) **Interpersonal Process:** The resolution of conflicts between and among the team members by creating a system of open communication by providing training on listening skills, negotiation skills etc.

ii) **Goal Setting:** Focusing on shared understanding of the mission and goals of the team. During this activity the team members clarify general goals and define specific tasks and sub goal to be accomplished within a specific time with set measurement criteria and reporting mechanisms.

iii) **Defining Roles:** The members must define the roles without any ambiguity and ensure that instructions are very clear. The responsibilities, norms and expressions and requirements of each role are clarified.

iv) **Problem Solving:** The member must identify the problem and must follow steps such as gathering and analyzing data, finding causes, understanding solutions, choosing solutions, planning an action and implementing and evaluating the action.

LEADERSHIP

INTRODUCTION

Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Leadership is defined as the process of influencing others to get the job done more effectively over a sustained period of time. Leaders play a critical role in influencing the work behavior of others in the system.

According to **Pearce &Robbinson**, “Leadership is the process of influencing others to work towards the attainment of specific goals.”

Importance of Motivation

- Task support
- Psychological Support
- Development of individuals
- Building the team spirit
- Motivation
- Provides feedback
- Facilitates change
- Maintains discipline

STYLES OF LEADERSHIP

A-Autocratic style, also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their own ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group.

Characteristics of Autocratic Leadership

Some of the primary characteristics of autocratic leadership include:

- Little or no input from group members
- Leaders make the decisions
- Group leaders dictate all the work methods and processes
- Group members are rarely trusted with decisions or important tasks

Advantages :

Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently.

In situations that are particularly successful, such as during military conflicts, group members may actually prefer an autocratic style. It allows members of the group to focus on performing specific tasks without worrying about making complex decisions..

Disadvantages :

While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who abuse an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members.

Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas.

B-Democratic style

It is also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process. Researchers have found that this learning style is usually one of the most effective and lead to higher productivity, better contributions from group members, and increased group morale.

Characteristics :

Some of the primary characteristics of democratic leadership include:

- Group members are encouraged to share ideas and opinions, even though the leader retains the final say over decisions.
- Members of the group feel more engaged in the process.
- Creativity is encouraged and rewarded.

Advantages :

Because group members are encouraged to share their thoughts, democratic leadership can lead to better ideas and more creative solutions to problems. Group members also feel more involved and committed to projects, making them more likely to care about the end results. Research on leadership styles has also shown that democratic leadership leads to higher productivity among group members.

Disadvantages :

While democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process.

Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action.

C-Laissez-faire style

This style is also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members.

Characteristics :

- Very little guidance from leaders
- Complete freedom for followers to make decisions
- Leaders provide the tools and resources needed
- Group members are expected to solve problems on their own

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is 'laissez-faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

Disadvantages

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team mem

THEORIES OF LEADERSHIP

There are three major approaches to leadership: a) trait theories, b) behavioral theories, c) situational theories. Trait theories highlight that there exists a finite set of individual traits or characteristics that distinguish successful from unsuccessful leaders. Behavioral theories highlight that the most important aspect of leadership is not the traits of the leader, but what the leader does in various situations. Successful leaders are distinguished from unsuccessful leaders by their particular style of leadership. Situational theories outlines that the effectiveness of the leader is not only determined by his or her style of behavior, but also by the situation surrounding the leadership environment. Situational factors include the characteristics of the leader and the subordinates, the nature of the task and the structure of the group.

TRAIT THEORY:

Some of the significant characteristics of leaders are categorized as follows:

- Physical Characteristics – age, appearance, height, weight
- Social Background – Education, social status, mobility
- Intelligence – Intelligence, ability, judgment, knowledge, decisiveness, fluency of speech
- Personality – Aggressiveness, alertness, dominance, enthusiasm, extroversion, independence, creativity, personal integrity, self-confidence
- Task-related Characteristics – Achievement drive, drive for responsibility, initiative, persistence, enterprise, task orientation
- Social Characteristics – Administrative ability, attractiveness, cooperativeness, popularity, prestige, sociability, interpersonal skill, tack and diplomacy

The list of important leadership traits is endless and grows with each passing year. It has

not yet been shown that a finite set of traits can distinguish successful from unsuccessful leaders. For example, successful research administrators are usually inquisitive, independent, perspective, and experts within their field. Successful sales managers are usually high-need achievers

gregarious, enthusiastic and project a professional stature, What may be important traits for one occupation may not be important for other roles in the same organization. Uniformity of traits across all levels is thus questioned. Trait identifies who the leader is, not the behavioral patterns he or she will exhibit in attempting to influence subordinate actions.

BEHAVIOURAL THEORY:

The foundation for the style of leadership approach was the belief that effective leaders utilized a particular style to lead individuals and groups to achieving certain goals, resulting in high productivity and morale. Unlike trait theories, the behavioral approach focused on leader effectiveness, not the emergence of an individual as a leader. There are two prominent styles of leadership such as task orientation, and employee orientation.

Task orientation is the emphasis the leader place on getting the job done by such actions as assigning and organizing the work, making decision, and evaluating performance. Employee orientation is the openness and friendless exhibited by the leader and his concern for the needs of subordinates. Two major research studies directed toward investigating the behavioral approach to leaderships is i) Ohio State University Studies and ii) University of Michigan Studies.

Ohio State Studies: Initiating Structures and Consideration: They identified two independent leadership dimensions.

- Initiating Structure: This concerned the degree to which the leader organized and defined the task, assigned the work to be done, established communication networks and evaluated work-group performance.

- Consideration, which was defined as behavior that involves trust, mutual respect, friendship; support and concern for the welfare of the employee. Consideration refers to an emphasis on an employee orientation leadership style. Their findings indicated that a mixture of initiating-structure and consideration leader behavior, which are achieved the highest effectiveness, depends largely on situational factors.

Michigan State Studies: Two distinct styles of leadership were developed from their studies:

- Job-centered leaderships style, which focused on the use of close supervision, legitimate and coercive power, meeting schedules and evaluating work performance.

- Employee-centered style, which is people oriented and emphasis delegation of responsibility and a concern for employee welfare, needs, advancement and personal growth. Their findings reported that employee centered and job centered styles result in productivity increase. However, job centered behavior created tension and pressure and resulted in lower satisfaction and increased turnover and absenteeism. Employee centered style is the best leadership style.

- Leadership's style is too complex to be viewed as uni-dimensional, but more than two dimensions may complicate the interpretation of leadership behavior. The measurement of leadership style for each of the approaches was accomplished through the use of questionnaire. This method of measurement is both limited and controversial. Further, in search of the most effective leadership's style, the research findings suggested that a universally accepted best style was inappropriate to the complexities of modern organizations.

Managerial Grid: The five basic approaches to management identified by Black and Mouton are based on the two dimensions of concern of people and concern for production that are

associated with leaders. A managerial grid is formed based on these two dimensions which are rated on 9 point scale. If manager is securing the lowest score on these two dimensions I,I is identified as impoverished style of managers who are low on both their concern of people and production, 1,9 or country club style is designated to those managers who are having high concern for people but low concern for production. The 5, 5 or the middle-of-the road style concerns the moderate levels of concern for both people and production. The 9,1 or task management style is one where there is a high concern for production but very little concern for people and finally, 9,9 or team management style is one where the manager has high concern for both people and production. According to Blake and Mouton the one best style for all managers is the 9,9 or team management style.

Likert's System Four Model: Rensis Likert suggests that managers operate under four different systems.

System I – Exploitative Authoritative: The manager believes in very authoritarian manner and actually exploits the subordinates

System II – Benevolent Authoritative: The manager takes a paternalistic approach while still being autocratic. Behaving as benevolent autocratic, the leader maintains strict control over the subordinates albeit in a paternalistic manner.

System III – Consultative: The manager consults the subordinates and still maintains the right to make the final decision.

System IV – Participative Groups: The manager uses a democratic style and makes decision by consensus and majority vote.

Likert feels that the best way for all organizations to manage employees is to move towards System IV.

Situational Theory:

Situational approaches to leadership take the position that there is no “one best way to lead in all the situations. Effective leadership style will vary from situations to situation, depending on several factors such as the personality predisposition of the leaders, the characteristics of the followers, the nature of task being done and other situational factors.

Tannenbaum and Schmidt reported that the use of authority by the manager (boss centered leaderships style) or the area of freedom given to subordinates (subordinate centered leadership) is a function of the following factors such as i) forces in the manager – value system, confidence in subordinates, leadership predispositions and feelings of security and insecurity), ii) forces in the subordinates (their needs for independence or dependence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience and inclination to participate in decision making) and iii) forces in the situation (type of organization, group effectiveness, time pressures and the nature of the problem itself)

Fiedler's Contingency Model of Leadership: Fiedler developed a model to predict work group effectiveness by taking into consideration the best fit between the leadership style and the degree of favorableness of the situation. The following three factors are considered to check whether the situation will be favorable or unfavorable. These factors are i) Leader- Member relations, ii) Task structure of the group, iii) Perceived position power of the manager.

Leadership Style Assessment – Leased Preferred Coworkers Scale: Fiedler developed a scale to rate the type of relationship a supervisor holds towards the least preferred coworkers on a twenty-item questionnaire. The supervisor is asked to describe the person with whom he has

associated with leaders. A managerial grid is formed based on these two dimensions which are rated on 9 point scale. If manager is securing the lowest score on these two dimensions I,I is identified as impoverished style of managers who are low on both their concern of people and production, 1,9 or country club style is designated to those managers who are having high concern for people but low concern for production. The 5, 5 or the middle-of-the road style concerns the moderate levels of concern for both people and production. The 9,1 or task management style is one where there is a high concern for production but very little concern for people and finally, 9,9 or team management style is one where the manager has high concern for both people and production. According to Blake and Mouton the one best style for all managers is the 9,9 or team management style.

Likert's System Four Model: Rensis Likert suggests that managers operate under four different systems.

System I – Exploitative Authoritative: The manager believes in very authoritarian manner and actually exploits the subordinates

System II – Benevolent Authoritative: The manager takes a paternalistic approach while still being autocratic. Behaving as benevolent autocratic, the leader maintains strict control over the subordinates albeit in a paternalistic manner.

System III – Consultative: The manager consults the subordinates and still maintains the right to make the final decision.

System IV – Participative Groups: The manager uses a democratic style and makes decision by consensus and majority vote.

Likert feels that the best way for all organizations to manage employees is to move towards System IV.

Situational Theory:

Situational approaches to leadership take the position that there is no “one best way to lead in all the situations. Effective leadership style will vary from situations to situation, depending on several factors such as the personality predisposition of the leaders, the characteristics of the followers, the nature of task being done and other situational factors.

Tannenbaum and Schmidt reported that the use of authority by the manager (boss centered leaderships style) or the area of freedom given to subordinates (subordinate centered leadership) is a function of the following factors such as i) forces in the manager – value system, confidence in subordinates, leadership predispositions and feelings of security and insecurity), ii) forces in the subordinates (their needs for independence or dependence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience and inclination to participate in decision making) and iii) forces in the situation (type of organization, group effectiveness, time pressures and the nature of the problem itself)

Fiedler's Contingency Model of Leadership: Fiedler developed a model to predict work group effectiveness by taking into consideration the best fit between the leadership style and the degree of favorableness of the situation. The following three factors are considered to check whether the situation will be favorable or unfavorable. These factors are i) Leader- Member relations, ii) Task structure of the group, iii) Perceived position power of the manager.

Leadership Style Assessment – Leased Preferred Coworkers Scale: Fiedler developed a scale to rate the type of relationship a supervisor holds towards the least preferred coworkers on a twenty-item questionnaire. The supervisor is asked to describe the person with whom he has

worked least well in accomplishing some task. The model postulates that a low LPC score (unfavorable avoidable evaluation) indicates the degree to which a leader is ready to reject those with whom he cannot work. Therefore, the lower the LPC score, the greater the tendency for the leader to be task oriented. On the other hand, a high LPC (favorable evaluation) indicates a willingness to perceive even the worst coworker as having some positive attributes. Therefore, the higher the LPC score, the greater the tendency for the leader to be employee oriented.

Favorable Situation: The situation is considered as highly favorable if it possess a high level of positive interpersonal relations between leaders and members, a well-defined task structures and a leaders perceive that they are bestowed with strong perceived positional power. In such type of situation the leader will have a great deal of control over situations and will simply have to make sure that he gives the necessary instructions to get the task done. There is no need for him to waste time talking to each employee in order to be perceived as friendly. A task-oriented style will be effective in such situation.

Unfavorable Situation: The situation is considered as highly unfavorable if it possesses a low level of interpersonal relationship between leaders and members, a poorly defined task and a relatively a weak perceived power. The leader of a task-force committee which is appointed to solve problems encountered in the work setting is likely to find him in such a situation. In such type of situation, the leader is in highly vulnerable situations and there is no other way to enforce a strict discipline and order to bring the situation in normalcy than following relationship oriented style.

Moderately Favorable Situation: Here the leader might find herself in a mixed situation. For instance, a manager might have good relationship with her workers, but the task structure and position power of the leader may be low. For example, a bank officer may have a good relationship staff member, but the task structure or the power to control the staff members (either to reward or punish members) is not strong enough. In such situations, the manager will be very successful and get the desirable results if he follows more of relationships oriented style than task oriented task style. The major findings of fielder are that the task-oriented leaders perform better than relationship oriented leaders in both extreme situations that are very favorable and thosethat are unfavorable. Relationship oriented leaders tend to perform better than task oriented leaders in situations that are intermediate in favorableness. These findings suggest that each of the leadership style can be effective in certain situation. Fiedler also suggests that the organization can change the effectiveness of the group's performance by changing the favorableness of the situations or by changing the leader's preferred style through education and training.

Fiedler's contingency model has proven to be major addition to the study of leadership in organizations for a number of reasons. First, the contingency model was one of the first approaches to leadership that included situational factors within its theoretical framework. The model will probably continue to be an important source of new ideas, propositions and hypotheses about situational leadership. Second, it provides the subtle but important implication that one should not speak of leadership as being either good or poor. Rather, a more realistic viewpoint would be that a manager's style of leading may be effective in one situation but not in another. Finally, leadership effectiveness is a function of the leader's style and the interaction of situational factors. The organization may improve the effectiveness of a particular work

environment either modifying the situational factors or attempting to change the manager's leadership style.

Path-Goal Theory of Leader Effectiveness: A second situational theory of leadership has been proposed by House and Evan. The principle function of the leader is facilitating to increase valence perception of their subordinates and clarify and increase expectancy probabilities of them. This will in turn make them to put greater amount of effort and derive higher level of satisfaction and performance in their work. The theory is composed of two basic propositions such as i) role of the leader and ii) dynamics of the situation. The two main aspects of this model are as follows:

Leadership Role: Leader behavior is acceptable and satisfying to the extent that subordinates perceive such behavior as a source of satisfaction or instrumental to future satisfaction. There are four styles of leadership:

- **Directive Leadership Behavior:** This deals with planning, organizing, controlling and coordinating of subordinates activities by the leader. It is similar to the traditional dimension of initiating structure in that the leader's emphasis is on letting the subordinates know what is expected of them.

- **Supportive Leadership Behavior:** This concerns giving support consideration to the needs of the subordinates, displaying concern for their well-being and welfare and creating a friendly and pleasant environment.

- **Participative Leadership Behavior:** This deals with sharing of information and an emphasis on consultation with subordinates and use of their ideas and suggestions in reaching group-related decision.

- **Achievement-Oriented Leadership Behavior:** This deals with setting challenging goals, expecting subordinates to perform at the highest level, continually seeking improvement in performance. The leader wants good performance, but at the same time displays confidence in the ability of his subordinates to do a good job.

Dynamics of Situation: The leadership style is determined by the situation in which the leader functions. Two main factors that influence the situational effectiveness of the leader's behavior are: a) the characteristics of the subordinates and b) the characteristics of his work environment, including task, work group and other organizational factors. The theory proposes that leader behavior will be perceived as acceptable to subordinates to the extent that the subordinates see such behavior as either an immediate source of satisfaction or as needed for future satisfaction.

Characteristics of Subordinates: Subordinates characteristics are seen to partially determine this perception. The following are the characteristics:

- **Ability:** This refers to the subordinates perception of his or own ability

- **Locus of Control:** This deals with the degree to which an employee believes that he or she has control of what happens to him. People who believe that they controlled their environment and who believe what happens to them occurs because of their behavior are called internal. People

who believe what happens to them is not under their control and occurs because of luck or fate are externals.

- **Need and Motives:** A subordinate's dominant needs may affect the impact of leader behavior. For example, individuals with high safety and security needs may accept an instrumental leader style, but employees with high affiliation and esteem needs may react more positively to a supportive leader.

Characteristics of Work Environment:

There are three broad aspects work environment such as i) task structures, ii) primary work group and iii) formal authority system.

Path-Goal theory states that leaders can exercise four different kinds of styles such as directive leadership, supportive leadership, participative leadership and achievement oriented leadership. The Path-Goal theory postulates that any of the four styles can be used effectively by the leader, depending upon situational factors such as subordinate characteristics (ability internal or external locus of control, needs and motives), and attributes in the work setting (task characteristics, authority system and the nature of the primary work groups). If there is a good fit between the leadership style and the situational factors in the work setting, then subordinates will experience job satisfaction, accept and value the leader as a dispenser or valued rewards and will engage in motivated behavior because they will know that their effort will lead to performance and that performance will lead to valued rewards. The rationale behind the theory is that leader can help the subordinates to achieve their goals by providing what is missing in the situation. Employees are helped by the leader to see the path by which their efforts will lead to performance and performance to desired rewards. The leader can take care of the missing links in the situation and facilitate to fulfill the needs of the subordinates. This suggests that leaders should involve their subordinates as much as possible in goal setting. This will enhance a person's sense of control over the organization's goal and have significant benefits in terms of job satisfaction, self-esteem and self-efficacy as well as productivity improvement for the organization. Goals need to be difficult enough to be challenging and yet realistic and achievable. Goal setting needs to be consistent across everyone and over time.

Hersey and Blanchard's Life Cycle Model of Situation Leadership: Hersey and Blanchard developed a situational model focusing on the followers characteristics. Successful leadership is achieved by selecting the right leadership style, which is contingent on the level of the followers' developmental level. It is the followers who accept or reject the leader, so that they are important factors in a leader's success. Blanchard defined developmental level as the skill and willingness of people to take responsibility for directing their own behavior. It consists of two components such as job maturity (Job competence – skills and abilities) and psychological maturity (motivation and willingness to take responsibility).

Situational Leadership Styles:

Situational leadership uses the same two leadership dimensions – task and relationship behavior. However, the situational leadership approach goes a step further by considering each as either high or low and then combining them into four specific leadership styles:

Directing, Coaching, Supporting and Delegating.

- i) **Directing: (high directive – low supportive):** The leader defines roles and tells people what tasks to do and how, when and where to do them. It emphasizes directive behavior.
- ii) **Coaching: (high directive – high supportive):** The leader provides both directive behavior and supportive behavior)
- iii) **Supporting (low directive-high supportive):** The leader and follower share in decision-making, with the main role of the leader being facilitating and communicating.
- iv) **Delegating: (low directive-low supportive):** The leader provides little direction or support.

INSPIRATIONAL APPROACHES TO LEADERSHIP

These contemporary leadership theories view leaders as individuals who inspire followers through their words, ideas, and behaviors.

A. Charismatic Leadership. *Charisma*, as defined by Max Weber, is “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not assessable to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.”

B. Transformational Leadership. While transformational leadership does divide leadership into two categories, these are not opposites but complements. Transformational leadership builds on top of transactional leadership and produces levels of follower effort and performance that go beyond what would occur with a transactional approach alone. But the reverse is not true.

Leadership Types. This theory of leadership divides leaders into two types, based on their methods and outcomes:

- a. **Transactional Leaders:** those who guide or motivate their followers in the direction of establishing goals by clarifying role and task requirements. These leaders were described in the other (non-inspirational) sections of this chapter.

- b. **Transformational Leaders:** those who inspire followers to transcend their own self-interests for the good of the organization and are capable of having a profound or extraordinary effect on their followers.

What Makes Leadership Effective:

The following points make the leadership effective.

Sound mental and physical health

Knowledge and Intelligent

Clear cut and worthy goal

Conviction

Sense of responsibility

Motivation

Initiative and Drive

Leader's own personality, past experience & expectation

Expectation & behaviour of his superior

Expectation & behaviour of his subordinate

Task Requirement

Organisational culture & climate

CONFLICT

INTRODUCTION

Human beings experience conflict in their everyday life. Hence organizations are not free of it. Conflict has considerable influence on individual and organizational performance. Therefore conflict management is very very necessary.

According to **Kolb** and **Bartinek**, "conflict can be a disagreement, the presence of tension, or some other difficulty within or between two or more parties.

TYPES OF CONFLICT

Intrapersonal Conflict: When conflict occurs within an individual, it is called intrapersonal conflict. It occurs in three ways.

a) Approach-Approach Conflict-Here an individual must choose between two alternatives which have expected positive outcome.

b) Avoidance-Avoidance Conflict- Here an individual must choose between two alternatives which have expected negative outcome.

c) Approach-Avoidance Conflict- Here an individual must decide whether to do something that is expected to have both positive and negative outcome.

Interpersonal Conflict: When conflict occurs in between individual to individual ,it is called interpersonal conflict.

Intragroup Conflict: When conflict occurs within one group,it is called intragroup conflict.

Intergroup Conflict: When conflict occurs amongst different groups, it is called intergroup conflict. It occurs in three ways.

a) Vertical Conflict-It refers to conflicts that occur between individuals at different levels. Conflict between the superior and subordinate is an example of vertical conflict.

b) Horizontal conflict-It refers to tensions between employees or groups at the same hierarchical level. Horizontal conflict occurs because of interdependence among the parties concerned in the work situation.

c) Line & Staff Conflict- It refers to the conflicts that arise between those who assist or act in an advisory capacity (staff) and those who have direct authority to create the products, process, and services of the organizing (line).

CONFLICT PROCESS

The conflict process can be categorized into five stages. They are as follows:

Stage I: Potential opposition or incompatibility:

This covers the present condition that creates opportunity for conflicts to arise. This may be one of the conditions responsible for the occurrence of conflict. The major sources of conflict can be further categorized as communication, structure and personal variables. Communication: It is reported that word connotations, jargon, insufficient exchange of information and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict.

Stage II: Cognition and personalization:

Perception or sense making plays a major role in the resolving conflict. Conflict may either be perceived or felt in nature. Perceived conflict is defined as awareness by one or more parties of the existence of conditions that create opportunities for conflict to arise. Felt conflict is defined as emotional involvement in a conflict creating anxiety, tenseness, frustrations or hostility. Negative emotions have been found to produce over simplification of issues, reductions in trust, and negative interpretations of the other party's behavior.

Stage III: Intentions:

Using two dimensions – cooperativeness (the degree to which one party attempts to satisfy the other party's concerns) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns) – five conflict handling intentions can be identified. There are as follows: i) competing (assertive and uncooperative), ii) collaborating (assertive and cooperative), iii) avoiding (unassertive and uncooperative), iv) accommodating (unassertive and cooperative) and ii) compromising (mid-range on both assertiveness and cooperativeness).

Stage IV: Behaviour:

All conflicts manifest in behavior somewhere along with continuum ranging from no conflict or minor conflict such as minor disagreements or misunderstanding, overt questioning or challenging of others, to annihilatory conflict such as threats and ultimatum, aggressive physical attacks or overt efforts to destroy the other party.

Stage V: Outcomes:

The outcomes of conflict may be functional or dysfunctional. Conflict is constructive when it improves the quality of decision, stimulates creativity and innovation, encourages interest and

curiosity among group members, provides the medium through which problems can be aired and tensions released and fosters an environment of self-evaluation and change.

CAUSES OF INTER-GROUP CONFLICT:

There are three basic sources of inter-group conflict: i) goal incompatibility, ii) decision-making requirements and iii) performance expectations.

Interdependence: Conflict potential increases when groups are interdependent. The different types of Interdependence are as follows:

1. Pooled interdependence—no direct interaction occurs between groups; interdependence exists because their pooled performance determines organizational performance (e.g., the Cadillac, Buick and Chevrolet divisions at General Motors). Creates relatively low conflict potential.

2. Sequential interdependence—Occurs when one group must complete its task before another group can complete its task (e.g., two groups on an assembly line). Makes conflict more likely because output (quality and quantity) of one group depends on the task input of another.

3. Reciprocal interdependence—the output of each group is the input for other groups and vice versa (e.g., the anesthesiology, nursing, and surgical teams in an operating room).

Creates high conflict potential.

All organizations have pooled interdependence; complex organizations have sequential interdependence; and the more complex organizations have reciprocal interdependence. The more

complex the organization, the greater the conflict potential.

B. Goals Difference: Groups with different goals have different expectations that can cause conflict

when the groups interact. Goal differences become more evident when resources are limited and are

allocated across the groups. Conflict pressures increase when groups think resources have not been

allocated equitably. Different goal can produce different perceptions. Different time horizons can produce different times perspectives and affect perceived importance of problems (e.g., a company

president's time perspective of five-to-ten years vs. a foreman's perspective of one month to one year).

C. Perceptual Differences: Status incongruity—one group perceiving itself as more prestigious than another can provoke intergroup conflict. Inaccurate perceptions often causes groups to develop

stereotypes about other groups, which can provoke conflict and erode intergroup relations.

When conflict is low rational model describes the organization where goals are consistent across participants, power and control are centralized, decision process are orderly, logical, rational, rules and

norms are norms of efficiency, information is extensive, systematic and accurate.

When conflict is high political model describes the organization where goals are inconsistent and

pluralistic within the organization, power and control are decentralized and shifting coalitions and interest groups, decision process are disorderly and result of bargaining and interplay among interests,

Conflict management Techniques:

The various strategies for minimizing and resolving conflicts can be classified into five categories: i) Avoidance, ii) Accommodating, iii) Compromise, iv) Competition and v) Collaboration.

Avoidance:

This strategy involves a general disregard for the causes of the conflict and the person might diplomatically sidestep a conflicting issue, postpone addressing it till later, or withdraw physically or psychologically from a threatening situation. Avoiding mode is used when the individual is both unassertive and uncooperative – that is, the person has a very low concern for his own and his opponent's needs. The individual follows the following three methods

- i) Non-attention: The manager totally avoids or ignores the dysfunctional situation. Individuals tend to “look the other way” or disregard hostile action in hopes that the situation will resolve itself in time
- ii) Physical separation: It involves moving conflicting groups physically apart from each other. The rationale is that if the groups cannot interact, conflict will diminish.
- iii) Limited interaction: Groups are allowed to interact only on formal situations.

Accommodation:

Accommodation is a negotiation style where one party is willing to oblige or adapt to meet the needs of the other party. That party that accommodates loses and the other party wins. Accommodation is useful for negotiation on minor matters. The negotiation parties may not look for creative, new solutions. Accommodation might take the form of selfless generosity, or obeying another's order rather unwillingly or giving in to another person's point of view. In all these cases, the individual neglects his or her own concern to satisfy the concerns of their other party. There is an element of self-sacrifice.

Competition:

Competition occurs when one party negotiates to maximize its results at the expense of the other party's needs. Competition leads to one party gaining the advantage over the other. One party wins while the other party loses. Although it is quick and can be used as counter against another person, this option usually produces a win-lose result. Competing is a power oriented mode of resolving tensions and one uses whatever power one has or can muster such skills, knowledge, abilities, rank being well-connected etc. to win.

Compromising:

Compromise is the settlement of differences through concessions of one or both parties. In compromising, the party tries to find some expedient, mutually acceptable solutions with partially satisfies both parties, though neither is fully satisfied. A compromising stance addresses the issue without avoiding it, but does not explore the alternative in a way that would be completely satisfying to both parties as in the case of collaboration. Compromising involves “splitting the difference”, exchanging concessions and seeking quick middle-ground solutions.

Collaboration:

Collaboration occurs when people cooperate to produce a solution satisfactory to both. Collaborating involves an attempt to work with the other person to find solutions that would be satisfying to both parties. Here, the underlying concerns of both parties are explored in depth, the disagreements examined in detail and resolutions arrived at by combining the insights of both the parties. A creative solution usually emerges because of the joint efforts of both the parties who are keen on both gaining from the situation without hurting the other.

TRANSACTIONAL ANALYSIS

INTRODUCTION

When people interact in assertive or non-assertive ways, there is a social transaction in which one person responds to another. The study of these social transactions between people is called Transactional Analysis (TA). Transactional analysis was developed by Eric Berne for psychotherapy in the 1950s. The objective of TA is to provide better understanding of how people relate to one another, so that they may develop improved communication and human relationship.

KEY IDEAS IN TA

Ego States

The personality of a person is the collection of behaviour patterns developed over a period of time that other people begin to recognize as that person. These behaviour patterns are evolved in differing degrees from three ego states - **Parent, Adult and Child**.

Parent ego is formed by external events and influences upon us as we grow through early childhood to adulthood. Parent ego is characterized by protective, nurturing, commanding, and directing.

There are two kinds of Parent ego states : (i) **Nurturing Parent** and (ii) **Critical parent**. The Nurturing parent is that part of a person which is understanding and caring about other people. Behaviour coming from the nurturing parent may set limits on and provide direction for people behaviour. It will not put the people down and make them feel not OK as individual. Critical parent behaviour attacks people's personalities as well as their behaviour. Critical parent makes people feel that they are not OK. When people are in their critical parent ego state they are very evaluative and judgmental. They are always ready to respond with a 'should' or 'ought' to almost anything people tell them.

The **Adult ego** state evokes behaviour that could be described simply as logical, reasonable, rationale and unemotional. Behaviour from the adult ego state is characterized by problem solving analysis and rationale decision-making. People operating from the adult ego state are taking emotional content of their child ego state, the value-laden content of their parent ego state and checking them out in the reality of the external world. These people are examining alternatives, probabilities and values prior to engaging in behaviour.

The **child ego** state is associated with behaviours that appear when a person is responding emotionally. A person's child contains the 'natural' impulses and attitudes learned from child experiences. There are several forms of the child ego state. However, two kinds of ego states

viz. happy child and destructive child are commonly relevant in their behaviour. People behaving from their happy child are doing things they want to do it but it is not destructive to others. However, people in their destructive child are also doing things but their behaviour is either destructive to others or to themselves, or to their environment. In understanding the difference between these two types of child ego state, it helps to remember that behaviour by itself is not happy or destructive. Whether a person's behaviour is coming from a happy child or destructive child depends on the transaction feedback from others.

Strokes

Berne observed that people need strokes, the units of interpersonal recognition, to survive and thrive. Understanding how people give and receive positive and negative strokes and changing unhealthy patterns of stroking are powerful aspects of work in transactional analysis. Stroking is the recognition that one person gives to another. Strokes are essential to a person's life. Without them, Berne said, the "spinal cord will shrivel up." It has been shown that a very young child needs actual physical strokes in order to remain alive. Adults can get by on fewer physical strokes as they learn to exchange verbal strokes; positive strokes like praise or expressions of appreciation, or negative strokes like negative judgments or put downs. Therefore, the exchange of strokes is one of the most important things that people do in their daily lives.

Games

The essential aspect of games is that they are crooked or covert exchanges of strokes. A game is a recurring series of covert transactions with a beginning, middle and end, and a payoff.

The payoff is a hidden advantage which motivates the players to participate. Transactional Analysis became a nation-wide fad in the 1960's due to the bestselling success of Eric Berne's book, *Games People Play*. In this book he assigned engaging names ("Now I've got you," "Kick me," "I only trying to help.") for different games. For instance when Jane plays "Why Don' You, Yes But" she asks advice from another but rejects every suggestion so that everyone ends up exasperated. It is the type of conversation which occurs over and over again, especially in therapy groups. It is devious and covert: on the social level, it appears to be a conversation in which a person in the Adult ego state is asking a question to one or more people who are also in their Adult ego states. What makes it a game is that none of the suggestions are really accepted. The reason for that is that, at the psychological and much more meaningful level, what is really going on is that Jane may need advice but needs strokes even more. Because these strokes are being given in a roundabout way they are not as satisfying as direct strokes would be. This is why the game ends on a note of depressed frustration.

Payoffs

There are a number of payoffs of this game; every game pays off at three different levels: (i) The biological pay-off of a game is strokes. Even though games end badly, all the players get a considerable number of strokes – both positive and negative – out of playing them. (ii) The social pay-off of a game is time-structuring. People are able to fill time which otherwise might have been dull and depressing with an exciting activity. (iii) The existential pay-off of a game is the way in which the game confirms the existential position of each player.

Life position

In the process of growing up, people make basic assumptions about their own self-worth as well as about the worth of significant people in their environment that may or may not be channelized to other people later in life. Harris called them combination of an assumption

about oneself and another person a life position. Life position tend to be more permanent than ego states. They are learned through out life by way of reinforcements for, and responses to expressed. These assumptions are described in terms of 'okay ness'. Thus individual that they are either OK or not OK and other individuals are assumed to be either OK or not OK.

Four possible relationship resulted from this life position.

1. I am not OK, You are not OK (neither person have value)
2. I am not OK, You are OK (you have value but I do not have)
3. I am OK, You are not OK (I have value but you don't have)
4. I am OK, You are OK (we both have value)

I AM NOT OK, YOU'RE NOT OK:

People tend to feel bad about themselves and see that the whole world as miserable. People with this life position usually give up. They do not trust other people and have no confidence in themselves.

I AM NOT OK, YOU'RE OK

People with this life position often come from their child ego state. They feel that others are more capable and generally have fewer problems than they themselves do. They tend to think that they always got the short end of the stick. This is the most common life position for people who have high expectations for authority. They see their world as "I don't have any control or much power, but those people seem to have all the power and rewards and punishment."

I AM OK, YOU'RE NOT OK

This type of people often come their Critical Parent ego state. They tend to be down on other people for at least two reasons. First, they often regard other people as source of criticism. They feel that if they are not exactly perfect or right, people will be excessively critical of them. Second, they want to break away or rebel from some authority figure and become more independent, but they are either not sure how to go about this or they have had pleasant experiences in attempting it in the past.

I AM OK, YOU'RE OK

This life position is considered as healthy position. People with these feelings express confidence in themselves as well as trust and confidence in other people in their environment. Their behaviour tends to come from their Nurturing Parent, Adult and Happy Child ego states, while seldom being evoked from their Destructive Child or Critical parent. TA may be used to explain why people behave in specific patterns throughout their life. This analysis enables people to identify patterns of transactions between themselves and others. Ultimately, this can help us to determine which ego state most heavily influencing our behaviour and the behaviour of other people with whom we interact.

Transaction:

There are two types of transactions. One is complementary, another is non-complementary. When the receiver of the message responds the message in the same ego state he or she receives it, is known as **complementary transaction**. Here the ego state of two persons are parallel to each other. When the receiver of the message responds the message with different ego state than the ego state he/she receives message is known as **non-complementary transaction**. Here the ego state of two persons are not parallel rather than crossed happens.

APPLICATION OF TA:

Stroking – Stroking is defined as any act of recognition for another. People seek stoking in

their interaction with others. It applies to all type of recognition, such as physical, verbal and eye contact between people. Strokes may be either positive, negative, or mixed. Positive strokes, when they are received contribute to a person's sense being OK. Negative stokes hurt physically or emotionally and make us feel OK about ourselves. There also is a difference between conditional and unconditional strokes. Conditional strokes are offered to employees if they perform correctly or avoid problems. A Regional manager may promise " I will give you a choice posting if you achieve the targets of advances, deposits and recovery and turn around the branch". Unconditional strokes are presented without any connection to behaviour, although they may make a person feel good (for example, "you're a good officer").

TA and Leadership – when managers transact primarily from a single ego state, they limit their choice of leadership styles. For example, the person with a dominant Parent ego state will tend towards a more autocratic style. If the Child state is dominant, the free-rein style may be used extensively. However, a supervisor who feels "I am OK-You're OK" and who has a well-developed Adult state, is more likely to collect data prior to making a choice of style. The style chosen by the adult state generally will allow ample freedom for employees to participate in the decision process.

TA and conflict resolution – There are several natural connections between TA and the approaches to resolving conflict. the Parent ego state may lead to the use of a forcing strategy, while the child state may smooth over conflicts or try to avoid them. The "I am OK – You're OK" person is more likely to seek a win-win outcome, applying the Adult ego state.

Benefits of TA – Organisations that have used TA approach were found moderately successful training in TA can give employees fresh insights into their own personalities, and it also can help them to understand why others sometimes respond as they do. A major benefit is improved interpersonal communication. Employees in organization can sense when crossed communication occurs and then take steps to restore complementary communication, preferably in the Adult-to-Adult pattern. The result is a general improvement in interpersonal transactions.

Conclusion

Transactional analysis is the study of social transaction between people. One useful approach is the classification of Parent, Adult and child ego states. An Adult-to-adult complementary transaction is especially desirable at work. Crossed transactions tend to cut off communication and produce conflicts. TA is essentially a learning experience through which an individual discovers how to sort out the data that goes into his decisions. This approach is useful to improve the interpersonal communication in organization and in social life. I'm OK, You're OK life position shows acceptance of self and others. TA gives employees fresh insights into their own personalities.

MODULE-3

ORGANISATIONAL CULTURE

INTRODUCTION

Culture deals with past and current assumptions, experiences, values, attitudes, beliefs, expectations, customs etc. Culture relates to the informal aspects of organisations rather than their official elements. They focus on the values, beliefs and norms of individuals in the organization. Culture is manifested by symbols and rituals rather than through the formal structure of the organization.

The values and behaviour that contribute to the unique social and psychological environment of an organization is called **organizational culture**. It refers to the system of shared meaning held by the members that distinguishes one organization from other organization.

Features of Organisational Culture:

Shared meaning

Values and Norms

Behavioural Consistency

Descriptive

Organisational Philosophy

Clear Guidelines

Sense of Belongingness

Factors determining org. culture

Org. Founder:

Whatever impression founders create about the organization, it continues and develops for a long period of time.

Corporate success & shared Experiences:

Corporate success for a long period develops a strong culture. If the members share common experience, it remains in their mind forever.

Innovation & risk taking:

Innovative and risk taking employees develop a strong culture.

Outcome rather than technique: Organisations whose managers focus on outcome rather than technique, they develop strong culture.

Competitiveness:

Organisations whose employees are competitive are actually stronger than non-competitive.

Shared interpretation:

Organisations whose members have common perception and thinking about organizational values, norms, they can develop a strong culture.

Functions of Organisational Culture

- It distinguishes one organization from another organization. That means it creates brand name for the organization.
- It develops a sense of identity amongst its members.
- It promotes commitment amongst employees to achieve organisational goals.
- It develops appropriate standards for employees & holds them together to achieve those standards.

- It provides a control mechanism for shaping the attitude & behaviour of employees.

Transmission of organizational Culture/How is culture learnt:

- **Stories:**

The stories be these true or false, told to the organizational members can have a profound impact on organizational culture.

- **Symbols:**

Examples of symbols include the size of offices, the elegance of office furnishing etc for certain employees. The value of these symbols is that they communicate important cultural values.

- **Language:**

Organisations use a language in terms of specific slogan, metaphor to convey special meaning to employees. It symbolizes what the company stands for to both employees and society.

- **Rituals:**

Rituals such as annual function, award ceremonies etc reinforce the key values of the organization, which goal is imp, which people is important. The annual function is an example of ritual performed in an educational institution.

ORGANISATIONAL CHANGE

The way we individuals change due to age, education, change of job, illness, change in geographical area, organizations also change due to several reasons over a period of time. Change is necessary for survival and growth. Changes are constantly taking place in our environment. Changes occur outside organization that requires internal adaptation. The manager has to ensure that individual and groups in organizations, and structures, process and behaviors of sub-systems must adapt to the changing external and internal environments. In effect, the manager is a change agent who facilitates changes to occur in the various subsystems of the organization needed.

Any alteration which occurs in the overall work environment of an organization is called **organizational change**.

FACTORS AFFECTING CHANGE:

There are both external and internal forces that result in pressure for change,

External Factors:

The external forces that create the need for change come from various sources. Some of them are as follows:

a-Competitive Market Force:

Competition is changing. The global economy means that competitors are as likely to come from across the ocean as from across town. Heightened competition also means the established organizations need to defend themselves against both traditional competitors that develop new products and services and small, entrepreneurial firms with innovative offers. Successful organizations will be the ones that can change in response to the competitor.

Government laws and regulations:

These are frequent impetus for change. Creation of special economic zones and foreign direct investment in India sparked off major changes in the IT Industries, Insurance, and Car manufacturing industries. More foreign automobile industries are setting up manufacturing plants and generating more employment opportunities in India.

b-Technology:

It creates the need for change. For example, technological developments in sophisticated and extremely expensive diagnostic equipment have created significant economy of scale for hospitals and medical centers. Assembly-line technology is undergoing dramatic change as organizations replace human labor with robots. Even in the greetings card industry, electronic mail and internet have influenced the way people send greetings.

c-Labor Markets:

The fluctuation in labor markets forces managers to change. For instance, the demand for webpage designers and website managers made it necessary for organizations that need those kinds of employees to change their human resources management activities to attract and retain skilled employees in the areas of greatest need.

d-Economic Changes:

Economic changes affect almost all organization. The appreciation of rupee value against the US dollar affects the export prospects of knitwear products from India to America as those products cost more to Americans. But even in strong economy, uncertainties about interest rates, government budgets deficits and current exchange rates create conditions that may force organizations to change.

Internal Factors:

Internal forces can also stimulate the need for change. These internal forces tend to originate primarily from the internal operations of the organizations or from the impact of external changes.

a-Structural factors:

A structural force would be the inability to transmit important information from the top of the organization to the lower level cadre. Because of numerous layers in the hierarchy, information moves slowly from one level to the next. This could be viewed as a process or a behavioral problem involving a failure to communicate effectively.

b-Strategy:

A redefinition or modification of an organization's strategy often introduces a host of change. The strategic move of Reliance Industries in getting into retail business in urban and rural markets made them to introduce a change in the managerial approach as well as the human relations approach to gain acceptance from the different cross section of the customers.

c-Organizations Workforce:

In recent times, the work force composition is varied and is not very static. Its composition changes in terms of age, education, sex and so forth. In a stable organization with a large pool of seasoned executives, there might be a need to restructure jobs in order to retain younger managers who occupy lower ranks. The compensation and benefit system might also need to be adapted to reflect the needs of an older work force.

d-Introduction of new technology:

The introduction of new equipment represents another internal force for change. Employees may

manufacturing industries. More foreign automobile industries are setting up manufacturing plants and generating more employment opportunities in India.

b-Technology:

It creates the need for change. For example, technological developments in sophisticated and extremely expensive diagnostic equipment have created significant economy of scale for hospitals and medical centers. Assembly-line technology is undergoing dramatic change as organizations replace human labor with robots. Even in the greetings card industry, electronic mail and internet have influenced the way people send greetings.

c-Labor Markets:

The fluctuation in labor markets forces managers to change. For instance, the demand for webpage designers and website managers made it necessary for organizations that need those kinds of employees to change their human resources management activities to attract and retain skilled employees in the areas of greatest need.

d-Economic Changes:

Economic changes affect almost all organization. The appreciation of rupee value against the US dollar affects the export prospects of knitwear products from India to America as those products cost more to Americans. But even in strong economy, uncertainties about interest rates, government budgets deficits and current exchange rates create conditions that may force organizations to change.

Internal Factors:

Internal forces can also stimulate the need for change. These internal forces tend to originate primarily from the internal operations of the organizations or from the impact of external changes.

a-Structural factors:

A structural force would be the inability to transmit important information from the top of the organization to the lower level cadre. Because of numerous layers in the hierarchy, information moves slowly from one level to the next. This could be viewed as a process or a behavioral problem involving a failure to communicate effectively.

b-Strategy:

A redefinition or modification of an organization's strategy often introduces a host of change. The strategic move of Reliance Industries in getting into retail business in urban and rural markets made them to introduce a change in the managerial approach as well as the human relations approach to gain acceptance from the different cross section of the customers.

c-Organizations Workforce:

In recent times, the work force composition is varied and is not very static. Its composition changes in terms of age, education, sex and so forth. In a stable organization with a large pool of seasoned executives, there might be a need to restructure jobs in order to retain younger managers who occupy lower ranks. The compensation and benefit system might also need to be adapted to reflect the needs of an older work force.

d-Introduction of new technology:

The introduction of new equipment represents another internal force for change. Employees may

have their jobs redesigned, they need to undergo training on how to operate the new equipment or they may be required to establish new interactions patterns with their work group.

e-Employee Attitudes:

Employee attitudes such as increased job satisfaction may lead to increased absenteeism, more voluntary resignations, and even labor strikes. Such events will often lead to changes in management policies and practices.

RESISTANCE TO CHANGE

In planning for change, the team leaders must take into consideration the various factors on which the members exhibit their resistance to implement the change process. For example, the company wanted to install a new software program in cash counter computer terminals to facilitate the fast movement. But some employees may not respond favorably and display their refusal to cooperate by increasing absenteeism, sub-standard work, joining of union increased labor turn over etc. Resistance to change can also be a source of functional conflict. For example, resistance to a reorganization plan or a change in a product line can stimulate a healthy debate over the merits of the idea and result in a better decision.

Resistance can be overt, implicit, immediate or deferred. It is the easiest for management to deal with resistance when it is overt and immediate such as employees strike, work slowdown etc. The greater challenge is managing resistance that is implicit or deferred. Such as loss of loyalty to the organization, loss of motivation to work, increased errors or mistakes increased absenteeism etc. .

a-Individual Resistance

Individual sources of resistance to change lie in basic human characteristics such as perceptions, personalities and needs.

Habit: The team members are habituated or conditioned to do their job or activity in a particular way. When they are asked to do differently, they tend to respond to resist change. When employees are asked to move to new office building across the town, they are likely to change their routine habits like waking up ten minutes earlier, finding new parking place, adjusting to new office layout, developing new lunch time routine etc.

Security: The team members with a high need for security are likely to resist change because it threatens their feelings of safety. When Indian Railway introduced new online booking for their reservations, employees may have similar fears.

Economic Factors: If the members feel that the new changes result in lower pay, they may likely to resist change process. Changes in jobs or established work routine can also arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines to their previous standards, especially when the pay is closely tied to productivity.

Fear of the Unknown: The cashiers or secretaries might fear the new activities due to lack of knowledge in operating the new software program. They might develop a negative attitude towards working with new programs or behave dysfunctionally if required to use them. Employees in organizations hold the same dislike for uncertainty. For example, if an organization introduced TQM, the production employees will have to learn statistical process control techniques. Therefore, they may develop a negative attitude towards TQM or behavior dysfunctionally if required, to use statistical techniques.

Selective Information Processing: Once the team members shape their world through their own way, they prefer to do their work based on their perceptions. If the change process demands to follow the new method, the members tend to resist. So individuals are guilty of selectively

processing information in order to keep their perception intact. They hear what they want to hear. They ignore information that challenges the world they have created.

b-Organizational Resistance

Some organizations prefer to follow their routine and reluctant to venture new things or follow any new methods of doing. Government agencies want to continue doing what they have been doing for years, whether the need for their service changes or remains the same. Six major sources of organizational resistance have been identified. They are as follows:

Structural Inertia: Organizations have built in mechanisms to produce stability. For instance, the training and orientation programs reinforce specific role requirements and skills. Formalization provides job descriptions, rules and procedures for employees to follow. Once the routine has been established, organization is very reluctant to adapt to new changes. When an organization is confronted with the change process, the team members tend to resist.

Limited Focus of Change: The change process is interlinked. One activity cannot be changed without affecting the others. If change is introduced in technology without considering the structural changes, the change in technology is not likely to be accepted. Organizations are made up of number of interdependent subsystems.

Group Inertia: Some times the group norm or standards could act as a constraint. For example, the union norms may dictate resistance to change process.

Threat to Expertise: The change process could threaten the expertise of team members of the groups. Once the members feel that they are forced to learn something new, they tend to resist. The introduction of decentralized personal computers, which allow managers to gain access to information directly from a company's mainframe, is an example of a change that was strongly resisted by many information system departments in the 1980s. Because of decentralized end-user computing was a threat to the specialized skills held by those in the centralized information system departments.

Threat to Established Power Relationship: The change process can threaten long established power relationships within the organization. Due to this reason, the members can resist the change.

Threat to established resource allocation: The group, which enjoys sizable resources, may not like to accept the change process that facilitates reduction in their budget.

OVERCOMING RESISTANCE TO CHANGE

John Kotter and Leonard Schlesinger offered six ways of overcoming resistance to change, which are highly situation dependent. More than one of these techniques may be used in any given situations.

□□**Education and Communication:** If the logic and advantages of the change are explained early to the team members, resistance can be reduced. This can be achieved through one-to-one discussions, memos, group presentations, or reports. This tactics assumes that the source of resistance lies in misinformed or poor communication. If the team members received the full

facts and have their misunderstanding cleared up, their resistance will subside. Once people have bought into the idea, they will implement the change. The only problem is that this could be a very time-consuming process, if too many people are to be communicated with.

□□**Participation and Involvement:** Resistance to change can be reduced or eliminated by having those involved participate in the decision of the change through meetings and induction. It is difficult for individuals to resist a change decision in which they participated. Once people have had an opportunity to contribute ideas and become a part of the change process, they will be less inclined to see it fail. However, working in committees or task forces is a time-consuming activity, and hence it will take a longer time to bring about changes.

□□**Facilitation and Support:** Easing the change process and providing support for those caught up in it is another way managers can deal with resistance. Retraining programs, allowing time off after a difficult period, and offering emotional support and understanding may help. This emotional support can be given through empathic listening, offering training and other types of help. Such facilitation and emotional support help individuals to deal more effectively with their adjustment problems. This process can be time-consuming and there is no guarantee that it will always work.

□□**Negotiation and Agreement:** It is sometimes necessary for a team leader to negotiate with potential resistance or exchange something of value for a lessening of the resistance. For instance, if the resistance is from a few powerful individuals in the team, a specific reward package can be negotiated that will meet their individual needs. Though in some instances this may be the relatively easy way to gain acceptance, it is possible that this could be an expensive way of effecting changes as well. Also, if the use of this strategy becomes public knowledge, others might also want to try to negotiate before they accept the change.

□□**Manipulation and Co-optation:** The team leader seeks to 'buy off' the key members who are resisting by giving them an important role in the change decision. The team leader's advice is sought, not to arrive at a better decision but to get their endorsement. Some of the co-opting tactics include selectively sharing information and consciously structuring certain types of events that would win support. This can be a quick and relatively easy and inexpensive strategy to gain support. However, the purpose will be defeated if people feel they are being manipulated.

□□**Explicit and Implicit Coercion:** The team leaders can force the members to go along with changes by threats involving loss or transfers of jobs, lack of promotion, etc. Such methods, though not uncommon, is more difficult to gain support for future change efforts. This strategy can be particularly resorted to when changes have to be speedily enforced or when changes are of a temporary nature. Though speedy and effective in the short run, it may make people angry and resort to all kinds of mean behaviors in the long run.

LEWIN'S MODEL OF CHANGE/APPROACHES TO MANAGING ORG. CHANGE/PLANNED CHANGE

Kurt Lewin argued that successful change in organizations should follow three steps

- i) Unfreezing the status quo
- ii) Movement to a new state
- iii) Freezing the new change to make it permanent.

Unfreezing:

It is actually the process of preparing the system for change through disconfirmation of the old practices, attitudes, tendencies, or behaviors. This is the initial phase where those involved in the change experience a need for something different and a sense of restlessness with the status quo. In essence, the feeling that the system is hurting itself badly now and desperately requires a change to survive, is sensed by all. Initiative for changes efforts are taken to overcome the pressures of both individual resistance and group conformity.

Movement to a new state:

Changing or moving is the phase where the changes that have been planned are actually initiated and carried out. Changes could relate to the mission, strategy, objectives, people, tasks, work roles, technology, structure, corporate culture, or any other aspects of the organization. Well thought out changes have to be carefully implemented with participation of the members who will be affected by the change. Changes incorporated too quickly without adequate preparation will result in resistance to change.

Refreezing:

It is the last phase of the planned change process. Refreezing ensures that the planned changes that have been introduced are working satisfactorily, that any modifications, extra considerations, or support needed for making the changes operational are attended to, and that there is reasonable guarantee that the changes will indeed fill the gap and bring the system to the new, desired state of equilibrium. This necessarily implies that the results are monitored and evaluated, and wherever necessary corrective measures are taken up to reach the new goal. If the refreezing phase is neglected or temporarily attended to, the desired results will not ensure and the change may even be total disaster.

Forced Field Analysis:

Kurt Lewin stated that there are two types of forces operating in the change process. I) Those forces which prepare or make the system ready for changes to occur, are called as driving forces, ii) Those forces which oppose or operate against changes taking place in the system, are called as restraining forces. If the two sets of forces are equal in strength, then the systems is in a state of equilibrium and changes will not occur. If the driving forces are stronger than the restraining forces, then the system will be changing to find a new equilibrium as the gap to be filled gets narrowed down. A more viable option is to reduce existing resistance by dealing with and minimizing the forces that resist the change. In practice, a combination of both strategies – reducing the restraining factors and increasing the driving forces often ensures best results.

HUMAN RESOURCE MANAGEMENT

INTRODUCTION

HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations.

Human resource management is designing management systems to ensure that human talent is

used effectively and efficiently to accomplish organizational goals.

According to **D. A. Decenzo and P. Robbins**, “Human resource management is a process consisting of four function:- acquisition, development, motivation and maintenance of human resources.

Nature of HRM

HRM is a management function that helps manager’s to recruit, select, train and develop members for an organization. HRM is concerned with people’s dimension in organizations.

The following constitute the core of HRM

1. HRM Involves the Application of Management Functions and Principles. The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.

2. Decision Relating to Employees must be Integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

3. Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

4. HRM Functions are not Confined to Business Establishments Only but applicable to non-business organizations such as education, health care, recreation and like.

HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

These are given below:

- Human Resource Planning
- Design of the Organization and Job
- Selection and Staffing
- Training and Development
- Organizational Development
- Compensation and Benefits
- Employee Assistance
- Union/Labour Relations
- Personnel Research and Information System

Objectives of HRM

1) Societal Objectives: seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.

2. Organizational Objectives: it recognizes the role of HRM in bringing about organizational

effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives.

3.Functional Objectives: is to maintain the department's contribution at a level appropriate to the organization's needs.

4. Personnel Objectives: it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

Functions of Human Resource Management

Human resource management has two function. The first one is managerial function and the second one is staffing function.

Managerial

Function

- a)Planning
- b)Organising
- c)Directing
- d)coordinating
- e)Controlling

Staffing/Operating Function

- a)Acquisition & Absorption
- b)Development & Utilisation
- c)Maintenance & Retention
- d)Motivation & Empowerment

SELECTION

INTRODUCTION

Human resource selection is the process of choosing qualified individuals who are available to fill positions in an organization. In the ideal personnel situation, selection involves choosing the best applicant to fill a position. Selection is the process of choosing people by obtaining and assessing information about the applicants with a view to matching these with the job requirements. It involves a careful screening and testing of candidates who have put in their applications for any job in the enterprise. It is the process of choosing the most suitable persons out of all the applicants. The purpose of selection is to pick up the right person for every job.

It can be conceptualised in terms of either choosing the fit candidates, or rejecting the unfit candidates, or combination of both. Selection involves both because it picks up the fits and rejects the unfits. In fact, in Indian context, there are more candidates who are rejected than those who are selected in most of the selection processes. Therefore, sometimes, it is called a negative

process in contrast to positive programme of recruitment.

According to Dale Yoder, “Selection is the process in which candidates for employment are divided into two classes—those who are to be offered employment and those who are not”.

According to Keith Davis, “Selection is the process by which an organisation chooses from a list of screened applicants, the person or persons who best meet the selection criteria for the position available.”

Thus, the selection process is a tool in the hands of management to differentiate between the qualified and unqualified applicants various techniques such as interviews, tests etc.

Difference between Recruitment and Selection: Difference between recruitment and selection has been described by Flippo as, “Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation. It is often termed positive as it stimulates people to apply for jobs, selection on the other hand tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired.” Recruitment and selection differs in following manner:

1. Difference in Objective: The basic objective of recruitment is to attract maximum number of candidates so that more options are available. The basic objective of selection is to choose best out of the available candidates.

2. Difference in Process: Recruitment adopts the process of creating application pool as large as possible and therefore. It is known as positive process. Selection adopts the process through which more and more candidates are rejected and fewer candidates are selected or sometimes even not a single candidate is selected. Therefore, it is known as negative process or rejection process.

3. Technical Differences: Recruitment techniques are not very intensive, and not require high skills. As against this, in selection process, highly specialized techniques are required. Therefore, in the selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews, etc., are involved.

4. Difference in Outcomes: The outcome of recruitment is application pool which becomes input for selection process. The outcome of selection process is in the form of finalising candidates who will be offered jobs.

Selection Procedure

The selection procedure consists of a series of steps. Each step must be successfully cleared before the applicant proceeds to the next. The selection process is a series of successive hurdles or barriers which an applicant must cross. These hurdles are designed to eliminate an unqualified candidate at any point in the selection process. Thus, this technique is called “Successive Hurdles Technique”. In practice, the process differs among organisations and between two different jobs within the same organisation. Selection procedure for the senior managers will be long drawn and rigorous, but it is simple and short while hiring lower level employees.

Steps in Selection Process

1. Application Pool: Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.

2. Preliminary Screening and Interview: It is highly noneconomic to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinized by the personnel department in order to

eliminate those applicants who do not fulfill required qualifications or work experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.

Preliminary interview is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and the organisation. Necessary information is obtained from the candidates about their education, skills, experience, expected salary etc. If the candidate is found suitable, he is elected for further screening. This courtesy interview; as it is often called helps the department screen out obvious misfits. Preliminary interview saves time and efforts of both the company and the candidate. It avoids unnecessary waiting for the rejected

candidates and waste of money on further processing of an unsuitable candidate. Since rejection rate is high at preliminary interview, the interviewer should be kind, courteous, receptive and informal.

3. Application Blank or Application Form: An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. The blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion. It is a good means of quickly collecting verifiable (and therefore fairly accurate) basic historical data from the candidate. It also serves as a convenient device for circulating information about the applicant to appropriate members of management and as a useful device for storing information for, later reference. Many types of application forms, sometimes very long and comprehensive and sometimes brief, are used. Information is generally taken on the following items:

- (a) Biographical Data (b) Educational Attainment (c) Work Experience
- (d) Salary and Benefits (e) Other Items

- Its main usefulness is to provide information for reference checking, good interviewing, and correlation with testing data.
- It helps to weed out candidates who are lacking in education, experience or some other eligibility traits.
- It helps in formulating questions to be asked in the interview.
- Data contained in application form can be stored for future reference.
- It also tests the candidate's ability to write, to organize his thoughts, and to present facts clearly and succinctly.
- It indicates further whether the applicant has consistently progressed to better jobs. It provides factual information.

4. Selection Tests: Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests normally supplement the information provided in the application forms. Such forms may contain factual information about candidates. Selection tests may give information about their aptitude, interest, personality, which cannot be known by application forms. Types of tests are given below:

- A. Aptitude Tests B. Personality Tests C. Interest Tests D. Performance Tests:
- E. Intelligence Tests F. Knowledge Tests G. Achievement Tests

5. Interview: An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even managerial

employees. It involves two-way exchange of information.

The interviewer learns about the applicant and the candidate learns about the employer.

Objectives of Interviews: Interview helps:

- To obtain additional information from the candidate.
- Facilitates giving to the candidate information about the job, company, its policies, products etc.
- To assess the basic suitability of the candidate.

The selection interview can be:

- One to one between the candidate and the interviewer:
- Two or more interviewers by employers representatives-sequential;
- By a panel of selections, i.e., by more than representative of the employer.

The sequential interview involves a series of interviews; each interviewer meeting the candidate separately.

The panel interview consists of two or more interviews meeting the candidate together.

6. Background Investigation:

The background investigation has major implications. Every personnel administrator has the responsibility to investigate each potential applicant. In some organization, failure to do so could result in the loss of his or her job. But many managers consider the background investigation data highly biased. Who would actually list a reference that would not give anything but the best possible recommendation? The seasoned personnel administrator expects this and delves deeper into the candidate's background, but that, too, may not prove to be beneficial. Many past employers are reluctant to give any information to another company other than factual information (e.g., date of employment). Even though there is some reluctance to give this information, there are ways in which personnel administrators can obtain it. Sometimes, for instance information can be obtained from references once removed. For example, the personnel administrator can ask a reference whose name has been provided on the application form to give another reference, someone who has knowledge of the candidate's work experience. By doing this, the administrator can eliminate the possibility of accepting an individual based on the employee's current employer's glowing recommendation when the motivation for such a positive recommendation was to get rid of the employee.

7. Physical Examination: After the selection decision and before the job offer is made, the candidate is required to undergo physical fitness test. Candidates are sent for physical examination either to the company's physician or to a medical officer approved for the purpose. Such physical examination provides the following information.

- Whether the candidate's physical measurements are in accordance with job requirements or not?
- Whether the candidate suffers from bad health which should be corrected?
- Whether the candidate has health problems or psychological attitudes likely to interfere with work efficiency or future attendance?
- Whether the candidate is physically fit for the specific job or not?

8. Approval by Appropriate Authority: On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority. Organisations may designate the various authorities for approval of final selection of candidates for different categories of candidates. Thus, for top level managers, board of directors may be approving authority; for lower levels, even functional heads concerned may be approving authority.

9. Final Employment Decision: After a candidate is finally selected, the human resource

department recommends his name for employment. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firms make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three months to two

years. When the work and conduct of the employee is found satisfactory, he may be confirmed. The personnel department prepare a waiting list and informs the candidates. In case a person does not join after being selected, the company calls next person on the waiting list.

10. Evaluation: The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a thorough and the intensive analysis and evaluate the employment programme.

ORIENTATION

INTRODUCTION

After an employee has been recruited he is provided with basic background information about the employer, working conditions and the information necessary to perform his job satisfactorily. The new employee's initial orientation helps him perform better by providing him information of the company rules, and practices.

Orientation is a systematic and planned introduction of employees to their jobs, their co-workers and the organization. It is otherwise known as induction.

In the words of John M. Ivancevich, "Orientation orients, directs, and guides employees to understand the work, firm, colleagues, and mission. It introduces new employees to the organisation, and to his new tasks, managers, and work groups."

According to John Bernardin, "Orientation is a term used for the organizationally sponsored, formalized activities associated with an employee's socialization into the organisation."

Thus, orientation is a process through which a new employee is introduced to the organisation. It is the process wherein an employee is made to feel comfortable and at home in the organisation. The new employee is handed over a rulebook, company booklets, policy manuals, progress reports and documents containing company information which are informational in nature. It is responsibility of the human resource department to execute the orientation programme.

Purpose of Orientation

- a) To feel like home atmosphere
- b) To reduce the anxiety level of new employee
- c) For familiarization

For providing the information about working condition, rules, regulation etc.

Types of Orientation Programme

Formal ←————→ Informal
Individual ←————→ Collective
Serial ←————→ Disjunctive
Investiture ←————→ Divestiture

Requisites of an Effective Programme

- a) Prepare for new employees
- b) Determine information new employees want to know
- c) Determine how to present the information
- d) Completion of paper work

TRAINING AND DEVELOPMENT

INTRODUCTION

Training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands. Training refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill, and behaviors emphasized in training programs and to apply them to their day to day activities.

Training refers to the process of imparting specific skill whereas **Development** refers to the learning opportunities designed to help employees grow

The term **training** refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeships and provides the backbone of content at institutes of technology (also known as technical colleges or polytechnics).

Training usually refers to some kind of organized (and finite in time) event — a seminar, workshop that has a specific beginning date and end date. It's often a group activity, but the word training is also used to refer to specific instruction done one on one.

Employee development, however, is a much bigger, inclusive "thing". For example, if a manager pairs up a relatively new employee with a more experienced employee to help the new employee learn about the job, that's really employee development. If a manager coaches an employee in an ongoing way, that's employee development. Or, employees may rotate job responsibilities to learn about the jobs of their colleagues and gain experience so they might eventually have more promotion opportunities. That's employee development.

In other words employee development is a broader term that includes training as one, and only one of its methods for encouraging employee learning. The important point here is that different activities are better for the achievement of different results. For example, if the desire is provide an employee with a better understanding of how the department works, job rotation might work very well. If the goal is to improve the employee's ability to use a computer based accounting package direct training would be more appropriate than, let's say, job rotation.

TRAINING AND DEVELOPMENT OBJECTIVES

The principal objective of training and development division is to make sure the availability of a skilled and willing workforce to an organization. In addition to that, there are four other objectives: Individual, Organizational, Functional, and Societal. Training and development is a subsystem of an organization. It ensures that randomness is reduced and learning or behavioural change takes place in structured format.

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department’s contribution at a level suitable to the organization’s needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills, so they can increase their productivity.

Training often is considered for new employees only. This is a mistake because ongoing training for current employees helps them adjust to rapidly changing job requirements. Reasons for emphasizing the growth and development of personnel include

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.
- Enhancing the company’s ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.
- Building a more efficient, effective and highly motivated team, which enhances the company’s competitive position and improves employee morale.
- Ensuring adequate human resources for expansion into new programs.

Research has shown specific benefits that a small business receives from training and developing its workers, including:

- Increased productivity.
- Reduced employee turnover.
- Increased efficiency resulting in financial gains.
- Decreased need for supervision.

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

IMPORTANCE

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. The benefits of training can be summed up as:

- 1. Improves Morale of Employees-** Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.
- 2. Less Supervision-** A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.
- 3. Fewer Accidents-** Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.
- 4. Chances of Promotion-** Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.
- 5. Increased Productivity-** Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

Types of Employee Training

Some commentators use a similar term for workplace learning to improve performance: “training and development”. One can generally categorize such training as on-the-job or off-the-job:

- On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training has a general reputation as most effective for vocational work.
- Off-the-job training takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

The four techniques for on the job training are:

- COACHING
- MENTORING
- JOB ROTATION
- JOB INSTRUCTION TECHNIQUE (JIT)

1.) Coaching is one of the training methods, which is considered as a corrective method for inadequate performance.

This method best suits for the people at the top because if we see on emotional front, when a person reaches the top, he gets lonely and it becomes difficult to find someone to talk to. It helps in finding out the executive’s specific developmental needs

Procedure of the Coaching

The procedure of the coaching is mutually determined by the executive and coach. The procedure is followed by successive counseling and meetings at the executive’s convenience by the coach.

1. Understand the participant’s job, the knowledge, skills, and attitudes, and resources required to meet the desired expectation.
2. Meet the participant and mutually agree on the objective that has to be achieved.
3. Mutually arrive at a plan and schedule.
4. At the job, show the participant how to achieve the objectives, observe the performance and then provide feedback.
5. Repeat step 4 until performance improves.

For the people at middle level management, coaching is more likely done by the supervisor; however experts from outside the organization are at times used for up and coming managers. Again, the personalized approach assists the manager focus on definite needs and improvement.

2.) Mentoring is an ongoing relationship that is developed between a senior and junior employee. Mentoring provides guidance and clear understanding of how the organization goes to achieve its vision and mission to the junior employee.

The meetings are not as structured and regular than in coaching. Executive mentoring is generally done by someone inside the company. The executive can learn a lot from mentoring. By dealing with diverse mentee’s, the executive is given the chance to grow professionally by developing management skills and learning how to work with people with diverse background, culture, and language and personality types. Executives also have mentors. In cases where the executive is new to the organization, a senior executive could be assigned as a mentor to assist

the new executive settled into his role. Mentoring is one of the important methods for preparing them to be future executives. This method allows the mentor to determine what is required to improve mentee's performance. Once the mentor identifies the problem, weakness, and the area that needs to be worked upon, the mentor can advise relevant training. The mentor can also provide opportunities to work on special processes and projects that require use of proficiency.

3.) For the executive, **job rotation** takes on different perspectives. The executive is usually not simply going to another department. In some vertically integrated organizations, for example, where the supplier is actually part of same organization or subsidiary, job rotation might be to the supplier to see how the business operates from the supplier point of view.

Learning how the organization is perceived from the outside broadens the executive's outlook on the process of the organization. Or the rotation might be to a foreign office to provide a global perspective. For managers being developed for executive roles, rotation to different functions in the company is regular carried out.

This approach allows the manager to operate in diverse roles and understand the different issues that crop up. If someone is to be a corporate leader, they must have this type of training. A recent study indicated that the single most significant factor that leads to leader's achievement was the variety of experiences in different departments, business units, cities, and countries.

An organized and helpful way to develop talent for the management or executive level of the organization is job rotation. It is the process of preparing employees at a lower level to replace someone at the next higher level. It is generally done for the designations that are crucial for the effective and efficient functioning of the organization.

Some of the major benefits of job rotation are:

- It provides the employees with opportunities to broaden the horizon of knowledge, skills, and abilities by working in different departments, business units, functions, and countries
- Identification of Knowledge, skills, and attitudes (KSAs) required
- It determines the areas where improvement is required
- Assessment of the employees who have the potential and caliber for filling the position

4.) Job Instruction Technique (JIT) uses a strategy with focus on knowledge (factual and procedural), skills and attitudes development.

JIT Consists of Four Steps:

Plan – This step includes a written breakdown of the work to be done because the trainer and the trainee must understand that documentation is must and important for the familiarity of work. A trainer who is aware of the work well is likely to do many things and in the process might miss few things. Therefore, a structured analysis and proper documentation ensures that all the points are covered in the training program.

The second step is to find out what the trainee knows and what training should focus on. Then, the next step is to create a comfortable atmosphere for the trainees' i.e. proper orientation program, availing the resources, familiarizing trainee with the training program, etc.

Present – In this step, trainer provides the synopsis of the job while presenting the participants the different aspects of the work. When the trainer finished, the trainee demonstrates how to do the job and why is that done in that specific manner. Trainee actually demonstrates the procedure while emphasizing the key points and safety instructions.

Steps in JIT

Trial – This step actually a kind of rehearsal step, in which trainee tries to perform the work and the trainer is able to provide instant feedback. In this step, the focus is on improving the method of instruction because a trainer considers that any error if occurring may be a function of training

not the trainee. This step allows the trainee to see the after effects of using an incorrect method. The trainer then helps the trainee by questioning and guiding to identify the correct procedure.

Follow-up – In this step, the trainer checks the trainee’s job frequently after the training program is over to prevent bad work habits from developing. There are various methods of training, which can be divided in to cognitive and behavioral methods. Trainers need to understand the pros and cons of each method, also its impact on trainees keeping their background and skills in mind before giving training.

OFF THE JOB TRAINING –

There are many management development techniques that an employee can take in off the job. The few popular methods are:

- SENSITIVITY TRAINING
- TRANSACTIONAL ANALYSIS
- STRAIGHT LECTURES/ LECTURES
- SIMULATION EXERCISES

1.) Sensitivity Training is about making people understand about themselves and others reasonably, which is done by developing in them social sensitivity and behavioral flexibility. Social sensitivity in one word is empathy. It is ability of an individual to sense what others feel and think from their own point of view. Behavioral flexibility is ability to behave suitably in light of understanding.

Sensitivity Training Program requires three steps:

Unfreezing the Old Values –

It requires that the trainees become aware of the inadequacy of the old values. This can be done when the trainee faces dilemma in which his old values is not able to provide proper guidance.

Development of New Values – With the trainer’s support, trainees begin to examine their interpersonal behavior and giving each other feedback. The reasoning of the feedbacks are discussed which motivates trainees to experiment with range of new behaviors and values. This process constitutes the second step in the change process of the development of these values.

Refreezing the new ones – This step depends upon how much opportunity the trainees get to practice their new behaviors and values at their work place.

2.) Transactional Analysis provides trainees with a realistic and useful method for analyzing and understanding the behavior of others. In every social interaction, there is a motivation provided by one person and a reaction to that motivation given by another person. This motivation reaction relationship between two persons is a transaction.

Transactional analysis can be done by the ego states of an individual. An ego state is a system of feelings accompanied by a related set of behaviors. There are basically three ego states:

Child: It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses which come to her naturally from her own understanding as a child. The characteristics of this ego are to be spontaneous, intense, unconfident, reliant, probing, anxious, etc. Verbal clues that a person is operating from its child state are the use of words like “I guess”, “I suppose”, etc. and nonverbal clues like, giggling, coyness, silent, attention seeking etc.

Parent: It is a collection of recordings in the brain of an individual of behaviors, attitudes, and impulses imposed on her in her childhood from various sources such as, social, parents, friends, etc. The characteristics of this ego are to be overprotective, isolated, rigid, bossy, etc. Verbal clues that a person is operating from its parent states are the use of words like, always, should, never, etc and non-verbal clues such as, raising eyebrows, pointing an accusing finger at somebody, etc.

Adult: It is a collection of reality testing, rational behavior, decision making, etc. A person in this ego state verifies, updates the data which she has received from the other two states. It is a shift from the taught and felt concepts to tested concepts. All of us evoke behavior from one ego state which is responded to by the other person from any of these three states.

3.) Lecture is telling someone about something. Lecture is given to enhance the knowledge of listener or to give him the theoretical aspect of a topic. Training is basically incomplete without lecture. When the trainer begins the training session by telling the aim, goal, agenda, processes, or methods that will be used in training that means the trainer is using the lecture method. It is difficult to imagine training without lecture format. There are some variations in Lecture method. The variation here means that some forms of lectures are interactive while some are not.

Straight Lecture: Straight lecture method consists of presenting information, which the trainee attempts to absorb. In this method, the trainer speaks to a group about a topic. However, it does not involve any kind of interaction between the trainer and the trainees. A lecture may also take the form of printed text, such as books, notes, etc. The difference between the straight lecture and the printed material is the trainer's intonation, control of speed, body language, and visual image of the trainer. The trainer in case of straight lecture can decide to vary from the training script, based on the signals from the trainees, whereas same material in print is restricted to what is printed. A good lecture consists of introduction of the topic, purpose of the lecture, and priorities and preferences of the order in which the topic will be covered.

Some of the main features of lecture method are:

- Inability to identify and correct misunderstandings
- Lessexpensive
- Can be reached large number of people at once
- Knowledge building exercise
- Less effective because lectures require long periods of trainee inactivity

4.) Games and Simulations are structured and sometimes unstructured, that are usually played for enjoyment sometimes are used for training purposes as an educational tool. Training games and simulations are different from work as they are designed to reproduce or simulate events, circumstances, processes that take place in trainees' job. A Training Game is defined as spirited activity or exercise in which trainees compete with each other according to the defined set of rules. Simulation is creating computer versions of real-life games. Simulation is about imitating or making judgment or opining how events might occur in a real situation. It can entail intricate numerical modeling, role playing without the support of technology, or combinations. Training games and simulations are now seen as an effective tool for training because its key components are:

- Challenge
- Rules
- Interactivity

These three components are quite essential when it comes to learning. Some of the examples of this technique are:

Trainees can therefore experience these events, processes, games in a controlled setting where they can develop knowledge, skills, and attitudes or can find out concepts that will improve their performance.

Objectives and Process of Employee Training

The training design process refers to a systematic approach for developing training programs. It includes the seven steps in this process. Training is one of the most profitable investments an organization can make. No matter what business or industry you are in the steps for an effective

training process are the same and may be adapted anywhere. If you have ever thought about developing a training program within your organization consider the following four basic training steps. You will find that all four of these steps are mutually necessary for any training program to be effective and efficient.

Step 1 is to conduct a needs assessment, which is necessary to identify whether training is needed. This step identifies activities to justify an investment for training. The techniques necessary for the data collection are surveys, observations, interviews, and customer comment cards. Several examples of an analysis outlining specific training needs are customer dissatisfaction, low morale, low productivity, and high turnover.

The objective in establishing a needs analysis is to find out the answers to the following questions:

- “Why” is training needed?
- “What” type of training is needed?
- “When” is the training needed?
- “Where” is the training needed?
- “Who” needs the training? and “Who” will conduct the training?
- “How” will the training be performed?

By determining training needs, an organization can decide what specific knowledge, skills, and attitudes are needed to improve the employee’s performance in accordance with the company’s standards.

The needs analysis is the starting point for all training. The primary objective of all training is to improve individual and organizational performance. Establishing a needs analysis is, and should always be the first step of the training process.

Step 2 is to ensure that employees have the motivation and basic skills necessary to master training content. This step establishes the development of current job descriptions and standards and procedures. Job descriptions should be clear and concise and may serve as a major training tool for the identification of guidelines. Once the job description is completed, a complete list of standards and procedures should be established from each responsibility outlined in the job description. This will standardize the necessary guidelines for any future training.

Step 3 is to create a learning environment that has the features necessary for learning to occur. This step is responsible for the instruction and delivery of the training program. Once you have designated your trainers, the training technique must be decided. One-on-one training, on-the-job training, group training, seminars, and workshops are the most popular methods.

Before presenting a training session, make sure you have a thorough understanding of the following characteristics of an effective trainer. The trainer should have:

- A desire to teach the subject being taught.
- A working knowledge of the subject being taught.
- An ability to motivate participants to “want” to learn.
- A good sense of humour.
- A dynamic appearance and good posture.
- A strong passion for their topic.
- A strong compassion towards their participants.
- Appropriate audio/visual equipment to enhance the training session.

For a training program to be successful, the trainer should be conscious of several essential elements, including a controlled environment, good planning, the use of various training methods, good communication skills and trainee participation.

Step 4 is to ensure that trainees apply the training content to their jobs.

This step will determine how effective and profitable your training program has been. Methods for evaluation are pre-and post- surveys of customer comments cards, the establishment of a cost/benefit analysis outlining your expenses and returns, and an increase in customer satisfaction and profits. The reason for an evaluation system is simple. The evaluations of training programs are without a doubt the most important step in the training process. It is this step that will indicate the effectiveness of both the training as well as the trainer.

There are several obvious benefits for evaluating a training program. First, evaluations will provide feedback on the trainer's performance, allowing them to improve themselves for future programs. Second, evaluations

will indicate its cost-effectiveness. Third, evaluations are an efficient way to determine the overall effectiveness of the training program for the employees as well as the organization.

The importance of the evaluation process after the training is critical. Without it, the trainer does not have a true indication of the effectiveness of the training. Consider this information the next time you need to evaluate your training program. You will be amazed with the results.

The need for training your employees has never been greater. As business and industry continues to grow, more jobs will become created and available. Customer demands, employee morale, employee productivity, and employee turnover as well as the current economic realities of a highly competitive workforce are just some of the reasons for establishing and implementing training in an organization. To be successful, all

training must receive support from the top management as well as from the middle and supervisory levels of management. It is a team effort and must be implemented by all members of the organization to be fully successful.

PERFORMANCE APPRAISAL

MEANING

Performance appraisal is the systematic assessment of an individual with respect to his or her performance on the job and his or her potential for development in that job. Thus, performance appraisal is a systematic and objective way of evaluating the relative worth or ability of an employee in performing his job.

Performance appraisal is an objective assessment of an individual performance against well-defined benchmark.

According to Flippo, a prominent personality in the field of Human resources, “performance appraisal is the systematic, periodic and an impartial rating of an employee’s excellence in the matters pertaining to his present job and his potential for a better job.”

NEED AND IMPORTANCE

Performance is always measured in terms of outcome and not efforts. Performance Appraisal is needed in most of the organizations in order:

(1) To give information about the performance of employees on the job and give ranks on the basis of which decisions regarding salary fixation, demotion, promotion, transfer and confirmation are taken.

(2) To provide information about amount of achievement and behavior of subordinate in their job.

This kind of information helps to evaluate the performance of the subordinate, by correcting

loopholes in performances and to set new standards of work, if required.

(3) To provide information about an employee’s job-relevant strengths and & weaknesses.

(4) To provide information so as to identify shortage in employee regarding ability, awareness and find out training and developmental needs.

(5) To avoid grievances and in disciplinary activities in the organization.

(6) It is an ongoing process in every large scale organization.

Performance appraisals in an organization provide employees and managers with an opportunity to converse in the areas in which employees do extremely well and those in which employees need improvement. Performance appraisals should be conducted on a frequent basis, and they need not be directly attached to promotion opportunities only. It is important because of several reasons such as:

1. Personal Attention: Performance appraisal evaluation, gives employee to draw personal concern from supervisor and talk about their own strengths and weaknesses.

2. Feedback: Employees on a regular basis get feedback of their performances and issues in which they lack, which needs to be resolved on a regular basis.

3. Career Path: It allows employees and supervisors to converse goals that must be met to grow within the company. This may encompass recognizing skills that must be acquired, areas in which improvement is required, and additional qualification that must be acquired.

4. Employee Accountability: Employees are acquainted that their evaluation will take place on a regular basis and therefore they are accountable for their job performance.

5. Communicate Divisional and Company Goals: It not only communicates employees’ individual goals but provides an opportunity for managers to explain organizational goals and in the manner in which employees can contribute in the achievement of those goals.

PAST ORIENTED METHODS:

Performance appraisal methods are categorized in two ways past oriented and future oriented methods.

1. Ranking Method: It is the oldest and simplest method of performance appraisal in which employees’ are ranked on certain criteria such as trait or characteristic. The employee is ranked

from highest to lowest or from worst to best in an organization. Thus if there are seven employees to be ranked then there will be seven ranks from 1 to 7.

Rating scales offer the advantages of flexibility comparatively easy use and low cost. Nearly every type of job can be evaluated with the rating scale, the only condition being that the Job-performance criteria should be changed'. In such a way, a large number of employees can be evaluated in a shorter time period.

Thus, the greatest limitation of this method is that differences in ranks do not indicate how much an employee of rank 1 is better than the employee whose rank is last.

2. Paired Comparison: In method is comparatively simpler as compared to ranking method. In this method, the evaluator ranks employees by comparing one employee with all other employees in the group. The rater is given slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the two. This employee is compared number of times so as to determine the final ranking.

This method provides comparison of persons in a better way. However, this increases the work as the large number of comparisons has to be made. For example, to rank 50 persons through paired comparison, there will be 1,225 comparisons. Paired comparison method could be employed easily where the numbers of employees to be compared are less.

This may be calculated by a formula $\frac{N(N-1)}{2}$ where N is the total number of persons to be compared.

Where N is the total number of persons to be evaluated.

3. Grading Method: In this method, certain categories are defined well in advance and employees are put in particular category depending on their traits and characteristics. Such categories may be defined as outstanding, good, average, poor, very poor, or may be in terms of alphabet like A, B, C, D, etc. where A may indicate the best and D indicating the worst. This type of grading method is applied during Semester pattern of examinations. One of the major limitations of this method is that the rater may rate many employees on the better side of their performance.

4. Forced Distribution Method: This method was evolved to abolish the trend of rating most of the employees at a higher end of the scale. The fundamental assumption in this method is that employees' performance level conforms to a normal statistical distribution. For example, 10 per cent employees may be rated as excellent, 40 per cent as above average, 20 per cent as average, 10 per cent below average, and 20 per cent as poor. It eliminates or minimizes the favoritism of rating many employees on a higher side. It is simple and easy method to appraise employees. It becomes difficult when the rater has to explain why an employee is placed in a particular grouping as compared to others.

5. Forced-choice Method: The forced-choice rating method contains a sequence of question in a statement form with which the rater checks how effectively the statement describes each individual being evaluated in the organization. There may be some variations in the methods and statements used, but the most common method of forced choice contains two statements both of which may be positive or negative. It may be both the statement describes the characteristics of an employee, but the rater is forced to tick only one i.e the most appropriate statement which may be more descriptive of the employee.

6. Check-list Method: The main reason for using this method is to reduce the burden of evaluator. In this method of evaluation the evaluator is provided with the appraisal report which consist of series of questions which is related to the appraise. Such questions are prepared in a manner that reflects the behavior of the concerned appraise. Every question has two alternatives, yes or no, as given below:

1. Is he/she respected by his/her subordinates? Yes/No
2. Is he/she ready to help other employees? Yes/No

3. Does her behavior remain same for everyone in the organization? Yes/No

The concerned rater/evaluator has to tick appropriate answers relevant to the appraises.

When the check-list is finished, it is sent to the personnel department to prepare the final scores for all appraises based on all questions based on yes or no. While preparing question effort is made to establish the level of consistency of the rater by asking the same question twice but in a different manner. This method is considered to be easy if questions are framed properly for different categories of employees.

However, one of the disadvantages of the check-list method is that it is very difficult to accumulate, analyze and evaluate a number of statements about employee characteristics and contributions. It is even costly method with lot of time and efforts required by the organization.

7. Critical Incidents Method: This method is very useful for finding out those employees who have the highest potential to work in a critical situation. Such an incidence is very important for organization as they get a sense, how a supervisor has handled a situation in the case of sudden trouble in an organization, which gives an idea about his leadership qualities and handling of situation. It is also said to be a continuous appraisal method where employees are appraised continuously by keeping in mind the critical situation. In this method, only the case of sudden trouble and behavior associated with these incidents or trouble are taken for evaluation.

This method is categorized in three steps. First, a list of notable (good or bad) on-the-job behavior of specific incidents or sudden trouble is prepared. Second, selected experts would then assign weightage or score to these incidents according to how serious a particular incident is and their degree of willingness to perform a job. Third, finally a check-list indicating incidents that illustrate workers as good or "bad" is formed. Then, the checklist is given to the rater for evaluating the workers. The strong point of critical incident method is that it focuses on behaviors and, thus, judge's performance rather than personalities.

Its drawbacks are that too frequently they need to write down the critical incidents which is very time consuming and burdensome for evaluators, i.e., managers. Generally, negative incidents are more noticeable than positives.

8. Graphic Scale Method: It is one of the simplest and most popular techniques for appraising performances of employee. It is also known as linear rating scale. In graphic rating scale the printed appraisal form is used to appraise each employee.

Such forms contain a number of objectives, and trait qualities and characters to be rated like quality of work and amount of work, job knowhow dependability, initiative, attitude, leadership quality and emotional stability.

The rater gives an estimate the extent to which subordinates possess each quality. The extent to which quality is possessed is measured on a scale which can vary from three points to several points. In general practice five-point scales is used. Some organizations use numbers in order to avoid the propensity of the rater to tick mark central points. It may be numbered or defined. Thus numbers like 5, 4, 3, 2 and 1 may denote points for various degrees of excellent-poor, high-low, or good-bad, and so on. Such numbers may be expressed in terms like excellent, very good, average, poor and very poor; or very high, high, average, low and very low.

Graphic scale method is good for measuring various job behaviors of an employee. But, it is bound to limitations of rater's bias while rating employee's behavior at job.

9. Essay Method: In this method, the rater writes a detailed description on an employee's characteristics and behavior, Knowledge about organizational policies, procedures and rules, Knowledge about the job, Training and development needs of the employee, strengths, weakness, past performance, potential and suggestions for improvement. It is said to be the encouraging and simple method to use. It does not need difficult formats and specific training to complete it.

10. Field Review Method: In this method of appraisal direct superior is not going to appraise an employee but appraised by another person, usually, from personnel department. The rater, in

such a case, appraises the employee on the basis of his past records of productivity and other information such as absenteeism,

late coming, etc. It is more suitable in a situation where an organization wants to provide promotion to an employee. It also gives information for comparing employees from different locations and units. It reduces partiality to some extent as personnel department person is supposed to be trained in appraisal mechanism. This method suffers from two limitations:

1. As employees are not rated by immediate boss, the rater from other department may not be familiar with the conditions in an employee's work environment which may hamper his ability and work motivation to perform.
2. The rater from other department do not get a chance to scrutinize the employee's behavior or performance with different time interval and in a variety of situations, but only in an unnaturally structured interview situation which is for a very short period of time.

Behaviorally Anchored Rating Scales: This method is a combination of traditional rating scales and critical incidents methods. It consists of preset critical areas of job performance or sets

of behavioral statements which describes the important job performance qualities as good or bad (for e.g. the qualities like inter personal relationships, flexibility and consistency, job knowledge etc). These statements are developed from critical incidents.

These behavioral examples are then again translated into appropriate performance dimensions. Those that are selected into the dimension are retained. The final groups of behavior incidents are then scaled numerically to a level of performance that is perceived to represent. A rater must indicate which behavior on each scale best describes an employee's performance. The results of the above processes are behavioral descriptions, such as anticipate, plan, executes, solves immediate problems, carries out orders, and handles urgent situation situations. This method has following advantages: a) It reduces rating errors) Behavior is assessed over traits. c) It gives an idea about the behavior to the employee and the rater about which behaviors bring good Performance and which bring bad performance.

FUTURE ORIENTED METHODS

1. Management by Objectives (MBO): The concept of 'Management by Objectives' (MBO) was coined by Peter Drucker in 1954. It is a process where the employees and the superiors come together to identify some goals which are common to them, the employees set their own goals to be achieved, the benchmark is taken as the criteria for measuring their performances and their involvement is there in deciding the course of action to be followed.

The basic nature of MBO is participative, setting their goals, selecting a course of actions to achieve goals and then taking decision. The most important aspect of MBO is measuring the actual performances of the employee with the standards set by them. It is also said to be a process that integrates organizational objectives into individual objectives.

Entire program me of MBO is divided in four major steps i.e setting up of goal, action planning, comparison and timely review.

Setting up of goal-In goal setting superior and subordinate together set certain goals, i.e the expected outcome that each employee is supposed to achieve.

In action planning, the manner in which goals could be achieved is determined i.e. identifying the activities which are necessary to perform; to achieve pr determined goals or standards. When the employees start with their activities, they come to know what is to be done, what has been done, and what remains to be done and it also gives an idea about the resources to be achieved.

In the third step, the goals set by the individual employee are compared with the actual goals achieved. It gives an idea to the evaluator as why there is a variation in desired outcome and actual outcome .Such a comparison helps create need for training so as to enhance employees'

performance. Finally, in the timely review step, corrective actions are taken so that actual performances do not deviate from standards established in beginning.

The main reason for conducting reviews is not to humiliate the performer but to assist him in better performances in future.

2. Assessment Centres: It is a method which was first implemented in German Army in 1930. With the passage of time industrial houses and business started using this method. This is a system of assessment where individual employee is assessed by many experts by using different technique of performance appraisal. The techniques which may be used are role playing, case studies, simulation exercises, transactional analysis etc.

In this method employees from different departments are brought together for an assignment which they are supposed to perform in a group, as if they are working for a higher post or promoted. Each employee is ranked by the observer on the basis of merit. The basic purpose behind assessment is to recognize whether a particular employee can be promoted, or is there any need for training or development. This method has certain advantages such as it helps the

observer in making correct decision in terms of which employee has the capability of getting promoted, but it has certain disadvantages also it is costly and time consuming, discourages the poor performers etc.

The Performance Appraisal Process

The performance appraisal system of one organization may vary from other organizations, though some of the specific steps that an organization may follow are as follows:

1. Establish Performance Standards: It begins by establishing performance standards i.e. what they expect from their employee in terms of outputs, accomplishments and skills that they will evaluate with the passage of time. The standards set should be clear and objective enough to be understood and measured. The standards which are set are evolved out of job analysis and job descriptions. Standards set should be clear and not the vague one. The expectation of the manager from his employee should be clear so that it could be communicated to the subordinates that they will be appraised against the standards set for them.

2. Communicating the Standards Set for an Employee: Once the standards for performance are set it should be communicated to the concerned employee, about what is expected from them in terms of performance. It should not be part of the employees' job to estimate what they are expected to do. Communication is said to be two-way street, mere passing of information to subordinate does not mean that the work is done. Communication only takes place when the information given has taken place and has been received and understood by subordinate. If necessary, the standards may be tailored or revised in the light of feedback obtained from the employees.

3. Measuring of the Actual Performances: It is one of the most crucial steps of performance appraisal process. It is very important to know as how the performance will be measured and what should be measured, thus four important sources frequently used by managers are personal observation, statistical reports, oral reports, and written reports. However, combination of all

these resources gives more reliable information. What we measure is probably more critical to the evaluation process than how we measure. The selection of the incorrect criteria can result in serious consequences. What we measure gives an idea about what people in an organization will attempt to achieve. The criteria which are considered must represent performance as stated in the first two steps of the appraisal process.

4. Comparing Actual Performance with Standards Set in the Beginning: In this step of performance appraisal the actual performance is compared with the expected or desired standard set. A comparison between actual or desired standard may disclose the deviation between standard performance and actual performance and will allow the evaluator to carry on with the

discussion of the appraisal with the concerned employees.

5. Discussion with the Concerned Employee: In this step performance of the employee is communicated and discussed. It gives an idea to the employee regarding their strengths and weaknesses. The impact of this discussion may be positive or negative. The impression that subordinates receive from their assessment has a very strong impact on their self-esteem and, is very important, for their future performances.

6. Initiate Corrective Action: Corrective action can be of two types; one is instant and deals primarily with symptoms. The other is basic and deals with the causes. Instant corrective action is often described as “putting out fires”, whereas basic corrective action gets to the source from where deviation has taken place and seeks to adjust the differences permanently. Instant action

corrects something right at a particular point and gets things back on track. Basic action asks how and why performance deviated. In some instances, managers may feel that they do not have the time to take basic corrective action and thus may go for “perpetually put out fires.

Thus the appraisal system of each organization may differ as per the requirement of that Organization.

Problems of Performance Appraisal

Performance appraisal technique is very beneficial for an organization for taking decisions regarding salary fixation, demotion, promotion, transfer and confirmation etc. But it is not freed from problem In spite of recognition that a completely error-free performance appraisal can only be idealized a number of errors that extensively hinder objective evaluation. Some of these problems are as follows:

Biasness in rating employee: It is the problem with subjective measure i.e. the rating which will not be verified by others. Biasness of rater may include:

(a) Halo Effect: It is the propensity of the raters to rate on the basis of one trait or behavioral consideration in rating all other traits or behavioral considerations. One way of minimizing the halo effect is appraising all the employees by one trait before going to rate on the basis of another trait.

(b) The Central Tendency Error: It is the error when rater tries to rate each and every person on the middle point of the rating scale and tries not to rate the people on both ends of the scale that is rating too high or too low. They want to be on the safer side as they are answerable to the management.

(c) The Leniency and Strictness Biases: The leniency biasness exists when some raters have a tendency to be generous in their rating by assigning higher rates constantly. Such ratings do not serve any purpose.

(d) Personal prejudice: If the raters do not like any employee or any group, in such circumstances he may rate him on the lower side of the scale, the very purpose of rating is distorted which might affect the career of employees also.

(e) The Recent Effect: The raters usually retain information about the recent actions of the employee at the time of rating and rate on the basis of recent action taken place which may be favorable or unfavorable at that point of time.

INCENTIVES

INTRODUCTION

Incentives are monetary benefits paid to workmen in recognition of their outstanding performance. It is otherwise known as payment by result. Incentives vary from individual to individual and from period to period for the same individual. They are universal and are paid in every sector. It works as motivational force to work for their performance as incentive forms the part total remuneration. Incentives when added to salary increase the earning thus increase the standard of living. The advantage of incentive payment are reduced supervision, better utilization of equipment, reduced scrap, reduced lost time, reduced absenteeism and turnover & increased output.

According to Burack & Smith, “An incentive scheme is a plan or programme to motivate individual or group on performance. An incentive programme is most frequently built on monetary rewards (incentive pay or monetary bonus), but may also include a variety of non-monetary rewards or prizes.”

Kinds of Incentives

Incentives can be classified under the following categories:

1. Individual and Organizational Incentives
2. Financial and Non-Financial Incentives
3. Positive and Negative Incentives

1) Individual and Organizational Incentives- According to L.G. Magginson, “Individual incentives are the extra compensation paid to an individual for all production over a specified magnitude which stems from his exercise of more than normal skill, effort or concentration when accomplished in a predetermined way involving standard tools, facilities and materials.”

Individual performance is measured to calculate incentive where as organizational or group incentive involve cooperation among employees, management and union and purport to accomplish broader objectives such as an organization-wide reduction in labour, material and supply costs, strengthening of employee loyalty to company, harmonious management and decreased turnover and absenteeism.

I) Individual Incentive System is of two types:

- a) Time based System- It includes Halsey Plan, Rowan Plan, Emerson Plan and Bedeaux Plan
- b) Production based System- it includes Taylor’s Differential Piece Rate System, Gantt’s Task and Bonus Plan

II) Group Incentive System is of following types

- a) Scalon Plan
- b) Priestman’s Plan
- c) Co-Partnership Plan
- d) Profit Sharing

Some important these plans of incentive wage payments are as follows:

Halsey Plan- Under this plan a standard time is fixed in advance for completing a work. Bonus is rewarded to the worker who perform his work in less than the standard time and paid wages according to the time wage system for the saved time.

The total earnings of the worker = wages for the actual time + bonus

Bonus = 33.5% of the time saved (standard time set on past experience)

Or

50% of the time saved (standard are scientifically set)
 Example: Time required to complete job (S) = 20 hours
 Actual Time taken (T) = 15 hours
 Hourly Rate of Pay (R) = Rs 1.5
 Calculate the wage of the worker.
 Solution: $T \times R + \frac{(S-T)}{2} \times R$

$$15 \times 1.5 + \frac{(20-15)}{2} \times 1.5 = 22.5 + 3.75 = 26.25 \text{ Rs}$$

In this equation 3.75 Rs are the incentives for saving 5 hours.

Rowan Plan – Under this method minimum wages are guaranteed given to worker at the ordinary rate for the time taken to complete the work. Bonus is that proportion of the wages of the time taken which the time saved bears to the standard time allowed.

Incentive = Wages for actual time for completing the work + Bonus where,

$$\text{Bonus} = \frac{S-T}{S} \times T \times R$$

Emerson Plan – Under this system, wages on the time basis are guaranteed even to those workers whose output is below the standard. The workers who prove efficient are paid a bonus. For the purpose of determining efficiency, either the standard output per unit of time is fixed, or the standard time for a job is determined, and efficiency is determined on the basis of a comparison of actual performance against the standard.

Bedeaux Plan – It provide comparable standards for all workers. The value of time saved is divided both to the worker and his supervisor in the ratio of $\frac{3}{4}$ and $\frac{1}{4}$ respectively. A supervisor also helps a worker in saving his time so he is also given some benefit in this method. The standard time for each job is determined in terms of minutes which are called Bedeaux points or B's. each B represents one minute through time and motion study. A worker is paid time wages upto standard B's or 100% performance. Bonus is paid when actual performance exceeds standard performance in terms of B's.

Taylor's Differential Piece Rate System - F.W. Taylor, founder of the scientific management evolved this system of wage payment. Under this system, there is no guarantee of minimum wages. Standard time and standard work is determined on the basis of time study. The main characteristics of this system is that two rates of wage one lower and one higher are fixed. Those who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard get higher rate. Under this system, a serve penalty is imposed on the inefficient workers because they get the wages at lower rates. The basic idea underlying in this scheme is to induce the worker at least to attain the standard but at the same time if a worker is relatively less efficient, he will lose much. For example, the standard is fixed at 40 units per day and the piece rate are 40 P. and 50 P. per unit. If a worker produces 40 units or more in a day, he will get the wages at the rate of 50 P per unit and if he produces 39 units will get the wages at 40 paise per unit for the total output.

Gantt's Task and Bonus Plan - In this, a minimum wage is guaranteed. Minimum wage is given to anybody, who completes the job in standard time. If the job is completed in less time, then there is a hike in wage-rate. This hike varies between 25% to 50% of the standard rate.

Profit Sharing – It is a method of remuneration under which an employer pay his employees a share in form of percentage from the net profits of an enterprise, in addition to regular wages at fixed intervals of time.

2) Financial and Non-financial Incentives- Individual or group performance can be measured in financial terms. It means that their performance is rewarded in money or cash as it has a great impact on motivation as a symbol of accomplishment. These incentives form visible and tangible rewards provided in recognition of accomplishment. Financial incentives include salary, premium, reward, dividend, income

on investment etc. On the other hand, non-financial incentives are that social and psychological attraction which encourages people to do the work efficiently and effectively. Non-financial incentive can be delegation of responsibility, lack of fear, worker's participation, title or promotion, constructive attitude, security of service, good leadership etc..

3) Positive and Negative Incentives- Positive incentives are those agreeable factors related to work situation which prompt an individual to attain or excel the standards or objectives set for him, whereas negative incentives are those disagreeable factors in a work situation which an individual wants to avoid and strives to accomplish the standards required on his or her part. Positive incentive may include expected promotion, worker's preference, competition with fellow workers and own 's record etc. Negative incentives include fear of lay off, discharge, reduction of salary, disapproval by employer etc.

INTERNATIONAL ORGANISATIONAL BEHAVIOUR

INTRODUCTION

International Organizational Behavior uses a global perspective to focus on business and management interactions among individuals, groups and teams, and organizations. An international business organization is one which expands its business activities beyond the national border.

There are similarities and dissimilarities in certain respects between national and international organizations. As regards dissimilarities, it is mainly cultural variations across the nations that distinguishes organizational behaviour in international organization from national organization. Given the varying cultural background across the nations, human behaviour at work in them is, therefore, inevitable to vary. The same underlines the need for understanding organizational behaviour in an international context.

INDIVIDUAL BEHAVIOUR IN INTERNATIONAL ORGANISATION:

There are a lot of differences in individual behaviour among cultures. Because organizational culture is different from nation to nation. Following are the important points by which the differences in individual behaviour among cultures can be proved.

Individual Differences:

No two persons are alike. Individuals differ from each other owing to their varying characteristics that ultimately form an individual's individuality.

Individualism/Collectivism:

Individualism is a state of mind in which a person considers his/her interest first, on a priority basis. For e.g. US culture, Great Britain, Australia culture. Whereas collectivism refers to the situation in which group interest comes first. For e.g. Singapore, Japanese & Indian culture.

Power Distance:

This refers to the situation in which organizational members consider the existence of different levels of power in operation. High power distance is otherwise known as autocratic culture where top managers make decision and subordinates follow that one. For e.g. the culture of Pakistan, Brazil and France. Whereas low power distance reflects the situation in which employees follow the order only when they consider it is right. For e.g. US, Australia, Germany's culture.

Uncertainty Avoidance:

While some individuals ready to accept uncertainty and, in turn, risk to thrive in the challenging

and exciting situations, there are others, who simply avoid uncertainty. Employees of US and Australia represent the two cases respectively.

Masculinity/Femininity:

Work force structure dominated by either sex has its bearing on employee behaviour at work. India is an example of highly masculine where as Sweden that of highly feminine.

Managerial behaviour. The managerial belief vary across culture. For e.g. Japanese managers believe that very purpose of having an organization structure is to make every employee know his or her boss is. Whereas Indian managers believe in value based management.

Motivation:

Variation in motivation across culture also affect employee behaviour at work. In Japan security need is very important where as Sweden emphasizes more on social need.

GROUP BEHAVIOUR IN INTERNATIONAL ORGANISATION:

There are four key areas in which group behaviour varies. Those are given below.

Group Dynamics:

Group formation based on members belonging to diverse cultural background may create several situations like stereotyping, communication problem etc. Therefore managers need to help the group become cohesive and cooperative in functioning.

Leadership:

Like leadership styles, leadership roles also vary from culture to culture, Leaders in India, for example, function only within clear confines of their legitimate powers. Where as in Japan leaders are expected to facilitate group performance than merely act as supervisory mechanism.

Power and Conflict:

Power and conflict are more pronounced in India and Great Britain. Whereas Japan promotes more cohesiveness.

Communication:

Communication becomes an imp aspect of interpersonal process which leads to group behaviour in the organization. variation in language and coordination issues across culture affect communication in the international organization.
