II.M.Com Semester: III : <u>ORGANISATIONAL BEHAVIOUR</u>
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<u>UNIT-I</u>

MEANING

Organizational behavior is the study of how people behave within groups. Early studies determined the importance of group dynamics in business productivity. The study of **organizational behavior** is a foundation of corporate human resources.

DEFINITION

Organisational behaviour can then defined as:
"Thestudy of human behaviour in organisational settings, the interface between human behaviour and the organisational context, and the organisation itself

1.3 ELEMENTS OF ORGANISATIONAL BEHAVIOUR

The key elements in the organisational behaviour are people, structure, technology and the environment in which the organisation operates.

People:

People make up the internal and social system of the organisation. They consists of individuals and groups. The groups may be big or small; formal or informal; official or unofficial. Groups are dynamic. They work in the organisation to achieve their objectives
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Structure:

Structure defines the formal relationships of the people in organisations. Different people in the organisation are performing different type of jobs and they need to be related in some structural way so that their work can be effectively co-ordinated.

Technology:

Technology such as machines and work processes provide the resources with which people work and affects the tasks that they perform. The technology used has a significant influence on working relationships. It allows people to do more and better work but it also restricts people in various ways.

Environment:

All organisations operate within an external environment. It is part of a larger system that contains many other elements such as government, the family and other organisations. All of these mutually influence each other in a complex system that creates a context for a group of people.

MODELS OF ORGANISATIONAL BEHAVIOUR

The following four models of organisational behaviour are discussed here:

1.Autocratic model

2.Custodial model

3.Supportive model; and

4. Collegial model

Autocratic Model

The autocratic model, the manager must have the power to command the workers to do a specific job. Management believes that it knows what is best and the employee's obligation is to follow/obey orders. The psychological result for employees is dependence on their boss. It does get results, but usually only moderate results.

CUSTODIAL MODEL

This model focuses better employee satisfaction and security. The organisations satisfy the security and welfare needs of employees. Hence it is known as custodian model. This model leads to employee dependence on the organisation rather than the boss. As a result of economic rewards and benefits, employees are happy and contented but they are not strongly motivated.

Supportive Model:

The supportive model depends on 'leadership' instead of power or money. Through leadership, management provides a climate to help employees grow and accomplish in the interests of the organisation. This model assumes that employees will take responsibility, develop a drive to contribute and improve themselves if management will give them a chance. Management orientation, therefore is, to 'support' the employee's job performance rather than simply supporting employee benefit payments as in the custodial approach.

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Collegial Model:

The term 'collegial' relates to a body of persons having a common purpose. It is a team concept. Management is the coach that builds a better team. The management is seen as joint contributor rather than as boss. The employee response to this situation is

responsibility. The psychological result of the collegial approach for the employee is 'self-discipline'. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution and self-actualisation. This self-actualisation will lead to moderate enthusiasm in performance.

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

Human behaviour, a complex phenomenon as it is, is most difficult to define in absolute terms. It is primarily a combination of responses to external and internal stimuli. These responses would reflect psychological structure of the person and may be a result of combination of biological and psychological processes, interprets them, responds to them in an appropriate manner and learns from the result of these responses.

The Nature of Individual Differences

Individual differences are personal attributes that vary from one person to another. Individual differences may be physical and psychological.

Psychological Differences

Personality

Attitudes

Perception

Values

Learning

Physical Differences

Height

Weight

Body shape

Appearance

Complexion

PERSONALITY

PERSONALITY DEVELOPMENT

The personality development of an individual starts at birth and continues throughout. Three major types of factors play important roles in personality formation. They are determinants, stages and traits

ATTITUDE

Simply explained, an "attitude" is an individual's point of view or an individual's way of looking at something, or to be more explicit, an "attitude", may be explained, as the mental state of an individual, which prepares him to react or make him behave in a particular pre-determined way.An attitude is defined as, "a learned pre-disposition to respond in a consistently favourable or unfavourable manner with respect to a given object"

LEARNING:

Learning is another important psychological process determining human behaviour. Learning can be defined as "relatively permanent change in behaviour that occurs as a result of experience or reinforced practice". There are four important points in the definition of learning:

1.Learning involves a change in behaviour, though this change is not necessarily an improvement over previous behaviour. Learning generally has the connotation of improved behaviour, but bad habits, prejudices, stereotypes, and work restrictions are also learned.

2.The behavioural change must be relatively permanent. Any temporary change in behaviour is not a part of learning.

3.The behavioural change must be based on some form of practice or experience.

4.The practice or experience must be reinforced in order for learning to occur.

Perception

Perception is an important mediating cognitive process. Through this complex process, persons make interpretations of the stimulus or situation they are faced with. Both selectivity and organisation go into perceptual interpretations. Externally, selectivity is affected by intensity, size, contrast, repetition, motion and novelty and familiarity. Internally, perceptual selectivity is influenced by the individual's motivation, learning and personality. After the stimulus situation is filtered by the selective process, theincoming information is organised into a meaningful whole.

VALUES

Values defined in Organizational Behavior as the collective conceptions of what is considered good, desirable, and proper or bad, undesirable, and improper in a culture. ... Thus, **values**

Unit-ll

Individual behavior meaning:

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

To get a brief idea about the individual behavior let us learn about the individual behavior framework.

Features of individual behavior:

Perception − Result of different senses like feeling, hearing etc.

Values − Influences perception of a situation, decision making process.

Personality − Patterns of thinking, feeling, understanding and behaving.

Attitude − Positive or negative attitude like expressing one's thought.

The study of organizational behaviour gives insight on how employees behave and perform in the workplace. It helps us develop an understanding of the aspects that can motivate employees, increase their performance, and help organizations establish a strong and trusting relationship with their employees.

Motivation:

Every individual is unique based on their experiences and knowledge. Organizational behavior is able to help leaders understand the motivational tools required to facilitate their employees to reach their potential. It is significant for leaders to analyze the organizational structure that can act in their employee's interest.

Performance:

There are a few factors where behaviours can affect one's performance. According to a study from IJEMS , those that come to work with a positive attitude are more creative and it also lowers stress levels. In contrast, gossip and rudeness disrupt performance, lower productivity and decrease job satisfaction.

Office Characteristics:

According to an article from Cornell University, there are certain conditions that will affect employees reaction to their work and the setting such as openness and density. The office setting such as openness and density can generate different reactions.

Motivation meaning:

Motivation is the reason for people's actions, willingness and goals. Motivation is derived from the word motive which is defined as a need that requires satisfaction. These needs could be wants or desires that are acquired through influence of culture, society, lifestyle, etc. or generally innate. Motivation is one's direction to behaviour, or what causes a person to want to repeat a behaviour, a set of force that acts behind the motives.

Nature of Motivation:

1. Motivation is an inner feeling which energizes a person to work more.

2. The emotions or desires of a person prompt him for doing a particular work.

3. There are unsatisfied needs of a person which disturb his equilibrium.

4. A person moves to fulfill his unsatisfied needs by conditioning his energies.

5. There are dormant energies in a person which are activated by channelizing them into actions.

Types of Motivation:

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

The following are the types of motivation:

1. Positive Motivation:

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

According to Peter Drucker, the real and positive motivators are responsible for placement, high standard of performance information adequate for self-control and the participation of the worker as a responsible citizen in the plant community." Positive motivation is achieved by the co-operation of employees and they have a feeling of happiness.

2. Negative Motivation:

Negative or fear motivation is based on force or Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with demotions or lay-offs. The fear acts as a push mechanism. The employees do not willingly co-operate, rather they want to avoid the punishment. Though employees work up to a level where punishment is avoided but this type of motivation causes anger and frustration. This type of motivation generally becomes a cause of industrial unrest.

Importance of Motivation:

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

1. High Performance:

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

2. Low Employee Turnover and Absenteeism:

When the employees are not satisfied with their job then they will leave it whenever they get an alternative offer. The dissatisfaction among employees also increases absenteeism. The employment training of new employees costs dearly to the organisation. When the employees are satisfied with their jobs and they are well motivated by offering them financial and non-financial incentives then they will not leave the job. The rate of absenteeism will also be low because they will try to increase their output.

3. Better Organisational Image:

Those enterprises which offer better monetary and non-monetary facilities to their employees have a better image among them. Such concerns are successful in attracting better qualified and experienced persons. Since there is a better man-power to development programme, the employees will like to join such organisations. Motivational efforts will simplify personnel function also.

4. Better Industrial Relations:

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

5. Acceptability to Change:

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

Important theories motivation:
1. Maslow's Need Hierarchy Theory
 2. Herzberg's Motivation Hygiene Theory
 3. McClelland's Need Theory
 4. McGregor's Participation Theory
 5. Urwick's Theory Z
6. Argyris's Theor
 7. Vroom's Expectancy Theory
 8. Porter and Lawler's Expectancy Theory.

1. Maslow's Need Hierarchy Theory:

It is probably safe to say that the most well-known theory of motivation is Maslow's need hierarchy theory Maslow's theory is based on the human needs. Drawing chiefly on his clinical experience, he classified all human needs into a hierarchical manner from the lower to the higher order.
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1. Physiological Needs:

These needs are basic to human life and, hence, include food, clothing, shelter, air, water and necessities of life. These needs relate to the survival and maintenance of human life. They exert tremendous influence on human behaviour. These needs are to be met first at least partly before higher level needs emerge. Once physiological needs are satisfied, they no longer motivate the man.

2. Safety Needs:

After satisfying the physiological needs, the next needs felt are called safety and security needs. These needs find expression in such desires as economic security and protection from physical dangers. Meeting these needs requires more money and, hence, the individual is prompted to work more. Like physiological needs, these become inactive once they are satisfied.

3. Social Needs:

Man is a social being. He is, therefore, interested in social interaction, companionship, belongingness, etc. It is this socialising and belongingness why individuals prefer to work in groups and especially older people go to work.

4. Esteem Needs:

These needs refer to self-esteem and self-respect. They include such needs which indicate self-confidence, achievement, competence, knowledge and independence. The fulfillment of esteem needs leads to self-confidence, strength and capability of being useful in the organisation. However, inability to fulfill these needs results in feeling like inferiority, weakness and helplessness.

5. Self-Actualisation Needs:

This level represents the culmination of all the lower, intermediate, and higher needs of human beings. In other words, the final step under the need hierarchy model is the need for self-actualization. This refers to fulfillment.

The term self-actualization was coined by Kurt Goldstein and means to become actualized in what one is potentially good at. In effect, self- actualization is the person's motivation to transform perception of self into reality.

According to Maslow, the human needs follow a definite sequence of domination. The second need does not arise until the first is reasonably satisfied, and the third need does not emerge until the first two needs have been reasonably satisfied and it goes on. The other side of the need hierarchy is that human needs are unlimited. However, Maslow's need hierarchy-theory is not without its detractors.

The main criticisms of the theory include the following:

1. The needs may or may not follow a definite hierarchical order. So to say, there may be overlapping in need hierarchy. For example, even if safety need is not satisfied, the social need may emerge.

2. The need priority model may not apply at all times in all places.

3. Researches show that man's behaviour at any time is mostly guided by multiplicity of behaviour. Hence, Maslow's preposition that one need is satisfied at one time is also of doubtful validity.

4. In case of some people, the level of motivation may be permanently lower. For example, a person suffering from chronic unemployment may remain satisfied food.

2. Herzberg's Motivation Hygiene Theory:

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

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

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

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

Hesrzberg's Motivational and Hygiene Factors:

According to Herzberg, the opposite of satisfaction is not dissatisfaction. The underlying reason, he says, is that removal of dissatisfying characteristics from a job does not necessarily make the job satisfying. He believes in the existence of a dual continuum. The opposite of 'satisfaction' is 'no satisfaction' and the opposite of 'dissatisfaction' is 'no dissatisfaction

According to Herzberg, today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. Accordingly, one's hygiene may be the motivator of another.

However, Herzberg's model is labeled with the following criticism also:

1. People generally tend to take credit themselves when things go well. They blame failure on the external environment.

2. The theory basically explains job satisfaction, not motivation.

3. Even job satisfaction is not measured on an overall basis. It is not unlikely that a person may dislike part of his/ her job, still thinks the job acceptable.

4. This theory neglects situational variable to motivate an individual.

3. McClelland's Need Theory:

Another well-known need-based theory of motivation, as opposed to hierarchy of needs of satisfaction-dissatisfaction, is the theory developed by McClelland and his associates'. McClelland developed his theory based on Henry Murray's developed long list of motives and manifest needs used in his early studies of personality. McClelland's need-theory is closely associated with learning theory, because he believed that needs are learned or acquired by the kinds of events people experienced in their environment and culture.

Need for Achievement:

This is the drive to excel, to achieve in relation to a set of standard, and to strive to succeed. In other words, need for achievement is a behaviour directed toward competition with a standard of excellence. McClelland found that people with a high need for achievement perform better than those with a moderate or low need for achievement, and noted regional / national differences in achievement motivation.

Through his research, McClelland identified the following three characteristics of high-need achievers:

1. High-need achievers have a strong desire to assume personal responsibility for performing a task for finding a solution to a problem.

2. High-need achievers tend to set moderately difficult goals and take calculated risks.

3. High-need achievers have a strong desire for performance feedback.

Need for Power:

The need for power is concerned with making an impact on others, the desire to influence others, the urge to change people, and the desire to make a difference in life. People with a high need for power are people who like to be in control of people and events. This results in ultimate satisfaction to man.

People who have a high need for power are characterized by:

1. A desire to influence and direct somebody else.

2. A desire to exercise control over others.

3. A concern for maintaining leader-follower relations.

Need for Affiliation:
The need for affiliation is defined as a desire to establish and maintain friendly and warm relations with other people'. The need for affiliation, in many ways, is similar to Maslow's social needs.

The people with high need for affiliation have these characteristics:
1. They have a strong desire for acceptance and approval from others.
2. They tend to conform to the wishes of those people whose friendship and companionship they value.
3. They value the feelings of others.
4. McGregor's Participation Theory:
Douglas McGregor formulated two distinct views of human being based on participation of workers. The first basically negative, labeled Theory X, and the other basically positive, labled Theory Y.

Theory X is based on the following assumptions:
1. People are by nature indolent. That is, they like to work as little as possible.
2. People lack ambition, dislike responsibility, and prefer to be directed by others.
3. People are inherently self-centered and indifferent to organisational needs and goals.
4. People are generally gullible and not very sharp and bright.

On the contrary, Theory Y assumes that:
1. People are not by nature passive or resistant to organisational goals.
2. They want to assume responsibility.
3. They want their organisation to succeed.
4. People are capable of directing their own behaviour.
5. They have need for achievement.

What McGregor tried to dramatise through his theory X and Y is to outline the extremes to draw the fencing within which the organisational man is usually seen to behave. The fact remains that no organisational man would actually belong either to theory X or theory Y. In reality, he/she shares the traits of both. What actually happens is that man swings from one set or properties to the other with changes in his mood and motives in changing .environment.

5. Urwick's Theory Z:
Much after the propositions of theories X and Y by McGregor, the three theorists Urwick, Rangnekar, and Ouchi-propounded the third theory lebeled as Z theory.
The two propositions in Urwicks's theory are that:
(i) Each individual should know the organisational goals precisely and the amount of contribution through his efforts towards these goals.

(ii) Each individual should also know that the relation of organisational goals is going to satisfy his/her needs positively.

In Urwick's view, the above two make people ready to behave positively to accomplish both organisational and individual goals.

However, Ouchi's Theory Z has attracted the lot of attention of management practitioners as well as researchers. It must be noted that Z does not stand for anything, is merely the last alphabet in the English Language.

Theory Z is based on the following four postulates:
1. Strong Bond between Organisation and Employees
2. Employee Participation and Involvement
3. No Formal Organisation Structure
4. Human Resource Development

Ouchi's Theory Z represents the adoption of Japanese management practices (group decision making, social cohesion, job security, holistic concern for employees, etc.)by the American companies. In India, Maruti-Suzuki, Hero-Honda, etc., apply the postulates of theory Z.

6. Argyris's Theory:

Argyris has developed his motivation theory based on proposition how management practices affect the individual behaviour and growth In his view, the seven changes taking place in an individual personality make him/her a mature one. In other words, personality of individual develops. He states that such situation will satisfy not only their physiological and safety needs, but also will motivate them to make ready to make more use of their physiological and safety needs. But also will motivate them to make ready to make more use of their potential in accomplishing organisational goals.

7. Vroom's Expectancy Theory:

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

Vroom's Expectancy Model of Motivation

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

1. Valence:

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

2. Expectancy:

It relates efforts to performances

3. Instrumentality:

By instrumentality, Vroom means, the belief that performance is related to rewards. Thus, Vroom's motivation can also be expressed in the form of an equation as follows: Motivation = Valence x Expectancy x Instrumentality.

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

However, Vroom's expectancy theory has its critics. The important ones are:

1. Critics like Porter and Lawler lebeled it as a theory of cognitivehedonism which proposes that individual cognitively chooses the course of action that leads to the greatest degree of pleasure or the smallest degree of pain.

2. The assumption that people are rational and calculating makes the theory idealistic.

3. The expectancy theory does not describe individual and situational differences.

But the valence or value people place on various rewards varies. For example, one employee prefers salary to benefits, whereas another person prefers to just the reverse. The valence for the same reward varies from situation to situation.

In spite of all these critics, the greatest point in me expectancy theory is that it explains why significant segment of workforce exerts low levels of efforts in carrying out job responsibilities.

8. Porter and Lawler's Expectancy Theory:

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

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

UNIT-III

GROUP DYNAMICS

"The greater the loyalty of a group toward the group, the greater is the motivation among the members to achieve the goals of the group, and the greater the Probability that the group will achieve its goal.

Group dynamics can be used as a means for
Problem-solving, team work, and to become more innovative and productive as an organisation as whole

Group Dynamics Description

The full technique overview will be available soon. Contact us to register your interest in our business management platform, and learn all about Group Dynamics.

Importance of Group Dynamism

Firstly, a group can influence the way the members think. The members are always influenced by th interactions of other members in the group. A group with a good leader performs better as compared to a group with a weak leader. Group dynamism can furthermore give job satisfaction to the members. The group can also infuse the team spirit among themembers.Even the attitude, insights & ideas of members depend on group dynamism.

Advantages and Disadvantages of Individual Work

1. You need not depend on others and also can decide things independently.
2. No interference from others and extra meeting so you can focus on your work and complete it faster the work done, you don't have to share the credit with others.
3. You are the sole person for the work, so you can't blame others when things go wrong.
4. To get the work done at times, you need to motivate yourself.
5. There are chances of getting bored as you will be working independently, all alone.
6. At times if you are sick and not able to do work, the whole work gets delayed as there will be no one to complete it on your behalf.

Advantages of Working in a Group

One might opt to work in a group, due to many reasons. What one needs to see is what works best forth job as well as for the person. So if you are confused about why work in groups or positives or advantages of teamwork then here are some points on the positives and advantages of working in a group.

1. More Productive

It is been found that one of the main benefits of working in a group is that it helps to raise the complete output.

2. More Resources

One thing to realize is that more the number of people that joins the group, the resources also increase alongside it. This is one of the processes of teamwork. For example, as more people are added, the total ability of the person also increases. Other than the skills, the experience of each new person is as well added to the group.

3. More Reliable

One good thing about working in groups is that if in case someone is not keeping well or if they miss the work for some reason, the job can still be done properly and efficiently by the rest of the people in the team.

4. Learn Things

It is seen more often that, people in a group can go on to learn new things from the others. They get the option to learn from each other. All people while working in groups have their own ideas, from which another person can learn so many things.

5. New Method

When working in a group, each one gets the opportunity to come out with their own ideas and suggestions, thus paving the way for new methods on how to complete the job properly. Each one can work towards the success of the work..

6. Team Commitment

When one is committed to working in a team, the person can go on to encourage and support the performance as a group. A person, totally dedicated to the job at hand and to the team, will also make sure to be present to do the job. This is known as total team commitment.

Disadvantages of Working in a Group

Now there are also disadvantages of group work as working in groups would not work out for the best, althea time. Here are some negative points of working in a group or disadvantages of group work.

1. Unequal Participation

It is quite possible that while in a group some of the customers may not do that much work, while others may work hard. This inequality in the work done could cause trouble between the people in the group.

2. Intrinsic Conflict

When a wide variety of people start to work in a group, disagreement is sure to arise between people in the group. Each person may have their own ideas which could conflict with what the other person has to suggest.

3. No Individual thinking

While working in a group, there is no place for individual or independent thinking. It is by no means a one-man show. It is more of a group effort to complete a job properly.

4. Decision making takes time

In view of the fact that it is a group effort, suggestions and ideas from all the people in a group have to be taken into account.

5. Easy to avoid work

When in a group especially a large one, it is very easy for the person to avoid work and leave it to others to complete. It may take some time before someone actually pays attention to this fact.

6. Loss of Creativity

Whenever you need to work as a group, group thinking becomes more relevant. Because of this reason, creativity has been stumped.

7. Time Consuming

The whole process could be time-consuming while working in a group. It takes a lot of time since there is a need for agreement and coordination from all members of the team.

8. Inequality in getting work

If the person opts to work in a group, when the work is being distributed, everyone might not get an equal amount of work.

Someone might end up with more work, while others might get only little to do. This discrepancy in getting the work can also lead to conflict.

9. People might loaf around

One other issue while working in a group, is that some of the people may just hang around, gossiping or loafing around without doing the job. This could result in lesser productivity from their end. For example: Strike.

Types of Groups

There are two types of groups an individual forms. They are formal groups and informal groups.

Command group

It is a group consisting of individuals who report directly to the manager.

Interest group

It is a group formed by individuals working together to achieve a specific objective. Example − A group of workers working on a project and reporting to the same manager is considered as a command group.

Informal Groups

These groups are formed with friendships and common interests. These can be further classified into two sub-groups −

Task group − those working together to finish a job or task is known as task group.

Friendship group − those brought together because their shared interests or common characteristics is known as friendship group.

Group Roles

The concept of roles is applicable to all employees within an organization as well as to their life outside the organization. A role is a set of expected behavior Patterns attributed to the one who occupies the position demanded by the social unit. Group roles are divided into three types Task-oriented Role Relationship-oriented Roles Individual Roles

Task-oriented Roles

Roles allotted to individuals according to their work and eligibility is known as task-oriented roles. Task-oriented roles can broadly divide individuals into six categories

1. Initiator,
2. Informer
3. Clarified
4. Summarizer
5. Reality tester

Relationship-oriented Roles

Roles that group individuals according to their efforts made to maintain healthy relationship in the group and achieve the goals are known as relationship-oriented roles. There are five categories of individuals in this category namely:

1. Harmonizer,
2. Gatekeeper,

3. Consensus tester,
4. Encourager, and
5. Compromiser.

1. Harmonizers
The one who limits tension and reconciles disagreements

2. Gatekeeper
The one who ensures participation by all

3. Consensus Tester
The one who analyzes the decision-making process.

4. Encourager
The one who is warm, responsive, active, shows acceptance.

5.Compromiser
The one who admits error, limits conflict. These roles depict the various roles an individual plays to maintain healthy self as well as group relationships.

Individual Roles
Roles that classify a person according to the measure of individual effort put in the project aimed is known as individual roles. Five types of individuals fall into these roles:
1. Aggressor,
2. Blocker,
3. Dominator,
4. Cavalier,
5. Avoidance.

1.Aggressor
The one who devalues others, attacks ideas.

2.Blocker
The one who disagrees and rebels beyond reason.

3.Dominator
The one who insists superiority to manipulate.
4.Cavalier
The one who takes part in a group non-productively.

5.Avoidance
The one who shows special interest to avoid task.These are the various roles a person plays in an organization.

Well-Functioning Groups

We know what a group is, why it is important to form a group, and what the group-oriented roles are. Now we need to know how to mark a group as a well-functioning group, what features are necessary for a group to mark it as efficient? A group is considered effective when it has the following characteristics. Relaxed, comfortable, friendly atmosphere.

INTER GROUP RELATIONS

Intergroup relations refer to interactions between individuals in different social groups, and to interactions taking place between the groups themselves collectively. It has long been a subject of research in social psychology, political psychology, and organizational behavior.

Communication in Group Decision Making

Communication plays a central role in group decision making. ... First, group members influence each other through the messages they exchange. When one member opposes the idea of another member, for example, then the group must reconcile the difference in some way.

Unit-IV

LEADERSHIP:

Leadership is both a research area and a practical skill encompassing the ability of an individual, group or organization to "lead", influence or guide other individuals, teams, or entire organizations.

Leadership in business is the capacity of a company's management to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

TRAIT THEORY:

In the 1940s, most early leadership studies concentrated on trying to determine the traits of a leader. The trait theory was the result of the first systematic effort of psychologists and other researchers to understand leadership. This theory held that leaders share certain inborn personality traits.

The earliest theory in this context was the "great man" theory, which actually dates back to the ancient Greeks and Romans. According to this theory, leaders are born, not made. Many researchers have tried to identify the physical, mental, and personality traits of various leaders. However, the "great man" theory lost much of its relevance with the rise of the behaviorist school of psychology.

In his survey of leadership theories and research, Ralph M. Stogdill found that various researchers have related some specific traits to leadership ability.
These include five physical traits (such as appearance, energy and height); four intelligence and ability traits; sixteen personality traits (such as adaptability, enthusiasm, aggressiveness, and self-confidence); six task-related characteristics (such as achievement, drive, initiative and persistence), and nine social characteristics (such as interpersonal skills, cooperativeness, and administrative ability).

More recently, researchers have identified the following key leadership traits: leadership motivation (having a desire to lead but not hungry for power), drive (including achievement, energy, ambition, initiative, and tenacity), honesty and integrity, self-confidence (including emotional stability), cognitive ability, and an understanding of the business.
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CONTINGENCY THEORY:

The use of the trait and behavioral approaches to leadership showed that effective leadership depended on many variables, such as organizational culture and the nature of tasks. No one trait was common to all effective leaders. No one style was effective in all situations. Researchers, therefore, began trying to identify those factors in each situation that influenced the effectiveness of a particular leadership style.

They started looking at and studying different situations in the belief that leaders are the products of given situations. A large number of studies have been made on the premise that leadership is strongly affected by the situations in which the leader emerges, and in which he or she operates. Taken together, the theories resulting from this type of study constitute the contingency approach to leadership.

The contingency theories focus on the following factors:

a. Task requirements.

b. Peers' expectations and behavior.

c. Organizational culture and policies.

There are four popular situational theories of leadership:

(a) Fiedler's contingency approach to leadership

(b) The path-goal theory,

(c) The Vroom-Yetton model and

(d) Hersey and Blanchard's situational leadership model.

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POWER AND POLITICS:

Power is easy to feel but difficult to define. It is the potential ability of a person or group to influence another person or group. It is the ability to   get   things done the way one wants them to be done. Both formal and informal groups and   individuals   may havepower; it does not need an official position or the backing of an institution to have power. Influence can take many forms. One person has influenced another if the second person's opinions, behaviour or perspectives have changed as a result of their interaction. Powers a factor at all levels of most organisations. It can be a factor in almost any organisational decision.

Power And Authority:

Sometimes power and authority is used synonymously because of their objective of influencing the behaviour of others.   However, there is difference between the two. Power does not have any legal sanctity while authority has such sanctity. Authority is institutional and is legitimate. Power, on the other hand, is personal and does not have any legitimacy.   But still, power is a crucial factor in influencing the behaviour   in organisational situation.

Sources Of Power:

John R.P. French and   Bertram Raven identified five bases or sources of power: legitimate, reward, coercive, expert and referent power.

Legitimate Power:

A person's position within organisation provides him with legitimate power. The organisation gives managers the power to direct the activities of their subordinates. Legitimate power is similar to formal authority and hence it can be created, granted, changed or withdrawn by the formal organization

REWARD POWER

This type of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power. Organisational rewards include pay, promotions and valued office assignments. A manager who has complete control over such rewards has a good deal of power. Manager who uses praise and recognition has also a good deal of power.

Coercive Power:

People have coercive power if they have control over some form of punishment such as threat of dismissal, suspension, demotion or other method of embarrassment forth people. Perhaps, a manager can cause psychological harm also to an employee

Expert power

It is more of personal power than organisational power. Expert power is that influence which one wields as a result of one's experience, special skill or knowledge. This power occurs when the expert threatens to withhold his knowledge or skill. Since any person who is not easily replaceable has more power as compared to those who are easily replaceable. If the sub-ordinates view their superior as competent, and knowledgeable, naturally they will obey and respect the superior. To the extent, that allow-ranking worker has important knowledge not available to a superior; he is likely to have more power.

Referent Power:

A person who is respected by certain others for whatever reason has referent power over those people. A person with referent power may have charisma and people who respect that person are likely to get emotionally involved with the respected person and identify with, accept and be willing to follow him or her. People with referent power are often imitated by others with the star's actions, attitudes and dress.

Organisational Politics:

Power and politics are inextricably interwoven with the fabric of an organisation'slife. In any organisation, at any given moment, a number of people are seeking to gainand use power to achieve their own ends. This pursuit of power is political behaviour.Organisational politics refers to the activities carried out by people to

acquire, enhance and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement. One great organizational scholar, Tuchman defined politics, 'as the structure and process of the use of authority and power to affect definition of goals, directions and the other major parameters of the organisation. Decisions are not made in rational or formal way but rather through compromise accommodation and bargaining.

Political behavior in organizations in response to the five main factors.

- ❖ Ambiguous goals
- ❖ Scarce resources
- ❖ Technology and environment
- ❖ Non-programmed decision
- ❖ Organisational change.

Factors Influencing Political Behaviour:

Ambiguous Goals:

When the goals of a department or the entire organisation are ambiguous then there is more room available for playing politics. Some people may use the ambiguity to manipulate the situation for their benefit.

Scarce Resources:

When resources are scarce, people have the tendency to use political behaviour to make sure that they get the biggest possible share of the resource.

Changes in Technology and Environment:

Organisational effectiveness is largely a function of the organisation's ability toappropriately respond to external environment which is highly dynamic and generallyunpredictable as well as adequately adopt to complex technological developments. Thus,political behaviour is increased when the internal technology is complex and whenexternal environment is highly volatile.

CONFLICT:

In simple words organizational conflicts may be defined as "a situations in which there is a breakdown in decision making, just because of irrational and incompatible stand taken by one or all concerning parties to decision making."

According to S. R. Robbins defines conflict as "a process in which an effort is purposefully made by a person or unit to block another that result in frustrating the attainment of others goals or furthering of his or her interests."

Some of the important features of conflict are:

1. It Helps in Analytical Thinking:

Conflict may induce challenge to views, opinions, rules, policies, goals, plans etc., which would require critical analysis in order to justify these as they are or make changes as required. As H. M. Carlisle has put it – "No situation is more detrimental to an organisation than letting poor decisions go unchallenged".

2. It Helps in Increased Cohesion:

Conflict between different organisations develops loyalty and cohesion within an organisation and a greater sense of group identify in order to compete with outsiders. It helps in dedication and commitment to organizational goals.

3. Conflict Promotes Competition and Hence it Results in Increased Efforts:

It has been observed that some individuals are highly motivated by conflict and severe competition. For instance, a professor who has been denied promotion due to conflict within the department may work harder to prove that he is more capable and deserves a promotion. Thus, it may lead to high level of effort and output.

4. It Serves as a Foundation for Organisational Development:

Conflict with the status quo is a pre-requisite to change. Creative and innovative people are always looking for grounds to challenge the status quo. These challenges lead to search for alternatives to existing patterns which leads to organizational change and development.

5. It Reduces Tensions:

Some disagreements if unexpressed can lead to imaginative distortions of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust.

However, when it is expressed, it may show the cause of conflict to be minor, resulting in co-operation and compromise.

Organizational Conflict – 6 Main Types: Task, Role, Process, Directional, External and Relationship:

CONFLICTS CAUSES

Task Interdependencies:

The first antecedent can be found in the nature of task interdependencies. In essence, the greater the extent of task interdependence among individuals or groups the greater the likelihood of conflict if different expectations or goals exist among entities, in part because the interdependence makes avoiding the conflict more difficult. This occurs in part because high task interdependency heightens the intensity of relationships. Hence, a small disagreement can very quickly get blown up into a major issue.

Status Inconsistencies:

A second factor is status inconsistencies among the parties involved. For example, managers in many organizations have the prerogative to take personal time off during workdays to run errands, and so forth, whereas no managerial personnel do not. Consider the effects this can have on the no managers' view of organizational policies and fairness.

Jurisdictional Ambiguities:

Conflict can also emerge from jurisdictional ambiguities—situations where it is unclear exactly where responsibility for something lies. For example, many organizations use an employee selection procedure in which applicants are evaluated both by the personnel department and by the department in which the applicant would actually work.

Individual Differences:

Finally, a variety of individual differences, such as personal abilities, traits, and skills, can influence in no small way the nature of interpersonal relations. Individual dominance, aggressiveness, authoritarianism, and tolerance for ambiguity all seem to influence how an individual deals with potential conflict. Indeed, such characteristics may determine whether or not conflict is created at all.

Conflict resolution:

Conflict resolution involves the reduction, elimination, or termination of all forms and types of conflict. Five styles for conflict management, as identified by Thomas and Kilmann, are: competing, compromising, collaborating, avoiding, and accommodating.

Businesses can benefit from appropriate types and levels of conflict. That is the aim of conflict management, and not the aim of conflict resolution.[citation needed] Conflict management does not imply conflict resolution.

Orientation to conflict:

There are three orientations to conflict: lose-lose, win-lose, and win-win. The lose-lose orientation is a type of conflict that tends to end negatively for all parties involved. A win-lose orientation results in one victorious party, usually at the expense of the other. The win-win orientation is one of the most essential concepts to conflict resolution. A win-win solution arrived at by integrative bargaining may be close to optimal for both parties. This approach engages in a cooperative approach rather than a competitive one.

Early conflict management models:

Blake and Mouton (1964) were among the first to present a conceptual scheme for classifying the modes (styles) for handling interpersonal conflicts in five types: forcing, withdrawing, smoothing, compromising, and problem solving.
In the 1970s and 1980s, researchers began using the intentions of the parties involved to classify the styles of conflict management that they included in their models. Both

Thomas (1976) and Pruitt (1983) put forth a model based on the concerns of the parties involved in the conflict. The combination of the parties' concern for their own interests (i.e. assertiveness) and their concern for the interests of those across the table (i.e. cooperativeness) yielded a particular conflict management style. Pruitt called these styles yielding (low assertiveness/high cooperativeness), problem solving (high assertiveness/high cooperativeness), inaction (low assertiveness/low cooperativeness), and contending (high assertiveness/low cooperativeness). Pruitt argues that problem-solving is the preferred method when seeking mutually beneficial options (win-win).

International conflict management:

Special consideration should be paid to conflict management between two parties from distinct cultures. In addition to the everyday sources of conflict, "misunderstandings, and from this counterproductive, pseudo conflicts, arise when members of one culture are unable to understand culturally determined differences in communication practices, traditions, and thought processing". Indeed, this has already been observed in the business research literature.

Inter organizational conflict management:

Scholars in business and management have paid attention to the specific dynamics of conflict management in inter-organizational relationships, such as strategic alliances, franchising, consortia, organizational networks, or buyer-supplier relationships.One of the key features of conflict management in inter-organizational relationships is the involvement of both an individual level and an organizational level. In inter-organizational relationships, conflicts have to be managed through a set of formal and informal governance mechanisms. These mechanisms influence the likelihood and type of conflicts but also the way conflicts are managed between the parties.

TRANSACTIONAL ANALYSIS:

Transactional analysis (TA) is a psychoanalytic theory and method of therapy wherein social transactions are analyzed to determine the ego state of the communicator (whether parent-like, childlike, or adult-like) as a basis for understanding behavior.In transactional analysis, the communicator is taught to alter the ego state as a way to solve emotional problems. The method deviates from Freudian psychoanalysis which focuses on increasing awareness of the contents of unconsciously held ideas. Eric Berne developed the concept and paradigm of transactional analysis in the late 1950s.

Transactional analysis integrates the theories of psychology and psychotherapy because it has elements of psychoanalytic, humanist and cognitive ideas.

According to the International Transactional Analysis Association,TA "is a theory of personality and a systematic psychotherapy for personal growth and personal change."

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The ego-state (or Parent–Adult–Child (PAC)) models:

Many of the core TA models and concepts can be categorised into

- Structural analysis – analysis of the individual psyche
- Transactional analysis proper – analysis of interpersonal transactions based on structural analysis of the individuals involved in the transaction
- Game analysis – repeating sequences of transactions that lead to a result subconsciously agreed to by the parties involved in the game
- Script analysis – a life plan that may involve long-term involvement in particular games in order to reach the life pay-off of the individual

At any given time, a person experiences and manifests his or her personality through a mixture of behaviours, thoughts, and feelings. Typically, according to TA, there are three ego-states that people consistently use:

- Parent ("exteropsyche"): a state in which people behave, feel, and think in response to an unconscious mimicking of how their parents (or other parental figures) acted, or how they interpreted their parent's actions. For example, a person may shout at someone out of frustration because they learned from an influential figure in childhood the lesson that this seemed to be a way of relating that worked.

  Adult ("neopsyche"): a state of the ego which is most like an artificially intelligent system processing information and making predictions about major emotions that could affect its operation. Learning to strengthen the Adult is a goal of TA. While a person is in the Adult ego state, he/she is directed towards an objective appraisal of reality.

- Child ("archaeopsyche"): a state in which people behave, feel, and think similarly to how they did in childhood. For example, a person who receives a poor evaluation at work may respond by looking at the floor and crying or pouting, as when scolded as a child. Conversely, a person who receives a good evaluation may respond with a broad smile and a joyful gesture of thanks. The Child is the source of emotions, creation, recreation, spontaneity, and intimacy.

WORK STRESS:

"Stress is a physiological abnormality at the structural or bio-chemical level caused by overloading experiences."

"Stress is an adaptive response to an external situation that results in physical, psychological and or behavioural deviations."

According to Dr. Pestonji of I.I.M. Ahmedabad, the stress can be categorised as under:

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Distress:

This is anti-thesis of eustress. Distress is caused whenever a person is suddenly very sad or angry. Distress is caused because of the demands of the modern life and anxiety to cope with them. This results in feelings of inadequacy, anxiety, nervousness, loss etc. This type of stress is harmful. It is this stress that has caused more havoc in the executive life. It is this stress that justifies the saying "Ulcer is the surest sight of executive success".

Since it is distress that takes a heavy toll of executive efficiency, the organisations should try to alleviate it. An atmosphere of objectivity and mutual trust would go a long way in reducing distress.

Hyper Work Stress:

This type of stress is caused because of the hyper activity and travails of life to meet deadlines etc. Target mindedness and the eleventh hour rush or continuous overwork cause hyper stress. The key therefore, to deal with hyper stress lies in good planning's

UNIT-V
Organizational Structure

1. **Structure**

    Structure refers to the relations between the components of an organized whole. Thus, structure concept can be used for everything. For example, a building is a structure of the relationship between foundation, skeleton, ceiling and wall.

2. **Organization structure definition**

    Minterzberg (1972): Organizational structure is the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals.

    Amold and Feldman (1986): Helping the information flow is one of the facilities provided by structure for the organization (Monavarian, Asgari, & Ashena, 2007).Organizational structure should facilitate decision making, proper reaction to environment and conflict resolution between the units.

3. **Dimensions of organizational structures**

    Organizational structure is manifested in organizational chart. In planning organizational structure, there are three principles:

    ➢ Organizational structure determines formal relations and reporting in organization and it shows the number of levels in the hierarchy and it defines the span of the control of managers.

    ➢ Organizational structure determines the position of people as working in group in a unit and it divides the units in the entire organization.

    ➢ Organizational structure includes the design of systems by which all units are coordinated and effective relation in organization is guaranteed.

4. **Different types of organizational structures**

    I.   **Simple structure**:

    ➢ This is a set of flexible relations and due to limited separation, it has low complexity.

    ➢ The members of such organization can design organization chart with focusing on leaders and there is no need to formality.

    ➢ Considering the duties or management order is done by mutual agreement and coordination and supervision are direct and informal.

II.   Functional structure:

➢ The organization with increased complexity is managed based on simple structure. Normally, functional structure is used as a tool to fulfill the increasing needs of separation.

➢ This is called function as in this structure, the activities are classified based on logical similarity of work functions. The functions that are created based on dependent duties and shared goals.

➢ In functional structure, re-work of activities is limited and this structure is efficient. The aim of this plan is maximizing saving of specialization scale.

III.   Multidivisional structure:

➢ In organizational development path, if functional structure is developed, it is turned into multidivisional structure as a tool to reduce the decisions responsibility by top manager.

➢ Multidivisional structure is a set of separate functional structures reporting a central center. Each functional structure is responsible for management of daily operation. The central staff is responsible for supervision and management of organization relation with environment and strategy.

IV.   Matrix structure:

➢ This structure is created with the aim of creating a type of structure composed of functional and multidivisional structures.

➢ The aim of matrix structure is combining the efficiency of functional structure with flexibility and sensitivity of multidivisional structure not only based on product logic, customer or geographical region, but also based on functional logic in multidivisional structure. In matrix organization, functional specialized employees work in one or some project teams.

➢ This delegation of activities to employees is done via negotiation between functional and project managers and sometimes with the presence of people of teams or potential members.

V.   Hybrid structure:

➢ In hybrid structure, one part is dedicated to the type of structure and another part to another type of structure. The reason of formation of hybrid structures is combination of advantages of two structures by designers or the organization is changing.

> ➢ As in hybrid structure, by moving from one section of structure to another structure, the relations basis is changed and hybrid forms can be unclear. On the other hand, hybrid structure enables the organization in which the best and flexible structure is used.

VI. **Network structure**:
> ➢ The networks are formed when the organizations are faced with rapid changes of technology, short life cycles of product and dispersed and specialized markets.
> ➢ IN a network, required assets are distributed among some network partners as there is no unified organization in a network to generate the products or services and the network is producer or supplier.
> ➢ In a network structure, the partners are associated via customer supplier relations and a type of free market system is created. It means that the goods are traded among network partners as in a free market, they are traded (Jo. hatch, Translated by Danayifard, 2014).

5. **Structural models**

Structural models give the main importance to organizational structure but key elements are consistent with the main features of each formal model. Bowlman and Dill believe that structural view is based on 6 hypotheses:

1- The organizations exist to achieve the predetermined goals.
2- For each organization, structural form based on specific set of conditions is designed.
3- An organization is effective if, the environment confusion and individual priorities are restricted by reasoning norms.
4- Specialization, enables high level of specialization and individual performance.
5- Coordination and control are necessary for effectiveness.
6- Organizational problems arise from unsuitable and inefficient structures and can be solved by re-structuring or development of new systems.

Structural assumptions of Bowlman and Dill include bias of goal, reasoning, power and referring to the systems consistent with the main goals of formal models. Beker and Koagan propose structural model with 4 levels as:
> ✓ Central level including the national and local power as having general planning, determination of resources and supervision on standards.
> ✓ The institution defined in law and association and it includes all schools and Universities.

✓ The main unit corresponding with educational groups and faculty members in educational groups and display units in schools.

✓ Individual level including teachers, students or employees of support. However, Beker and Koagan consider mostly the teachers as they play the main role in forming curriculum and academic policies.

6. Determining factors of structure

I. **Pitter Draker**:

Structure is a tool to achieve short and long-term goals of organization. Thus, any discussion should be regarding goals and strategy in structure.

II. **Strategy:**

The process of determining fundamental long-term goals, taking method and allocation of required source to achieve goals. Strategy refers to final results and tools.

III. **Size:**

Kimberley states that organization magnitude has four elements:

1- physical capacity of organization (the number of beds in hospital, number of production lines, number of University classes)

2- The existing employees in organization: The most common criterion (part-time staffs, seasonal business, industry type)

3- Organization input and output (number of customers, students and sale)

4- Materialistic and financial resources The size of an organization is effective on its structure.

IV. **Technology:**

It refers to the information, equipment, techniques and process to turn the inputs to outputs. Woodward Research: He mostly focused on production technology and the companies were classified based on one of three types of production technology, mass and process.

V.   Environment:

The forces effective on organization performance and organization have less control on them or have no control on them. General environment: All effective conditions on organization but their dependency was not clear to organization (economic, cultural, political, social, legal conditions, etc.). Specific environment: It is a part of organization environment as associated directly with organization to achieve the goals. Specific environment of each organization is unique and is changed by changing the conditions (customers, suppliers, competitors, law making institutions, state, etc.) and the specific environment of an organization is changed based on its selective domain

VI.   Control power (strategic selection):

Under the best conditions of four previous factors (strategy, size, technology, environment) only 50 to 60% of change in structure are explained. Based on this view, at any time, the structure of an organization is the result of measurements of power owners of the organization in selection of the structure by which its control is maximized. The structure of an organization is the result of power conflict between internal organization coalitions with specific benefits and each requires a structure and their benefits are fulfilled better instead of general benefits of organization (Arabi, 2007)

Organizational Desion

Defining Organizational Design:

Organization design is a framework architecture for an organization according to which an organization runs its business. It structures the workforce and the management in the most efficient working method through which they can realize their company's mission statement. A successful and comprehensive design process is defined by the holistic approach it envisions for the organizational improvement. To design such a framework that addresses all the vital areas of a company, the management will have to draw objectives that ensure the following: Business Growth Model

❖ Business Growth Model
❖ Improved Efficiency and Profits
❖ Outstanding Customer Service
❖ Improved Process Management

❖ Improved Workforce Productivity
❖ Decreasing Operational Expenses
❖ Improved Employee Engagement

I. Functional Organizational Design Model :

➢ Organizations that implement the functional model of organizational design divide their functioning into different fields. For example, there will be different boxes for different departments like marketing, finance, sales, legal, R&D and HR, etc. These departments will have their own separate board-level departments and sub-departments.

➢ For example, if it is a law firm, their legal department will be more populated and sub-divided as compared to their R&D Department. Some organizations merge their Sales Department with the Marketing Department, so that the managers can work in-sync and bring ideas that support each other's functioning. Functional organizational structures are best for self-contained working units, such as a small company or a freelance-assignment team.

II. Geographical Organizational Design Model :

➢ As long as organizations remained localized, it was considered that the functional design is best suited for running business. However, when companies expanded and started operating beyond international boundaries, there was a need felt for a globalized model, which considers all the geography-influenced factors like local festivals, culture, communication style, way of conducting business, etc. Example A boss is a very formal, distant and authoritative figure in Russia, unlike the "team player" bosses that are the norm in the USA.

III. Product-oriented Organizational Design Model :

➢ In such models, the organization designs itself are based on its products. For example, a company that manufactures domestic electrical appliances may divide its business model on its prime-selling products, such as fans, water pumps, etc. Each product will have its own set of operations, employees, offers, etc. This model works best in organizations that provide entrepreneurial opportunities to people with good business ideas.

III.   **Market-oriented Organizational Design Model** :

- ➢ In a market-oriented organization model, the focus of the company is in addressing the needs of the customers, as opposed to manufacturing products and creating the market for them, which the food industry often does. These models revolve around the logistics of serving a small number of customers, who can give them the business they need to be profitable. In such cases, it is very often to find an entire plant dedicated to manufacturing just a single line of products.
- ➢ A few notable examples of organizations that adopt this model are from the automobile industry. Companies like BMW, Ferrari, Ducati, etc. have a niche customer base. These companies cater only to their customer base. The less number of customers gives a good opportunity for the sales managers to build strong business relationships with their clients.

IV.   **Matrix Structure Organizational Design Model :**
- ➢ Matrix Structures are used when there is a high demand from the customers as well as a fundamental need to ensure efficiency and bureaucracy. This structure is used when projects employing many people are implemented and the clients want one organization whom they can entrust for the successful implementation of their plan.
- ➢ A few such sectors are construction, architecture, civil engineering, etc. In this model, an employee reports to two bosses at the same time – one, an immediate supervisor and the other one the manager of the process. This results in role conflict and authority-related issues. If the supervisor and manager end up giving two conflicting or opposing instructions, then the employee gets stuck between two authorities.

Aims of organization design :
- o Clarify the overall purposes of the organization – the strategic goals that govern what it does and how it functions.
- o Define how work should be organized to achieve that purpose, including the use of technology and other work processes.
- o Define as precisely as possible the key activities involved in carrying out the work.
- o Group these activities logically together to avoid unnecessary overlap or duplication.
- o Provide for the integration of activities and the achievement of cooperative effort and teamwork.

1. **What is organisational change?**
   - ➢ The partial or total adaption of a new idea, concept or behaviour by organisational members is referred to as organisational change (Burnes, 2004). Little wonder, Yang, Zhuo, & Yu, (2009), argues that changing the vision and mission statements, organisational strategy, organisational cultures, organisational structure, system, techniques of production and leadership style are some of the targets of organisational change. It arises as a result of pressures from the external environment and the need for internal alignment of structural defects.

   - ➢ From a broader perspective, change refers to a system of continuous transformation that take place in one or more organisational domain such as organisational technology, structure and human resources (Sofat, Kiran, &Kaushik, 2015). Organisational change usually originate from discrepancies noticed from environmental dynamism, which takes the form of series of activities that support the process of improvement in the capabilities of individuals and groups that work in organisations (Kassim, Tahajuddin, Shahzad, Isa, & Mat, 2010).

   - ➢ Organisational change is a consequence of changes in the business activities as well as the outcome of managerial perception, choice and action (Daft, 2010).

2. **What is change:**
   - ➢ Change is generally a response to some significant threat or opportunity arising outside of the organization. According to Pettigrew (Daft,1983): Changes within an organization take place both in response to business and economic events and to processes of managerial perception, choice and actions.
   - ➢ Managers in this sense see events taking place that, to them, signal the need for change. In this sense it is important that an organization continually monitors what is happening around it ; that is, it develops a sense of awareness which stems from realizing the need to set in motion changes that will keep it in, or ahead of, the game.

3. **The Change Process Lewin:**
   proposed a change model, which describes the necessary stages for successful change to occur.(Gilgeous, 1997: 15-35)
   Three-step Model of Change :
   1- Unfreezing the present level requires confrontation meeting or a process of re-education, which might be achieved through team building.

2- Moving to the new level requires developing new behaviors, values and attitudes.

3- Refreezing the new level seeks to stabilize the organization at a new state of equilibrium to ensure that the new ways are safe from regression. A feature of this model is that it recognizes, and takes into account, the important fact that, with many change programmes, things may revert back to what they were, unless permanence of the new level is included in the objective.

4. The stages of the change process:

Managers wanting to introduce change should recognize that change occurs slowly and moves through a series of stages. In the first instance, the need for change must be recognized. Then it is necessary to define where the company stands relative to the problem, where it wants to be, and how it is going to get there. With respect to the way the change process needs to be managed, Lewin s three-step model can be expanded to show that the following sequential set of activities needs to take place:

a. Recognizing the need for change
b. Defining the problems
c. Identifying where the company is relative to the problem
d. Searching for alternatives
e. Defining goals (identifying where the company wants to be after the change)
f. Preparing for change
g. Unfreezing (loosening the organization so that it can change)
h. Moving (consciously managing the process of change)
i. Arriving (realizing when the goals have been met)
j. Refreezing (stabilizing and reinforcing the change)

5. Phases of Planned Change

Based on a review of over 30 models of planned change, Bullock and Batten show that change activities, of the type listed above, fall into four phases. They are (Dalton,1970):

1- Exploration phase: becoming aware of the need for change; deciding whether to make specific changes and commit resources to planning the changes; searching for a consultant or facilitator to assist with planning and implementing the changes; establishing a contract with a consultant which defines each party s responsibilities.

2- Planning phase: understanding the organization s problem or concern; collecting information in order to diagnose the problem; establishing change

goals and designing appropriate actions to achieve these goals; getting key decision makers to approve and support the proposed changes.

3- Action phase: implementing the changes derived from the planning, including arrangements to manage the change process, evaluating the implementation activities and feeding back the results to make any necessary adjustments.

4- Integration phase: consolidating and stabilizing the changes so that they become part of normal everyday operations; reinforcing new behaviors through feedback and reward systems and gradually decreasing reliance on the consultant.

6. Main Change Factors

Before embarking on a change program, one needs to obtain an overview of the situation. Wilson suggests that this can be done by considering the following broad parameters (Tosi, Rozzi& Carroll:1990):

A. Scale.

What is the scope and size of the program? Is it a pilot study in a section or department? Perhaps you have selected a particular unit, or maybe your plans entail changing the whole organization

B. Investment.

Change can rarely take place without considerable investment. How it is defined in monetary terms will depend on the organization. Is the sum to be spent the annual change budget figure or does it include additional money?

C. Timescale.

How long the total change process will take? Will the time spent on research and planning the change program be included? How will the end of the program be determined when the operation is working to target or when a change of philosophy and culture has taken place?

D. Changes.

The nature of the changes that are taking place needs to be appreciated. These may range from a change in current operating methods through to a complete change of organization philosophy. The approach required and the investment needed will be different for each level of change.

E. Impetus for change.

The reasons for embarking on the change program need to be known, since these will determine, to some extent, its direction and style. Is the change to do with organization survival or development, since the implications of the strategy adopted can be quite different?

F. Strategy.

What is the nature of the strategy driving the change process? Is it, for example, revolutionary in nature, happening to a very short timescale with many casualties? Or does it have a much longer timescale and grow organically with the full support and co-operation of the organization s employees? Perhaps it is neither of these and change is introduced piecemeal or on a project-by-project basis.

7. APPROACH TO CHANGE

There are various ways in which change can be introduced and it is necessary that managers should appreciate what these are so that they can carefully attempt to choose the most useful one. A description of the available alternatives that arise from the choice of four types of variable can be provided as (Wilson:1994:74-93):

1. The amount of time required
2. The degree of planning
3. The type of involvement
4. The use of power

8. BARRIERS TO CHANGE

Barriers that impede the change process :

Those managing the change must be aware of the nature of the resistance they will face by other managers as well as workers. The cause can often be traced back to difficulties in the organization its structure, its power centers, its culture. These difficulties must be addressed before unfreezing can take place. People may become stubborn and defend the status quo.

They may aggressively challenge the credibility of any change proposals. Alternatively, they may feign co-operation while covertly seeking to jeopardize the change program. 14 categories of blocks are identified (Woodcock & Francis:1994):

1. Unclear aims
2. Unclear values
3. Inappropriate management philosophy
4. Lack of management development
5. Confused organizational structure
6. Inadequate control
7. Inadequate recruitment and selection
8. Unfair rewards
9. Poor training
10. Personal stagnation

11. Inadequate communication

12. Poor teamwork

13. Low motivation

14. Low creativity

1. What is Organizational Development?

➢ According to Middlemist and Hitt (1988, p. 493), organizational development is:
A systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness.

➢ Cummings and Huse (1988, p. 1) define OD in broader terms:
A system wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structure, and processes for improving an organization's effectiveness.

➢ Several parts of the above definitions are particularly worth emphasizing. The first is that organizational development is a systematic activity, an ongoing process that can help organizations deal with current and anticipated problems, putting leaders in a proactive, rather than reactive, stance. This stance differs from the "putting-out-fires" approach that so many groups and organizations have relied upon historically.

A Model for Organizational Development:

Now that we have examined the major emphases associated with organizational development, a broad picture of the actual process is needed. While there are variations on any model, Figure 1 represents the major components of a planned OD effort.

MODEL OF ORGANIZATIONAL DEVELOPMENT:

a) Recognition of need for change

b) Diagnosis of cause(s)

c) Development of change

d) Implementation of change alternatives

e) Reinforcement of change

f) Evaluation of change Further change

g) action taken, if required

h) Feedback

Characteristics of Organization Development

1. OD is an approach that has been drawn from various areas such as organization behavior, management, business, psychology, sociology, anthropology, management, economics, and education, counseling and public administration. Its main aim is to improve organizational effectiveness.

2. OD recognizes the significance of top management's commitment, support and contribution. The target is to enhance the whole organization, individuals, departments, work groups and it may get extended to region, nation and the whole of humanity.

3. OD is a planned and long term strategy to bring about change and development not only within the organizational structure, but also its interdependent parts.

4. OD is an education based program designed to develop values, attitudes, norms and management practices that lead to a healthy organizational climate and healthy behavioral traits on the part of the personnel.

5. OD is a data based approach to understanding and diagnosing organizations. It is guided by a change agent, change team, or line management whose primary role is that of a facilitator, coach and a teacher. The task involves planned interventions and improvements in an organization's processes and structures and requires expertise and skills in working with individuals as well as the groups (McLean, 2005).

Organization Development Functions:

The following steps are the components of making a successful change and transition from training and development to organization development: (CC, 2010).

Step 1: Clearly identify the work of the OD unit - First step in building a team is to determine what will be the job assignments for the new unit. Thinking about the levels within an organization that can benefit from OD interventions. Will the OD practitioners focus on individual, team, or whole system solutions? Will the OD practitioners lead change projects, or develop tools and methodologies to educate others in leading change? Will the OD practitioners coach or shadow consult on important organization-wide projects? In essence, how will the organization view this team: as leaders, doers, coaches, teachers, or consultants?

Step 2: Determine what the jobs will be in the new OD unit - Once the work of the unit is clear, it should be much easier to determine how to break up the work and what type and number of jobs will be required. Creating job profiles that specify the knowledge, experience, competencies, and attributes needed for success; these will prove useful for any subsequent staffing or selection processes and decision making.

What kind of personnel should be employed? For example, is it mandatory that staff members with a training and development or HR generalist background will be figured into OD roles? Is it assumed that all the necessary competencies for OD work can be trained? Will there be different types of roles on the OD team, such as analysts, project managers, and senior consultants? If so, what are the differences in roles and responsibilities between these jobs functions?

Step 3: Determine the Team Mechanics - The type of work that OD practitioners perform can be immeasurable and multifaceted. Even after narrowing down the work of the unit, it is important to determine the basic viewpoint of the team. For example, some OD departments purposefully develop staff members to be specialists in delivering different types of interventions. There may be a few team members focused on coaching, leadership development, guidance and mentoring programs, all of which are aimed at the individual, while others are more practiced at facilitating large scale change processes across the enterprise. When a customer need arises under this model, the team members assemble a consulting team with the right blend of specialties to assist in that particular condition.

Step 4: Start Re-branding and Marketing the Services of the OD Function – The OD functions in this area are building an assistant and advocate network, create an advisory council, influence all the available data, access your ignorance by communicating and demonstrating curiosity, facilitate key organizational initiatives, identifying the weaknesses, communicating effectively, and checking the progress and improvement that has taken place (CC, 2010).

Organisational culture:
Organizational culture defined:
The definition emphasizes that organizational culture is concerned with the subjective aspect of what goes on in organizations. It refers to abstractions such as values and norms that pervade the whole or part of a business, which may not be defined, discussed or even noticed. Nevertheless, culture can have a significant influence on people's behaviour. The following are some other definitions of organizational culture:

> • The culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done. Eldridge and Crombie (1974)
>
> • Culture is a system of informal rules that spells out how people are to behave most of the time. Deal and Kennedy (1982)
>
> • A pattern of basic assumptions – invented, discovered or developed by a given group as it learns to cope with the problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems. Schein (1985)
>
> • Culture is the commonly held beliefs, attitudes and values that exist in an organization. Put more simply, culture is 'the way we do things around here'. Furnham and Gunter (1993).

Characteristics of culture, Furnham and Gunter (1993):
• It is difficult to define (often a pointless exercise).
• It is multi-dimensional, with many different components at different levels.
• It is not particularly dynamic and ever-changing (being relatively stable over short periods of time).
• It takes time to establish and therefore time to change a corporate culture.

Significance of culture

Culture represents the 'social glue' and generates a 'we-feeling', thus counteracting processes of differentiations that are an unavoidable part of organizational life. Organizational culture offers a shared system of meanings which is the basis for communications and mutual understanding. If these functions are not fulfilled in a satisfactory way, culture may significantly reduce the efficiency of an organization.

How organizational culture develops
- ✓ The values and norms that are the basis of culture are formed in four ways; first, by the leaders in the organization, especially those who have shaped it in the past. Schein (1990) indicates that people identify with visionary leaders – how they behave and what they expect. They note what such leaders pay attention to and treat them as role models.
- ✓ Second, as Schein also points out, culture is formed around critical incidents – important events from which lessons are learnt about desirable or undesirable behaviour.
- ✓ Third, as suggested by Furnham and Gunter (1993), culture develops from the need to maintain effective working relationships among organization members, and this establishes values and expectations. Finally, culture is influenced by the organization's environment. The external environment may be relatively dynamic or unchanging.

The diversity of culture
- ✓ The development process described above may result in a culture that characterizes the whole organization. But there may be different cultures within organizations. For example, the culture of an outward-looking marketing department may be substantially different from that of an internally-focused manufacturing function.
- ✓ There may be some common organizational values or norms, but in some respects these will vary between different work environments.

The components of culture

Organizational culture can be described in terms of values, norms, artefacts and management style.

Values

Values are beliefs in what is best or good for the organization and what should or ought to happen. The 'value set' of an organization may only be recognized at top level, or it may be shared throughout the business, in which case it could be described as 'value-driven'. The stronger the values the more they will influence behaviour. This does not depend upon their having been articulated. Implicit values that are deeply embedded in the culture of an organization and are reinforced by the behaviour of management can be highly influential, while espoused values that are idealistic and are not reflected in managerial behaviour may have little or no effect. When values are acted on they are called 'values in use'.

Classifying organizational culture :
- ✓ There have been many attempts to classify or categorize organizational culture as a basis for the analysis of cultures in organizations and for taking action to support or change them.
- ✓ Most of these classifications are expressed in four dimensions and some of the best-known ones are summarized below. Note that following the lead of Harrison (1972), there is much common ground between them.

I. Organization ideologies, Harrison (1972) :
- • Power-oriented – competitive, responsive to personality rather than expertise. • People-oriented – consensual, management control rejected.
- • Task-oriented – focus on competency, dynamic.
- • Role-oriented – focus on legality, legitimacy and bureaucracy.

II. Culture typology, based on Harrison, Handy (1981)

1. The power culture is one with a central power source that exercises control. There are few rules or procedures and the atmosphere is competitive, power-oriented and political.

2. The role culture in which work is controlled by procedures and rules and the role, or job description, is more important than the person who fills it. Power is associated with positions not people.

3. The task culture in which the aim is to bring together the right people and let them get on with it. Influence is based more on expert power than in position or personal power. The culture is adaptable and teamwork is important.

4. The person culture in which the individual is the central point. The organization exists only to serve and assist the individuals in it.

III. Schein (1985)

   1. Power culture in which leadership resides in a few and rests on their ability and which tends to be entrepreneurial.

   2. Role culture in which power is balanced between the leader and bureaucratic structure. The environment is likely to be stable and roles and rules are clearly defined.

   3. Achievement culture in which personal motivation and commitment are stressed and action, excitement and impact are valued.

   4. Support culture in which people contribute out of a sense of commitment and solidarity. Relationships are characterized by mutuality and trust.

Williams et al (1989) :

1. Power orientation in which organizations try to dominate their environment and those exercising power strive to maintain absolute control over subordinates.

2. Role orientation, which emphasizes legality, legitimacy and responsibility. Hierarchy and status are important.

3. Task orientation, which focuses on task accomplishment. Authority is based on appropriate knowledge and competence.

4. People orientation in which the organization exists primarily to serve the needs of its members. Individuals are expected to influence each other through example and helpfulness.

Assessing organizational culture :

A number of instruments exist for assessing organizational culture. This is not easy because culture is concerned with both subjective beliefs and unconscious assumptions (which might be difficult to measure), and with observed phenomena such as behavioural norms and artefacts.

Appropriate cultures:

     ✓ It is not possible to say that one culture is better than another, only that a culture is to a greater or lesser extent appropriate in the sense of being relevant to the needs and circumstances of the organization and helping rather than hindering its performance. However, embedded cultures exert considerable influence on organizational behaviourand therefore performance. If there is an appropriate and effective culture it would therefore be desirable to take steps to support or reinforce it.

     ✓ If the culture is inappropriate, attempts should be made to determine what needs to be changed and to develop and implement plans for change.

     ✓ Furnham and Gunter (1993) considered that a culture will be more effective if 'it is consistent in its components and shared amongst organizational members, and it makes the organization unique, thus differentiating it from other organizations'.

Measuring organizational climate:

  Organizational climate measures attempts to assess organizations in terms of dimensions that are thought to capture or describe perceptions about the climate, such as the example given below.

Typical dimensions of organizational climate questionnaires

1. Autonomy – the perception of self-determination with respect to work procedures, goals and priorities.

2. Cohesion – the perception of togetherness or sharing within the organization setting, including the willingness of members to provide material risk.

3. Trust – the perception of freedom to communicate openly with members at higher organizational levels about sensitive or personal issues with the expectation that the integrity of such communication will not be violated.

4. Resource – the perception of time demands with respect to task competition and performance standards.

5. Support – the perception of the degree to which superiors tolerate members' behaviour, including willingness to let members learn from their mistakes without fear of reprisal.

6. Recognition – the perception that members' contributions to the organization are acknowledged.

7. Fairness – the perception that organizational policies are non-arbitrary or capricious.

8. Innovation – the perception that change and creativity are encouraged, including risk taking in new areas where the member has little or no prior experience.

Organisational climate-Meaning and Definition:

Before understanding the meaning of organisational climate, we must first understand the concept of climate.

"Climate in natural sense is referred to as the average course or condition of the weather at a place over a period of years as exhibited by temperature, wind, velocity and precipitation."

According to Forehand and Gilmer, "Climate consists of a set of characteristics that describe an organisation, distinguish it from other organisations are relatively enduring over time and influence the behaviour of people in it."

According to Campbell, "Organisational climate can be defined as a set of attributes specific to a particular organisation that may be induced from the way that organisation deals with its members and its environment. For the individual members within the organisation, climate takes the form of a set of attitudes and experiences which describe the organisation in terms of both static characteristics (such as degree of autonomy) and behaviour outcome and outcome- outcome contingencies."

Characteristics of Organisational Climate:

The nature of organisational climate will be clear from the following characteristics:

1. General Perception:

Organisational climate is a general expression of what the organisation is. It is the summary perception which people have about the organisation. It conveys the impressions people have of the organisational internal environment within which they work.

2. Abstract and Intangible Concept:

Organisational climate is a qualitative concept. It is very difficult to explain the components of organisational climate in quantitative or measurable units.

3. Unique and District Identity:

Organisational climate gives a distinct identity to the organisation. It explains how one organisation is different from other organisations.

4. Enduring Quality:

Organisational climate built up over a period of time. It represents a relatively enduring quality of the internal environment that is experienced by the organisational members.

5. Multi-Dimensional Concept:

Organisational climate is a multi- dimensional concept. The various dimensions of the organisational climate are individual autonomy, authority structure, leadership style, pattern of communication, degree of conflicts and cooperation etc.

The Six Steps of Organization Effectiveness :

1. **Leadership**

The first step in organization effectiveness is 'Leadership'. In this step, management and project leaders set forth the overall vision of the organization. What goals they hope to accomplish with this project, how to carry them out, and what results they must strive for are in Leadership.

2. **Communication**

Of course, Leadership is only as effective as the group's overall communication. In the second step, Communication focuses on evenly spreading the goals, guidelines, and aspirations that derive in Leadership. Furthermore, project managers must focus on strategic communication, relation information in the forms that other project members need to complete their tasks.

3. Accountability

In the third step, Accountability, project managers and leaders must uphold other employees to their tasks and responsibilities. Typically, project team members receive awards or consequences, based on their performance. As a result, Accountability greatly determines how smoothly and effectively a project performs.

4. Delivery

Your products and services are only successful if customers can receive them. At the next step, Delivery focuses on ensuring an effective delivery system is in place. When your organization has long, complex delivery process, errors will occur and efficiency is at risk. With smaller, more concise processes, your end products can be delivered on time to the right people.

5. Performance

As a project manager, you must hire the right people for the correct jobs. Of course, not everyone fits in the same position. At the 'Performance' step, the goal is to hire, train, and retain the perfect applicants for the processes and tasks you have.

6. Measurement

A business process is only effective if you can measure it. At the final stage of organizational effectiveness, you must measure and analyze your project, process, or other systems. Likewise, you must measure your organization with the correct metrics. Failing to do so will result in accurate or non-usable data.

Approaches to organizational efficiencies :

- Goal approach – The goal approach refers to optimal profit by offering the best service that will lead to high productivity. The limitation of the goal approach is that it is a bit difficult to identify the real goal and not the ideal goal
- System-resource approach – The system resource approach puts its onus on the interdependency of processes that align the organization with its environment. It takes the form of input-output transactions and includes human, economic and physical resources. The limitation of this approach is that acquisition of resources from the environment becomes aligned with the goal of the organization and thus it becomes quite similar to the goal-oriented approach
- Functional approach – The functional approach assumes that the organization has already identified its goals, and now the focus should be upon attainment of these goals and how to serve society. The limitation of this approach is that the organization has the autonomy to take independent action for attaining its goals and so why will it accept serving society as its ultimate goal.

Factors affecting organizational effectiveness :
- **Casual variables –** These are independent variables that can be altered by the organization and its management, for instance, its policies, skills and behavior and leadership and business strategies. The casual variables can determine the course of development within an organization
- **Intervening variables –** These are motivation, performance goals, attitude, loyalty and perception of the employees and their capacity for efficient decision-making, communication, and interaction. The intervening variables show the health of an organization.
- **End-result variables –** These are loss, costs, earnings, and productivity. The end-result variables reflect the achievements of an organization.