R.G. KEDIA COLLEGE OF COMMERCE
DEPARTMENT OF BUSINESS MANAGEMENT
SUBJECT SYNOPSIS
MANAGEMENT AND ORGANIZATION BEHAVIOUR

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Managementisessential for an organized life and necessary to run all types of organizations. Managing life means getting things done to achieve life's objectives and managing an organization means getting things done with and through other people to achieve its objectives.

Management is a set of principles relating to the functions of planning, organizing, directing, and controlling, and the applications of these principles in harnessing physical, financial, human, and informational resources efficiently and effectively to achieve organizational goals".

There are basically five primary functions of management. These are:
1. Planning
2. Organizing
3. Staffing

4. Directing

5. Controlling

The controlling function comprises coordination, reporting, and budgeting, and hence the controlling function can be broken into these three separate functions.

Based upon these seven functions, Luther Gulick coined the word	**POSDCORB**	, which generally represents		
the initials of these seven functions i.e. P stands for Planning, O for Organizing, S for				
Staffing, D for Directing, Co for Co-ordination, R	for reporting & B for Budgeting.			
But,functions of management.	**Planning, Organizing, Staffing, Directing,**functions of management.functions of management.	and	**Controlling**	are widely recognized

Scientific management is a theory of **management** that analyzes and synthesizesworkflows. Its main objective is improving economic efficiency, especially laborproductivity. It was one of the earliest attempts to apply **science** to the engineering ofprocesses to **management**.

Modern Management Theory

Management is one or the other form has existed in every nook and corner of the world since the dawn of civilization. Modern Management has grown with the growth of social-economics and scientific institution. Modern view consists that a worker does not work for only money. They work for their satisfaction and happiness with good living style.

Here Non- financial award is most important factor.

Modern management theories started after 1950s. Modern management theory focuses thedevelopment of each factor of workers and organization. Modern management theory refers to emphasizing the use of systematic mathematical techniques in the system with analyzing and understanding the inter-relationship of management and workers in allaspect.

It has following three Streams-

- Quantitative Approach
- System Approach
- Contingency Approach

Quantitative Approach:

Quantitative approach also called Operation Research. Quantitative approach is a scientific method. It emphasizes the use of statistical model and systematic mathematicaltechniques to solving complex management problems. Its helps the management to making decisions in operations. It can only suggest the alternatives based on statisticaldata. It cannot take final decision.

It helps the management for improving their decision making by increasing the number ofalternatives and giving faster decisions on any problem. Management can easily calculate the risk and benefit of various actions.

System approach:

System approach was developed inlate1960s. Herbert A. Simon is the father of systemtheory. A System is defined as a set of regularly interacting or inter - dependentcomponents that create as a whole unit. The system concept enables us to see the criticalvariables and constraints and their interactions with one another.

According to Cleland and King; " A system is composed of related and dependentelements which when in interaction from a unity whole".

Characteristics of system approach:

- A system must have some specific components, units or sub units.
- A Change in one system affects the other subsystems.
- Every system is influenced by super system.
- All systems along their subsystem must have some common objectives.
- A system is a goal-oriented.
- A system cannot survive in isolation.

Contingency Approach:

Contingency Approach also knows as situational approach. In 1980s, it is recognized as akey to effective management. This approach accepts the dynamics and complexities of theorganization structure. An organization is affected by its environment and environment iscomposed by physical resources, climate, persons, culture, economic and marketconditions and their laws.
This approach argues that there is no one universally applicable set of rules by which to manage organization.

Reddin's 3D Leadership Model:

Reddin's 3D Leadership Model is a simple framework for utilising managerial styles in various situations in order to maximise effectiveness.
3D Model of Leadership, first outlined in his 1983 thesis *Managerial Effectiveness and Style: Individual or Situation,* which **identified several different leadership styles and their effectiveness in any number of typical situations.** The most important concept within his work was that there is **no single most effective leadership style, considering the numerous and varied situations a leader will find themselves in.**

The 3D Leadership Model

The four basic leadership styles as identified by Reddin were:

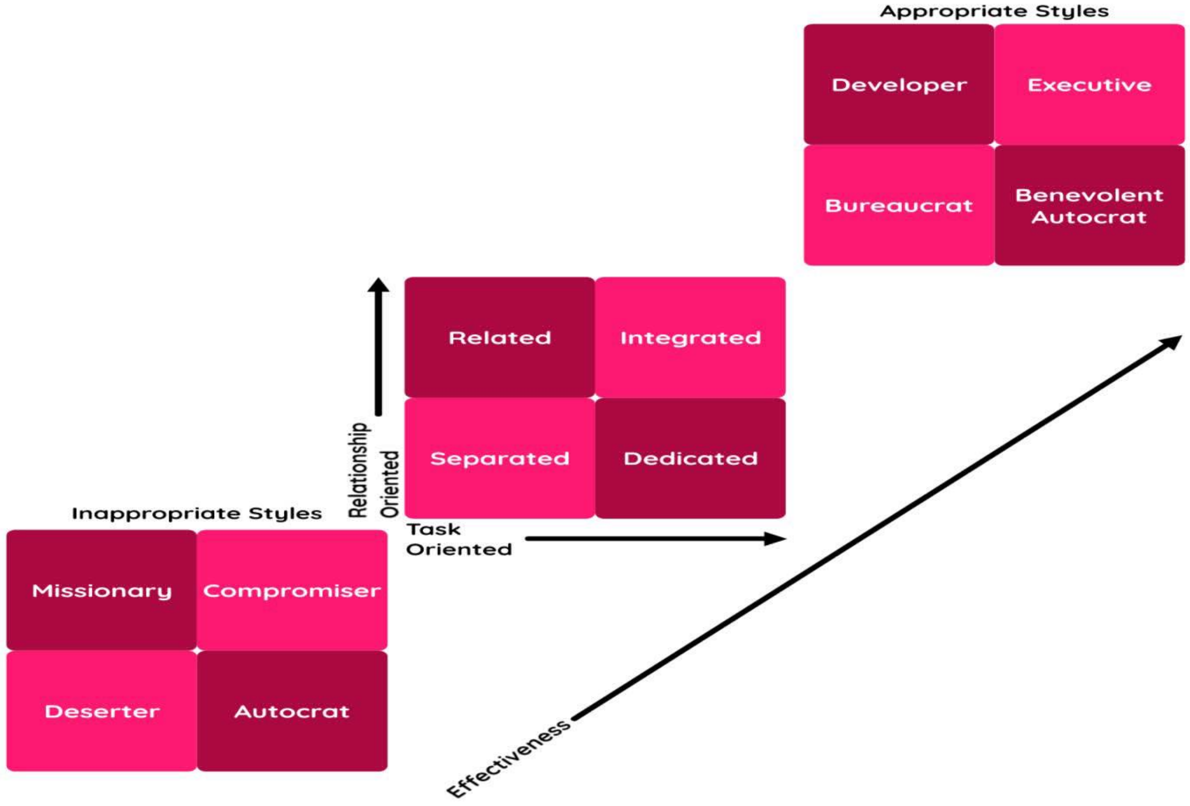
1. **Related -** A related leader enjoys team-based, cooperative working. They do notfocus on directing or dictating orders to staff, and allow much more freedom and responsibility.
2. **Integrated -** An integrated manager retains the cooperative nature of the group, andencourages two-way communication. They emphasise the effectiveness of thiscommunication and building a strong team capable of completing tasks to the bestof their potential.
3. **Dedicated -** A dedicated manager is only truly concerned with the end result of the task and focuses on improving the production process. They retain power and responsibility with themselves, allowing them to dictate roles and requirements to others.
4. **Separated -** A separated manager focuses on correcting deviations from the norm. They formulate policies and rules and impose them on others but do not take a direct, commanding role on themselves.

Each of these leadership styles is separated by its position along two major axes:

1. Task Orientation
2. Relationship Orientation.

This refers to the proportion of concern that the leader in question has forof either the results the task, or for the needs and development of the individuals involved.

The central matrix in the diagram below **represents Reddin's initial model**, showingthe **four major leadership styles** and **their positions along the Task-Relationship axis.**



Management by Objectives (MBO)

Management by objectives (MBO) is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees. According to the theory, having a say in goal settingand action plans encourages participation and commitment among employees, as well asaligning objectives across the organization.
Management by objectives outlines five steps that organizations should use to put themanagement technique into practice.

1. The first step is to either determine or revise organizational objectives for the entirecompany. This broad overview should be derived from the firm's mission and vision.
2. The second step is to translate the organizational objectives to employees. Druckerused the acronym SMART (specific, measurable, acceptable, realistic, time-bound)to express the concept.
3. Step three is stimulating the participation of employees in setting individualobjectives. After the organization's objectives are shared with employees, from the top to the bottom, employees should be encouraged to help set their own objectivesto achieve these larger organizational objectives. This gives employees greatermotivation since they have greater empowerment.
4. Step four involves monitoring the progress of employees. In step two, a key component of the objectives was that they are measurable in order for employeesand managers to determine how well they are met.
5. The fifth step is to evaluate and reward employee progress. This step includeshonest feedback on what was achieved and not achieved for each employee.

Management by Wandering Around (MBWA)

One powerful way to connect with your team members is to get up from your desk and go talk to them, to work with them, to ask questions, and to help when needed. This practice is called Management by Wandering Around, or MBWA.

MBWA might imply an aimless meander around the office, but it's a deliberate and genuine strategy for staying abreast of people's work, interests and ideas. It requires a range of skills, including active listening, observation, recognition, and appraisal.

MBWA also brings participation, spontaneity and informality to the idea of open-doormanagement. It takes managers into their teams' workplaces to engage with the people andprocesses that keep companies running, to listen to ideas, to collect information, and to resolve problems.

Line and Staff Organization

Line and staff organization is a modification of line organization and it is more complex than line organization. According to this administrative organization, specialized andsupportive activities are attached to the line of command by appointing staff supervisors and staff specialists who are attached to the line authority. The power of command alwaysremains with the line executives and staff supervisors guide, advice and council the line executives. Personal Secretary to the Managing Director is a staff official.

Features of Line and Staff Organization

1. There are two types of staff :a.
   Staff Assistants- P.A. to Managing Director, Secretary to Marketing Manager.
   b. Staff Supervisor- Operation Control Manager, Quality Controller, PRO
2. Line and Staff Organization is a compromise of line organization. It is more complex than line concern.
3. Division of work and specialization takes place in line and staff organization.
4. The whole organization is divided into different functional areas to which staffspecialists are attached.
5. Efficiency can be achieved through the features of specialization.
6. There are two lines of authority which flow at one time in a concern :a. Line Authorityb. Staff Authority
7. Power of command remains with the line executive and staff serves only ascounselors.

Merits of Line and Staff Organization

1. **Relief to line of executives-**
2. **Expert advice**
3. **Benefit of Specialization**
4. **Better co-ordination**
5. **Benefits of Research and Development**
6. **Training**
7. **Balanced decision**
8. **Unity of action**

Demerits of Line and Staff Organization

1. **Lack of understanding-**
2. **Lack of sound advice**
3. **Line and staff conflicts**
4. **Costly**
5. **Assumption of authority**
6. **Staff steals the show**

Peter Principle:

The Peter Principle is an observation that the tendency in most organizational hierarchies, such as that of a corporation, is for every employee to rise in the hierarchy through promotion until they reach a level of respective incompetence. In other words, a frontoffice secretary who is quite good at her job may thus be promoted to executive assistantto the CEO for which she is not trained or prepared for—meaning that she would be more productive for the company (and likely herself) if she had not been promoted.

According to the Peter Principle, every position in a given hierarchy will eventually befilled by employees who are incompetent to fulfill the job duties of their respectivepositions.

Parkinson's law:

It is the adage that "work expands so as to fill the time available for its completion".[1]It issometimes applied to the growth of bureaucracy in an organization.

Classical Management Theory:

Classical management theory involves creating multiple levels of workers to improveproductivity. Employees at the lowest levels find their tasks overseen by supervisorswho, in turn, are overseen by managers. At every level, employees are expected toperform tasks according to specific procedures designed to maximize productivity. Inaddition, this theory focuses on an impersonal side of business.

Employees and managers should not allow friendliness and personal interactions tobecome involved with the organization. Rules must be followed exactly, and the hiringand firing of employees must relate only to the skills they possess.

Pros and Cons of Classical Management Theory

Classical management theory is not used in many organizations because of itsshortcomings. While some components of the theory, such as designing procedures forcompleting a task and keeping personal issues out of business, help an organizationfocus on the job at hand, the theory fails to recognize the differences among employees.
When employee feelings and opinions are not taken into account, the business may notgrow or may experience high levels of employee turnover as employees fail to develop arelationship with the business and leave in search of a more satisfying job.

Human Relations Theory

Human relations theory, also known as behavioral management theory, focuses more onthe individuals in a workplace than the rules, procedures and processes. Instead ofdirectives coming directly from management, a human relations theory providescommunication between employees and managers, allowing them to interact with oneanother to help make decisions. Instead of giving workers quotas and requiring certainprocedures, workers are exposed to motivational and emotional tactics to get them toincrease productivity. The focus of this style is creating fulfilled, productive workers andhelping workers invest in a company.

Pros and Cons of Human Relations Theory

While many companies operate based on the human relations theory, this type ofmanagement has dangers. Companies risk workers becoming too social or easily swayedby personal emotions and opinions when making decisions, rather than relying on harddata. It may be more difficult to reprimand employees for poor performance or dismissthem once they have become invested in the company.

Despite these risks, human relations theory has the potential to increase employeeretention rates and productivity. As employees feel more valued by a company, theyinvest in that company and its greater good.

System Approach to Management:

Systems approach is based on the generalization that everything is inter-related and inter-dependent. A system is composed of related and dependent element which when in interaction, forms a unitary whole. A system is simply an assemblage or combination ofthings or parts forming a complex whole.

One its most important characteristic is that it is composed of hierarchy of sub-systems.

That is the parts forming the major system and so on. For example, the world can be considered-to be a system in which various national economies are sub-systems.

Features of Systems Approach:

(i) A system consists of interacting elements. It is set of inter-related and inter-dependent parts arranged in a manner that produces a unified whole.
(ii) The various sub-systems should be studied in their inter-relationships rather, than in isolation from each other.
(iii) An organisational system has a boundary that determines which parts are internal and which are external.
(iv) A system does not exist in a vacuum. It receives information, material and energy from other systems as inputs. These inputs undergo a transformation process within a system and leave the system as output to other systems.

Contingency Approach definition

The contingency approach is a management theory that suggests the most appropriate styleofmanagementisdependenton the contextofthesituation and that adopting a single, rigid style is inefficient in the long term. Contingency managers typically pay attention to both the situation and their own styles and make efforts to ensure both interactefficiently.

The contingency approach contrasts with otherformsofleadership, such as trait-basedmanagement, whereby personality and individual make-up predict patterns ofmanagement and responses to given situations over time. Another management approach is style-based app

Hawthorne Experiments

Some of the major phases of Hawthorne experiments are as follows: 1. Illumination

Experiments 2. Relay Assembly Test Room Experiments 3. Mass Interviewing

Programme 4. Bank Wiring Observation Room Experiment.

1. Experiments to determine the effects of changes in illumination on productivity, illumination experiments, 1924-27.

2. Experiments to determine the effects of changes in hours and other working conditionson productivity, relay assembly test room experiments, 1927-28;

3. Conducting plant-wide interviews to determine worker attitudes and sentiments, mass interviewing programme, 1928-30; and

4. Determination and analysis of social organisation at work, bank wiring observation room experiments, 1931-32.

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UNIT-II

Approaches to Strategic Decision Making

Strategic decision-making process is so strategic that each firm has its own approaches to these strategicdecision-making. Good many alternative approaches have come into practice because each firm isunique or strategic.

The differences mainly arise due to, the extent of formalisation of decision making process, move fromformalised and structured to informal and unstructured, process, managerial power relationship-fromthe dominant role of the strategist to dilution of different interest groups; nature of management-rangingfrom highly complex and variable to simple and stable; the philosophy of management-ranging fromhighly traditional to sophisticated ultramodern thinking and application.

Strategic decision making process is complex and intriguing. Various researchers and authors havestudied and described the manner in which such decision-making takes place. These different approacheshave also been categorised by a few authors.

A number of approaches have been put forward to clarify how strategic decisions are made.

They are:- 1. Rational-Analytical Approach 2. Entrepreneurial Approach 3. Intuitive-Emotional 4.

Adaptive Approach 5. Planning Approach 6. Political-Behavioural Approach 7. Administrative Approach8. Incremental Approach 9. Satisfying Approach 10. Combination Approach.

The following are the most common approaches:

1. Rational-analytical approach,
2. Intuitive-emotional approach,
3. Political-behavioural approach, and
4. Administrative approach

Approach # 1. Rational-Analytical Approach:

Rational-analytical approach assumes that the decision maker is a ‘unique actor who behaves intelligentlyand rationally’. He is fully aware of all available feasible alternatives and considers all the alternatives aswell as the consequences and chooses the alternative that secures the maximum gain.

Most managers like to think of themselves as rational decision-makers. And indeed, many experts arguethat managers should try to be as rational as possible in making decisions. It rests on the assumption thatmanagers are logical and rational and they make decisions that are in the best interests of theorganization.

This approach follows the process as:

(a) Decision makers have complete information about the decision situation and possible alternatives.

(b) They can effectively eliminate uncertainty to achieve a decision condition of certainty.

(c) They evaluate all aspects of the decision situation logically and rationally.

Approach # 2. Intuitive-Emotional:

Intuition is an innate belief about something without conscious consideration. Intuitive- emotionalapproach is opposed to rational decision-making. Managers sometimes decide to do something because itfeels “right”.

This feeling is not arbitrary but based on habit or experience, gut feeling, reflective thinking, and instinct,using the unconscious mental processes. An inner sense or emotion may help managers make anoccasional decision without going through a full- blown rational-sequence of steps. Intuitive decisionmaker considers a number of alternatives and options.

Proponents of this approach point out that, in many cases, judgment may lead to “better” decisions than“optimizing” techniques. In fact, the timing of when to implement a decision based on the analysis mayrequire an intuitive feel for what the data are telling you.

In many cases, judgment might be preferable to relying on the analysis. Of course, all managers but mostespecially inexperienced, should be careful not to rely too heavily on intuition.

Approach # 3. Political-Behavioural Approach:

This approach suggests that real decision makers must consider a variety of pressures from other peoplewho are affected by their decisions. An organization interacts with different stakeholders ininterdependent exchange relationships. A stakeholder is any group or individual who can affect or isaffected by the achievement of an organization’s purpose.

Unions exchange labour for decent wages and job security. Customers exchange money for products andservices. Owners exchange capital for expressed returns on investment. Suppliers exchange inputs formoney and on-going business. Governments exchange protection and economic security for taxes.

Even competitors exchange information with one another through trade associations or other contacts.

Each stakeholder gives the organization something and expects something in return. To the extent anorganization has a favorable exchange relationship compared with other organizations and stakeholders,it has more power.

Approach # 4. Administrative Approach:

Herbert A Simon was one of the first person to recognize that decisions are not always made withrationality and logic. His administrative model holds that managers- (i) have incomplete and imperfectinformation, (ii) are constrained by bounded rationality, and (iii) tried to satisfice when making decision.

Bounded rationality suggests that their values and unconscious reflexes, skills limit decision makers, andhabits; by less-than complete information and knowledge. Essentially, then the concept of boundedrationality suggests that although people try to be rational decision makers, their rationality has limits.

Open and Closed Systems of Decision Making:

1) In a system theory there is an active exchange between internal environment of the organization &external environment

2) All open system are input-throughput-output mechanisms. Systems take inputs from the inputsfrom environment in the form of energy, information, money, people, raw materials & so on.

They do something to the inputs via throughput, conversion or transformation processes thatchanges the inputs & they export products to the environment in the form of outputs.

3) Each of these three system processes must work well if the system is to be effective & survive.

4) Every system is delineated by a boundary. What is inside a boundary is the system & what isoutside is the boundary is the environment. Boundaries of open system are permeable, in that they

permit exchange of information, resources & energy between system & environment5) Open systems have purposes & goals. These purposes must align with purposes or needs in theenvironment. For example the organization's purposes will be reflected in the outputs & if theenvironment does not want these outputs, the organization will cease to exist.

6) The law of entropy states that al systems "run down" & disintegrates integrate unless they reverse the entropic process by importing more energy than they use. Organizations achievenegative entropy when they are able to exchange their outputs for enough inputs to keep the system from running down.

7) Information is important to systems in several ways. Feedback is information from theenvironment about system performance. System requires two types of feedback: positive &negative. Negative feedback is also known as deviation-correcting feedback8) An open system achieves a steady state of against a disruptive force, either internal or external.

The basic principle is the preservation of the character of the system.

9) Also a system tend to get more elaborated, differentiated, specialised & complex over time.;this process is called as "differentiation". With increased differentiation, increased integration & coordination are necessary.

10) Another characteristic of the open system is equinfinality, the principle that there are multiple ways to arrive at a particular outcome or state.

11) Subsystems exist within larger systems. These subsystems can be arranged into a hierarchy ofsystems moving from less important to more important.

<u>Types and steps in Planning:</u>

Organizational planning is the process of defining a company's reason for existing, setting goals aimed atrealizing full potential, and creating increasingly discrete tasks to meet those goals.

Each phase of planning is a subset of the prior, with strategic planning being the foremost.

There are four phases of a proper organizational plan: strategic, tactical, operational, and contingency. Eachphase of planning is a subset of the prior, with strategic planning being the foremost.

Types of Organizational Planning

Strategic

A strategic plan is the company's big picture. It defines the company's goals for a set period of time, whetherthat's one year or ten, and ensures that those goals align with the company's mission, vision, and values.

Strategic planning usually involves top managers, although some smaller companies choose to bring all oftheir employees along when defining their mission, vision, and values.

Tactical

The tactical strategy describes how a company will implement its strategic plan. A tactical plan is composedof several short-term goals, typically carried out within one year, that support the strategic plan. Generally, it’s the responsibility of middle managers to set and oversee tactical strategies, like planning and executing amarketing campaign.

Operational

Operational plans encompass what needs to happen continually, on a day-to-day basis, in order to executetactical plans. Operational plans could include work schedules, policies, rules, or regulations that setstandards for employees, as well as specific task assignments that relate to goals within the tactical strategy,such as a protocol for documenting and addressing work absences.

Contingency

Contingency plans wait in the wings in case of a crisis or unforeseen event. Contingency plans cover a rangeof possible scenarios and appropriate responses for issues varying from personnel planning to advancedpreparation for outside occurrences that could negatively impact the business. Companies may havecontingency plans for things like how to respond to a natural disaster, malfunctioning software, or thesudden departure of a C-level executive.

Authority:

AUTHORITY, CONTROL, INFLUENCE denote a power or right to direct the actions or thoughts of others. AUTHORITY is a power or right, usually because of rank or office, to issue commands and to punish for violations: *to have authority over subordinates.* CONTROL is either power or influence applied to the complete and successful direction or manipulation of persons or things: *to be in control of a project.* INFLUENCE is a personal and unofficial power derived from deference of others to one's character, ability, or station; it may be exerted unconsciously or may operatethrough persuasion: *to have influence over one's friends.*

Responsibility:

The term responsibility has two different senses in management literature. Some writers explain it as aduty or task which assigned to a subordinate on the basis of his position in the organization.

Responsibility is also the obligation of an individual to perform the duty or task assigned to him.

Responsibility refers to an obligation to perform certain functions in order to achieve certain results.

Following are the main characteristics or features of responsibility:

1. An organization can assign responsibility to human beings only and not to any non-living objectssuch as a machine, equipment, etc.
2. It arises from a superior-subordinate relationship. A senior possesses the authority to get the requiredtask done from his subordinates. Thus, for this purpose, he assigns duties to subordinates. Thesubordinates are under a duty to perform the work assigned to them.
3. The management can confine it to the performance of a single function or can be a continuingobligation.

1. We can also define it in terms of functions, targets or goals. When responsibility is expressed in termsof targets, it enables the subordinates to know by what standards their performance shall be evaluated.
2. The core of responsibility is the obligation of a subordinate to perform the duty or task which thesuperior assigns to him.
3. Responsibility is coextensive with authority. When a superior delegates authority to his subordinate,the latter becomes responsible to the former for the performance of the task and also for proper use ofauthority. Thus, responsibility is a derivative of authority.
4. Responsibility is absolute and one cannot delegate it. A subordinate to whom his superior assigns atask, may himself perform it or may get it done from his own subordinate. But, in both cases, he shallonly remain responsible to his superior.
5. It always flows upward. A subordinate will only be always responsible to his superior.
6. Accountability arises out of responsibility. The person who accepts responsibility is also accountablefor his performance. However, the management can use various techniques to define responsibilitiesin order to involve members of an organization in its coordination effort.

Centralization and Decentralization:

Centralization and Decentralization are two modes of working in any organization. In centralization, there isa hierarchy of formal authority for making all the important decision for the organization.

And in decentralization decision making is left for the lower level of organization. Let us learn the differencebetween centralization and decentralization in detail with their advantages and other factors.

Centralization and Decentralization

A simple way to understand if an organization is working in a centralized or decentralized manner is bylooking at two important aspects:

1. The place of the decision-making authority in the hierarchy of the management i.e. Centralized.
2. The degree of decision-making power at the lower echelons in the organization i.e. Decentralized.

An organization has a greater degree of decentralization if the number of decisions made and functionsaffected at the lower level are higher.

Further, while decentralization and delegation of authority might seem similar, you must not confuse onewith another. A decentralized way of working is more about the philosophy of the organization.

Unlike delegation, it is not just about handing over a part of the authority to a subordinate but a way of approaching the decision-making process in the organization.

Decentralization is a choice, while delegation is a must. Let’s take a quick look at the advantages ofcentralization and decentralization:

Advantages of Centralization

- The organization can strictly enforce uniformity of procedures and policies.
- It can help in the elimination of overlapping or duplicate activities and save costs.
- The organization has a better chance of utilizing the potential of its outstanding employees.
- It offers a better control over the activities of the organization by ensuring consistencyin operations and uniformity in decision-making.

Advantages of Decentralization

- Faster decision-making and better quality of decisions
- Improves the effectivity of managers.
- Offers a democratic environment where employees can have a say in their governance.
- Provides good exposure to mid and lower-level managers and creates a pool of promotable manpowerwith managerial skills.
- Since managers can see the results of their own actions, they are more driven and have improvedmorales.

Both centralization and decentralization have their own advantages and disadvantages. Even if anorganization is working in a decentralized manner, some functions are usually centralized.

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Psychological contracts are a set of 'promises' or 'expectations' that are exchanged between the parties inan employment relationship. These parties include employers, managers, individual employees and theirwork colleagues. Unlike formal contracts of employment, they are often tacit or implicit. They tend to beinvisible, assumed, unspoken, informal or at best only partially vocalised. Because of this, you have tomake a determined effort to find out what they are.

The psychological contract refers to the unwritten set of expectations of the employment relationship asdistinct from the formal, codified employment contract. Taken together, the psychological contract andthe employment contract define the employer-employee relationship.

Personality Traits-Big 5 Traits:

There are many ways to measure personality, but psychologists have mostly given up on trying to dividehumanity neatly into types. Instead, they focus on personality traits.

The most widely accepted of these traits are the Big Five:

- Openness
- Conscientiousness
- Extraversion
- Agreeableness
- Neuroticism

Conveniently, you can remember these traits with the handy OCEAN mnemonic (or, if you prefer,CANOE works, too).

The Big Five were developed in the 1970s by two research teams. These teams were led by Paul Costaand Robert R. McCrae of the National Institutes of Health and Warren Norman and Lewis Goldberg ofthe University of Michigan at Ann Arbor and the University of Oregon, according to ScientificAmerican.

The Big Five are the ingredients that make up each individual's personality. A person might have a dashof openness, a lot of conscientiousness, an average amount of extraversion, plenty of agreeableness andalmost no neuroticism at all. Or someone could be disagreeable, neurotic, introverted, conscientious andhardly open at all. Here's what each trait entails:

Openness

Openness is shorthand for "openness to experience." People who are high in openness enjoy adventure.

They're curious and appreciate art, imagination and new things. The motto of the open individual mightbe "Variety is the spice of life."

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

Conscientiousness

People who are conscientious are organized and have a strong sense of duty. They're dependable,disciplined and achievement-focused. You won't find conscientious types jetting off on round-the-worldjourneys with only a backpack; they're planners.

Extraversion

Extraversionversusintroversion is possibly the most recognizable personality trait of the Big Five. Themore of an extravert someone is, the more of a social butterfly they are. Extraverts are chatty, sociableand draw energy from crowds. They tend to be assertive and cheerful in their social interactions.

Agreeableness

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

Men who are high in agreeableness arejudgedtobebetterdancersby women, suggesting that bodymovement can signal personality.

Neuroticism

To understand neuroticism, look no further than George Costanza of the long-running sitcom "Seinfeld."George is famous for his neuroses, which the show blames on his dysfunctional parents. He worriesabout everything, obsesses over germs and disease and once quits a job because his anxiety over nothaving access to a private bathroom is too overwhelming.

MBTI Inventory:

The purpose of the Myers-Briggs Type Indicator® (MBTI®) personality inventory is to make the theory ofpsychological types described by C. G. Jung understandable and useful in people's lives. The essence ofthe theory is that much seemingly random variation in the behavior is actually quite orderly andconsistent, being due to basic differences in the ways individuals prefer to use their perception andjudgment.

"Perception involves all the ways of becoming aware of things, people, happenings, or ideas. Judgmentinvolves all the ways of coming to conclusions about what has been perceived. If people differsystematically in what they perceive and in how they reach conclusions, then it is only reasonable forthem to differ correspondingly in their interests, reactions, values, motivations, and skills."

The goal of the MBTI is to allow respondents to further explore and understand their own personalitiesincluding their likes, dislikes, strengths, weaknesses, possible career preferences, and compatibility withother people.

No one personality type is "best" or "better" than another. It isn't a tool designed to look for dysfunctionor abnormality. Instead, its goal is simply to help you learn more about yourself. The questionnaire itselfis made up of four different scales.

Extraversion (E) – Introversion (I)

Theextraversion-introversion dichotomy was first explored by Jung in histheoryofpersonalitytypesasa way to describe how people respond and interact with the world around them. While these terms arefamiliar to most people, the way in which they are used in the MBTI differs somewhat from their popularusage.

Extraverts (also often spelled extroverts) are "outward-turning" and tend to be action-oriented, enjoymore frequent social interaction, and feel energized after spending time with other people. Introverts are"inward-turning" and tend to be thought-oriented, enjoy deep and meaningful social interactions, and feelrecharged after spending time alone.

Sensing (S) – Intuition (N)

This scale involves looking at how people gather information from the world around them. Just like withextraversion and introversion, all people spend some time sensing and intuiting depending on thesituation. According to the MBTI, people tend to be dominant in one area or the other.

People who prefer sensing tend to pay a great deal of attention to reality, particularly to what they canlearn from their own senses. They tend to focus on facts and details and enjoy getting hands-onexperience. Those who prefer intuition pay more attention to things like patterns and impressions. Theyenjoy thinking about possibilities, imagining the future, and abstract theories.

Thinking (T) – Feeling (F)

This scale focuses on how people make decisions based on the information that they gathered from theirsensing or intuition functions. People who prefer thinking place a greater emphasis on facts and objectivedata.

They tend to be consistent, logical, and impersonal when weighing a decision. Those who prefer feelingare more likely to consider people and emotions when arriving at a conclusion.

Judging (J) – Perceiving (P)

The final scale involves how people tend to deal with the outside world. Those who lean toward judgingprefer structure and firm decisions. People who lean toward perceiving are more open, flexible, andadaptable. These two tendencies interact with the other scales.

Remember, all people at least spend some time extraverting. The judging-perceiving scale helps describewhether you extravert when you are taking in new information (sensing and intuiting) or when you aremaking decisions (thinking and feeling).

The MBTI Types

Each type is then listed by its four-letter code:

- ISTJ- TheInspector
- ISTP- TheCrafter
- ISFJ- TheProtector
- ISFP- TheArtist
- INFJ- TheAdvocate
- INFP- TheMediator
- INTJ- TheArchitect
- INTP- TheThinker
- ESTP- ThePersuader
- ESTJ- TheDirector
- ESFP- ThePerformer
- ESFJ- TheCaregiver
- ENFP- TheChampion
- ENFJ- TheGiver
- ENTP- TheDebater
- ENTJ- TheCommander

Taking the Myers-Briggs Type Indicator can provide a lot of insight into your personality, which isprobably why the instrument has become so enormously popular. Even without taking the formalquestionnaire, you can probably immediately recognize some of these tendencies in yourself.

Perceptual Distortion and Errors:

Perceptual distortions are incorrect understanding or abnormal interpretation of a **perceptual** experience. A **perceptual distortion** occurs when a persons responses to stimuli varies from how it is commonly perceived.

A **perceptual error** is the inability to judge humans, things or situations fairly and accurately. Examplescould include such things as bias, prejudice, stereotyping, which have always caused human beings to errin different aspects of their lives.

Perceptual error has strong impact in organisation and it hampers in proper decision making skill whilehiring,performance appraisal,review,feedback etc

There are many types of perceptual errors in workplace

1.**Selective Perception-**People generally interpret according to their basis of interests,idea andbackgrounds.It is the tendency not to notice and forget the stimuli that cause emotional discomfort.Forexample we might think that fresher graduates with above 80 % marks will exceptionally do well intechnical interviews of respective subjects

2.**Halo Effect-**We misjudge people by concentrating on one single behavior or trait.It has deep impactand give inaccurate result most of the time.For example we always have an impression of a lazy personcan never be punctual in any occasion.

3.**Stereotypes-**We always have a tendency to classify people to a general groups /categories in order tosimplify the matter.For example-Women are always good homemakers and can do well in work lifebalance

4.**Contrast Effect-**We again sometimes judge people in comparison to others . This example generallyfound in sports,academics and performance review

5.**Projection-**This is very common among Perceptual errors.Projection of one's own attitude,personalityor behavior into some other person.For example- To all honest people,everybody is honest.

6.**Impression-**We all know the term "first impression is the last impression" and we apply that too .Forexample-During the time of hiring, thought like this "The most decent and modest person in the interviewcan do very well in every roles and responsibilities " always arise.

Strategies for Improving Perceptual Skills: 7 Strategies

1. Knowing Oneself Accurately: One of the powerful ways to minimize perceptual distortions is toknow yourself.
2. Emphathize with Others:
3. Have a Positive Attitude:
4. Postpone Impression Formation:
5. Communicating Openly:
6. Comparing One's Perceptions with that of Others:
7. Introducing Diversity Management Programs

Kelly's personal construct theory :

This theory suggested that the differences between people result from the different ways that we predictand interpret events in the world around us.

Personal constructs, he suggested, were the ways that each person gathers information, evaluates it, and develops interpretations.

Kelly believed that the process of using constructs works in much the same way that a scientist utilizes atheory. First, we begin by hypothesizing that a particular construct will apply to a particular event.

We then test this hypothesis by applying the construct and predicting the outcome. If our prediction iscorrect, then we know that the construct is useful in this situation and we retain it for future use.

Motivation Theories:

We can distinguish between **content**and **process**motivation theories. Content theories focus on WHAT,while process theories focus on HOW human behaviour is motivated. Content theories are the earliesttheories of motivation. Within the work environment they have had the greatest impact on managementpractice and policy, whilst within academic circles they are the least accepted. Content theories are alsocalled needs theories: they try to identify what our needs are and relate motivation to the fulfilling ofthese needs. The content theories cannot entirely explain what motivate or demotivate us. Processtheories are concerned with “*how*” motivation occurs, and what kind of process can influence ourmotivation.

The **main content theories** are: Maslow's needs hierarchy, Alderfer's ERG theory, McClelland's achievement motivation and Herzberg's two-factor theory.

The **main process theories** are: Skinner's reinforcement theory, Victor Vroom's expectancy theory,Adam's equity theory and Locke's goal setting theory (Figure 1).

No single motivation theory explains all aspects of people's motives or lack of motives. Each theoretical explanation can serve as the basis for the development of techniques for motivating.

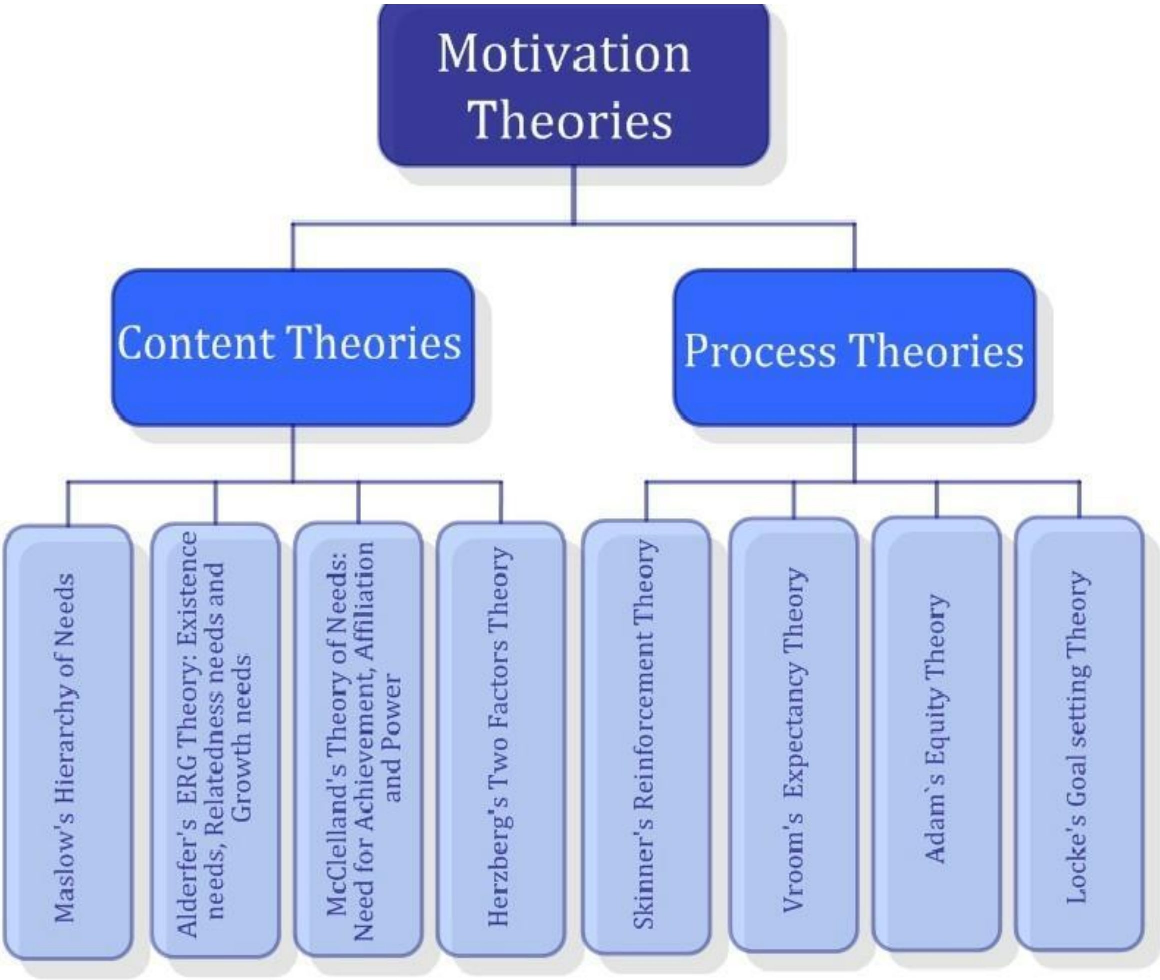


Figure 1. Motivation theories (Source: Author's own figure)

Maslow – hierarchy of needs

This is the earliest and most widely known theory of motivation, developed by Abraham Maslow (1943) in the 1940s and 1950s.

Maslow's hierarchy of needs is often shown in the shape of a pyramid: basic needs at the bottom andthe most complex need (need for self-actualization) at the top. Maslow himself has never drawn apyramid to describe these levels of our needs; but the pyramid has become the most known way torepresent his hierarchy.

Figure 2. Maslow's Hierarchy of Needs (Source: Author's own figure)

Alderfer – ERG theory: Existence needs, relatedness needs and growth needs

Alderfer (Furnham, 2008) distinguished three steps or classes of needs: *existence, relatedness andgrowth*. Maslow's physiological and safety needs belong together to existence needs. Relatedness can beharmonised to belongingness and esteem of others. Growth is the same as Maslow's self-esteem plusself-actualization. Both Maslow and Alderfer tried to describe how these needs, these stages of needsbecome more or less important to individuals.

• **Existence needs:** These include needs for basic material necessities. In short, it includes an individual's physiological and physical safety needs.

• **Relatedness needs:** Individuals need significant relationships (be with family, peers or superiors),love and belongingness, they strive toward reaching public fame and recognition. This class of needscontain Maslow's social needs and external component of esteem needs.

• **Growth needs:** Need for self-development, personal growth and advancement form together thisclass of need. This class of needs contain Maslow's self-actualization needs and intrinsic component ofesteem needs.

McClelland – Need for achievement, affiliation and power

In the early 1960s McClelland – built on Maslow's work – described three human motivators.

McClelland (Arnold et al., 2005) claimed that humans acquire, learn their motivators over time that is thereason why this theory is sometimes called the '*Learned Needs Theory'*. He affirms that we all have threemotivating drivers, and it does not depend on our gender or age. One of these drives or needs will bedominant in our behaviour.

McClelland's theory differs from Maslow's and Alderfer's, which focus on satisfying existing needsrather than creating or developing needs. This dominant motivator depends on our culture and lifeexperiences, of course (but the three motivators are permanent). The three motivators are:

• *achievement*: a need to accomplish and demonstrate competence or mastery

• *affiliation*: a need for love, belonging and relatedness

• *power*: a need for control over one's own work or the work of others

Herzberg – Two factor theory

It is also called motivation-hygiene theory.

Opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. According to Herzberg (1987) the job satisfiers deal with the factors involved in doing the job, whereas the job dissatisfiers dealwith the factors which define the job context.

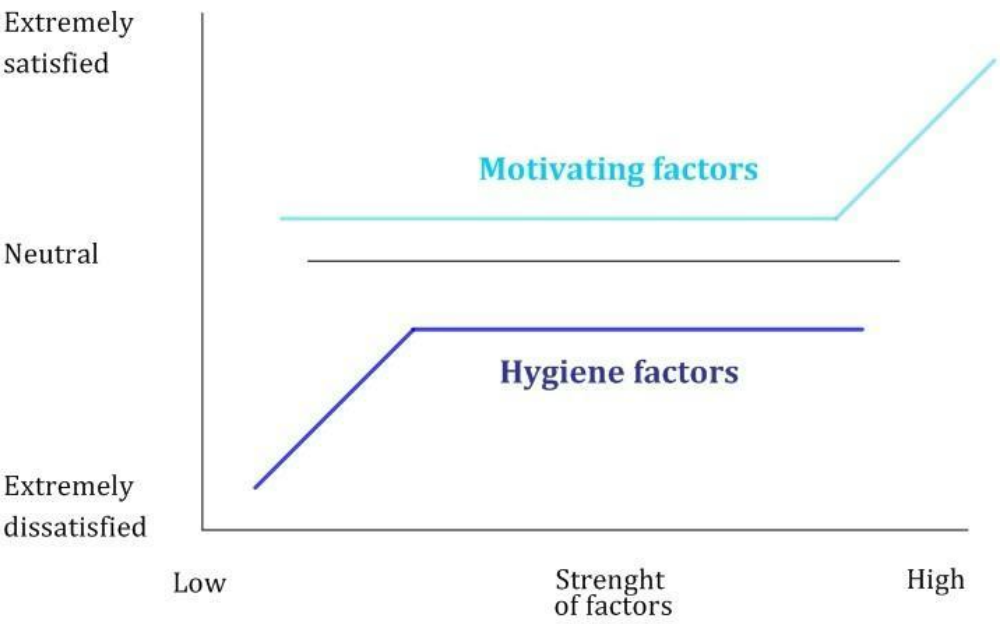


Figure 3. Herzberg's Two Factor Theory (Source: Author's own figure)

Table 1. Herzberg's Two Factory Theory (Source: Author's own table)

Dissatisfaction – Low level	
No dissatisfaction-High level	Hygiene factors
No satisfaction – Low level	
Satisfaction – High level	Motivating factors

Herzberg's five factors of job satisfaction (motivating factors):

• *achievement*

• *recognition*

• *work itself*

• *responsibility*

• *advancement*

Only these factors can motivate us. But at the same time we need the lack of dissatisfactions (we need hygiene factors, "*workpeace*") to achieve more efficient work.

Herzberg's five factors of job dissatisfaction (hygiene factors – deficiency needs):• *company policy and administration*

• *supervision*

• *salary*

• *interpersonal relationships*

• *working conditions*

Vroom's expectancy theory

The expectancy theory places an emphasis on the process and on the content of motivation as well,and it integrates needs, equity and reinforcement theories.

Victor Vroom's (1964) expectancy theory aims to explain how people choose from the availableactions. Vroom defines motivation as a process that governs our choices among alternative forms ofvoluntary behaviour. The basic rationale of this theory is that motivation stems from the belief thatdecisions will have their desired outcomes.

The motivation to engage in an activity is determined by appraising three factors. These three factors are the following :

• **Expectancy** – a person's belief that more effort will result in success. If you work harder, it will result in better performance.

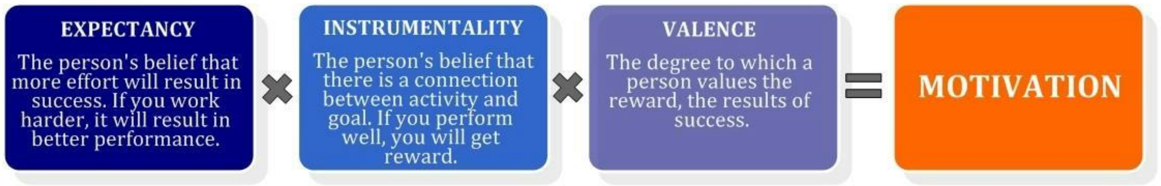
In this case the question is: "*Am I capable of making a good grade on a math test if I learnmore?"*Appraisal of this factor is based on the effort to learn math, on knowledge of math, on theprevious experience of math test results, on self-efficacy and specific self-rated abilities.

• **Instrumentality** – the person's belief that there is a connection between activity and goal. If you perform well, you will get reward.

In this case the question is that: "*Will I get the promised reward (a good mark) for performing well ona math test?*" Appraisal of this factor is based on the accuracy and consistency of marking. If one day Iget a good grade and another day I get a bad grade for the same performance, then the motivation willdecrease.

• **Valence** – the degree to which a person values the reward, the results of success.

In this case the question is that: "*Do I value the reward that I get?*" Appraisal of this factor is based on the importance of its subject (math), the good mark, and the good performance in general.



A person who doesn't see the connection between effort and performance will have zero expectancy. A person who can't perceive the link between performance and reward will have zero instrumentality. For a person who doesn't value the anticipated outcome, reward will have zero valence.

Adams' equity theory

The equity theory states that people are motivated if they are treated equitably, and receive what they consider fair for their effort and costs.

The theory was suggested by Adams (1965) and is based on Social Exchange theory.

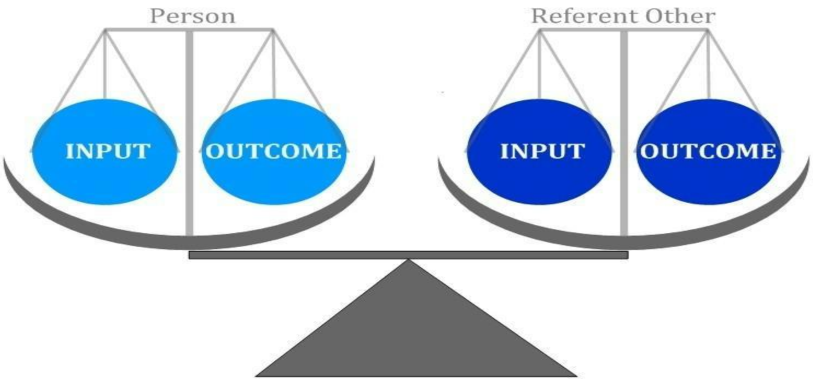


Figure 5. Adams' equity theory (Source: Author's own figure)

At the workplace the workers put inputs into the job, such as education, experience, effort, energy,and expect to get some outcomes such as salary, reward, promotion, verbal recognition, and interestingand challenging work each in equal amounts (Figure 6).

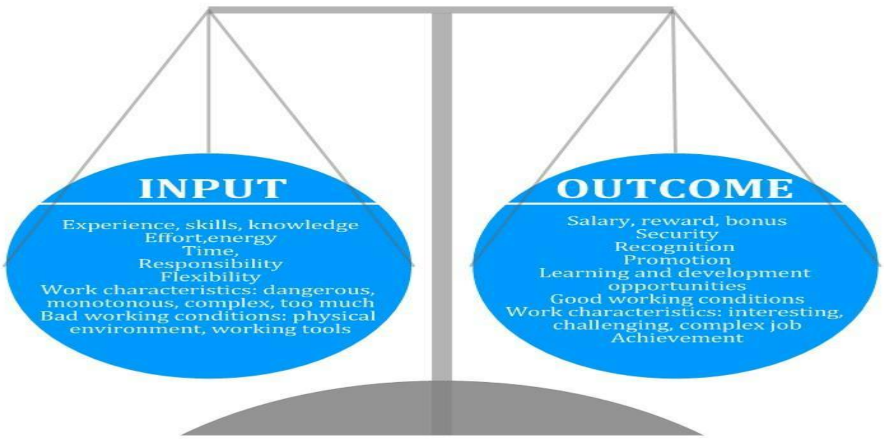


*Figure 6. Examples for the inputs and outcomes in the equity theory (Source: Author's own figure)*The equity theory works not just in the workplace, but at school as well. For example, when for thesame oral exam performance two students get different marks, then inequity exists. In this case, thestudent who gets the worse mark may lose his/her motivation to learn (reduce his/her efforts), or persuadethe teacher to give him/her a better mark, or change the perception of the reference person's performance("*I did not know everything, but my classmate could answer all the questions*"). At the school it candemotivate students if someone who never studies or who never performs better than the others alwaysgets good mark. The greater the inequity the greater the distress an individual feels, which will motivatethe endeavour to make the outcomes and the inputs equal compared to the reference person.

When inequity exists, a person might…

• *reduce his/her inputs, efforts, quantity or quality of his/her work*

• *try to increase his/her outputs* (ask for better mark, or pay raising)

• *adjust his/her perception of reference person or his/her outcomes or inputs* (re-evaluate his/her or the reference person's effort or outcome)

• *change the reference person*

• *quit the situation.*

The problem with equity theory is that it does not take into account differences in individual needs,values, and personalities. For example, one person may perceive a certain situation as inequitable whileanother does not. Nevertheless ensuring equity is essential to motivation.

R.G. KEDIA COLLEGE OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

SUBJECT SYNOPSIS

MANAGEMENT AND ORGANIZATION BEHAVIOUR

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UNIT-IV

Five Models of Organisational Behaviour

The five models of organisational behaviour are the:

- Autocratic model,
- Custodial model,
- Supportive model,
- Collegial model and
- System model.

Autocratic model

Autocratic model is the model that depends upon strength, power and formal authority.

In an autocratic organisation, the people (management/owners) who manage the tasks in an organisationhave formal authority for controlling the employees who work under them. These lower-level employeeshave little control over the work function. Their ideas and innovations are not generally welcomed, as thekey decisions are made at the top management level.

The guiding principle behind this model is that management/owners have enormous business expertise,and the average employee has relatively low levels of skill and needs to be fully directed and guided.

This type of autocratic management system was common in factories in the industrial revolution era.

Custodial model

The custodial model is based around the concept of providing economic security for employees – throughwages and other benefits – that will create employee loyalty and motivation.

In some countries, many professional companies provide health benefits, corporate cars, financialpackaging of salary, and so on – these are incentives designed to attract and retain quality staff.

The underlying theory for the organisation is that they will have a greater skilled workforce, moremotivated employees, and have a competitive advantage through employee knowledge and expertise.

Supportive model

Unlike the two earlier approaches, the supportive model is focused around aspiring leadership.

It is not based upon control and authority (the autocratic model) or upon incentives (the custodial model),but instead tries to motivate staff through the manager-employee relationship and how employees aretreated on a day-to-day basis.

Quite opposite to the autocratic model, this approach states that employees are self-motivated and havevalue and insight to contribute to the organisation, beyond just their day-to-day role.

Collegial model

The collegial model is based around teamwork – everybody working as colleagues (hence the name ofthe model).

The overall environment and corporate culture need to be aligned to this model, where everybody isactively participating – is not about status and job titles – everybody is encouraged to work together tobuild a better organisation.

The role of the manager is to foster this teamwork and create positive and energetic workplaces. In muchregard, the manager can be considered to be the "coach" of the team. And as coach, the goal is to makethe team perform well overall, rather than focus on their own performance, or the performance of keyindividuals.

The collegial model is quite effective in organisations that need to find new approaches – marketingteams, research and development, technology/software – indeed anywhere the competitive landscape isconstantly changing and ideas and innovation are key competitive success factors.

System model

The final organisational model is referred to as the system model.

This is the most contemporary model of the five models discussed in this article. In the system model, theorganisation looks at the overall structure and team environment, and considers that individuals havedifferent goals, talents and potential.

The intent of the system model is to try and balance the goals of the individual with the goals of theorganisation.

Individuals obviously want good remuneration, job security, but also want to work in a positive workenvironment where the organisation adds value to the community and/or its customers.

Transactional Analysis:

Transactional Analysis (TA) is a psychological theory, developed by Eric Berne in the 1960s, that helpsexplain why we think, act and feel the way we do.

TA claims that we can better understand ourselves by **analyzing our transactions** with the people closestto us. Transaction = conversation/interaction between two people.

TA is most effective for understanding: 1) transactions with **people you're close** to, not colleagues oracquaintances and 2) transactions about **sensitive, important topics** such as sex, money, jealousy…prettymuch anything that's triggering, i.e. causes a deep-rooted emotional reaction in you or the other person.

TA is based on 3 principles:

- We all have **three 'ego states**' (Parent, Adult, and Child)
- We all have **transactions** (with other people, or internally with ourselves)
- We all (unconsciously) **activate our ego states** in our transactions, which can lead to conflict,negative emotions, pain, etc.

Basically, transactional analysis is about identifying which ego states are present in your transactions sothat you can become more conscious of your thoughts and behaviors, and ultimately have better, moreconstructive transactions with the people closest to you.

Ego states: Parent, Adult & Child

We all have all three ego states: Parent, Adult, and Child. These ego states are made up of consistentfeelings and behaviors. *Ego states aren't always negative, see below.

These ego states are being activated all the time, whether we're aware of it or not:

Parent (rooted in the past) — Contains the attitudes, feelings, and behavior incorporated from ourparents (or any primary caregiver). It involves responding as one of our parents would have: saying whatthey would have said, feeling what they would have felt, behaving how they would have behaved.

- *nurturing parent:* caring, loving, helping
- *controlling parent:* criticizing, reprimanding, censoring, punishing, etc.

Adult (rooted in the present) — Our ability to think and act based on what's happening in the here andnow. Think of transactions you have with colleagues or acquaintances. These are usually prettystraightforward, without a lot of emotional triggers.

- A good way to know if your Adult ego state is activated is to examine whether yourquestions/comments are fueled by compassion and curiosity, or the desire to blame, criticize or provea point.

Child (rooted in the past) — Contains the thoughts, feelings, and behaviors that we experienced as achild.

- *natural child*: curious, creative, open, loving
- *adaptive child*: guilty, afraid, depressed, anxious, envious, prideful, trying to please everyone…youget the picture.

<u>The Johari Window Model</u>

The Johari window model is used to enhance the individual's perception on others. This model is basedon two ideas- trust can be acquired by revealing information about you to others and learning yourselvesfrom their feedbacks. Each person is represented by the Johari model through four quadrants or windowpane. Each four window panes signifies personal information, feelings, motivation and whether thatinformation is known or unknown to oneself or others in four viewpoints.

The Johari Window Model

The Johari Window Model

The method of conveying and accepting feedback is interpreted in this model. A Johari is represented asa common window with four panes. Two of these panes represent self and the other two represent thepart unknown to self but to others. The information transfers from one pane to the other as the result ofmutual trust which can be achieved through socializing and the feedback got from other members of the group.

1. **Open/self-area or arena** – Here the information about the person his attitudes, behaviour, emotions,feelings, skills and views will be known by the person as well as by others. This is mainly the area whereall the communications occur and the larger the arena becomes the more effectual and dynamic therelationship will be. 'Feedback solicitation' is a process which occurs by understanding and listening tothe feedback from another person. Through this way the open area can be increased horizontallydecreasing the blind spot. The size of the arena can also be increased downwards and thus by reducingthe hidden and unknown areas through revealing one's feelings to other person.

2. **Blind self or blind spot** – Information about yourselves that others know in a group but you will beunaware of it. Others may interpret yourselves differently than you expect. The blind spot is reduced foran efficient communication through seeking feedback from others.

3. **Hidden area or façade** – Information that is known to you but will be kept unknown from others. Thiscan be any personal information which you feel reluctant to reveal. This includes feelings, pastexperiences, fears, secrets etc. we keep some of our feelings and information as private as it affects therelationships and thus the hidden area must be reduced by moving the information to the open areas.

4. **Unknown area** – The Information which are unaware to yourselves as well as others. This includesthe information, feelings, capabilities, talents etc. This can be due to traumatic past experiences or events

which can be unknown for a lifetime. The person will be unaware till he discovers his hidden qualitiesand capabilities or through observation of others. Open communication is also an effective way todecrease the unknown area and thus to communicate effectively.

Group Dynamics:

Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamicsconcern how groups form, their structure and process, and how they function. Group dynamics arerelevant in both formal and informal groups of all types. In an organizational setting, groups are a verycommon organizational entity and the study of groups and group dynamics is an important area of studyin organizational behavior.

GROUP TYPES

One common way to classify group is by whether they are formal or informal in nature. Formal workgroups are established by an organization to achieve organizational goals. Formal groups may take theform of command groups, task groups, and functional groups.

COMMAND GROUPS.

Command groups are specified by the organizational chart and often consist of a supervisor and thesubordinates that report to that supervisor. An example of a command group is an academic departmentchairman and the faculty members in that department.

TASK GROUPS.

Task groups consist of people who work together to achieve a common task. Members are broughttogether to accomplish a narrow range of goals within a specified time period. Task groups are alsocommonly referred to as task forces. The organization appoints members and assigns the goals and tasksto be accomplished. Examples of assigned tasks are the development of a new product, the improvementof a production process, or the proposal of a motivational contest. Other common task groups are ad hoccommittees, project groups, and standing committees. Ad hoc committees are temporary groups createdto resolve a specific complaint or develop a process. Project groups are similar to ad hoc committees andnormally disband after the group completes the assigned task. Standing committees are more permanentthan ad hoc committees and project groups. They maintain longer life spans by rotating members into thegroup.

FUNCTIONAL GROUPS.

A functional group is created by the organization to accomplish specific goals within an unspecified timeframe. Functional groups remain in existence after achievement of current goals and objectives.

Examples of functional groups would be a marketing department, a customer service department, or anaccounting department.

In contrast to formal groups, informal groups are formed naturally and in response to the commoninterests and shared values of individuals. They are created for purposes other than the accomplishmentof organizational goals and do not have a specified time frame. Informal groups are not appointed by theorganization and members can invite others to join from time to time. Informal groups can have a stronginfluence in organizations that can either be positive or negative. For example, employees who form aninformal group can either discuss how to improve a production process or how to create shortcuts thatjeopardize quality. Informal groups can take the form of interest groups, friendship groups, or referencegroups.

INTEREST GROUPS.

Interest groups usually continue over time and may last longer than general informal groups. Members ofinterest groups may not be part of the same organizational department but they are bound together bysome other common interest. The goals and objectives of group interests are specific to each group andmay not be related to organizational goals and objectives. An example of an interest group would bestudents who come together to form a study group for a specific class.

FRIENDSHIP GROUPS.

Friendship groups are formed by members who enjoy similar social activities, political beliefs, religiousvalues, or other common bonds. Members enjoy each other's company and often meet after work toparticipate in these activities. For example, a group of employees who form a friendship group may havean exercise group, a softball team, or a potluck lunch once a month.

REFERENCE GROUPS.

A reference group is a type of group that people use to evaluate themselves. According to Cherrington,the main purposes of reference groups are social validation and social comparison. Social validationallows individuals to justify their attitudes and values while social comparison helps individuals evaluatetheir own actions by comparing themselves to others. Reference groups have a strong influence onmembers' behavior. By comparing themselves with other members, individuals are able to assess whethertheir behavior is acceptable and whether their attitudes and values are right or wrong. Reference groupsare different from the previously discussed groups because they may not actually meet or form voluntarily. For example, the reference group for a new employee of an organization may be a group ofemployees that work in a different department or even a different organization. Family, friends, andreligious affiliations are strong reference groups for most individuals.

Conflict in Groups:

Types of Team Conflict: Intragroup Conflict:

There are two main types of intragroup conflict: **task conflict and relationship conflict**.

Task conflicts occur due to differing aims or an inability to meet the group's standards, while relationshipconflicts involve issues relating to personal views, attitudes, beliefs, and personality traits. Relationshipconflicts are usually more deep-seated and harder to diffuse.

According to studies, **conflict commonly occurs between an employee and their manager** so it could

be that staff disagree with your leadership or are dissatisfied with the level of support and resources youprovide. But maybe you're following orders from higher-ups, which can make the situation difficult tohandle.

Types of Team Conflict: Intergroup Conflict

Intergroup conflicts are not usually due to personal reasons; they often stem from disagreements overhow groups carry out work activities or the requests they make to other teams. It may even be a result ofcompetitiveness. Other times, individual people in the group initiated the conflict, and other teammembers simply follow suit.

Resolving Intragroup and Intergroup Conflict

When trying to resolve an intragroup or intergroup conflict, pleasing everyone can feel impossible. Oncea team of people hold a certain viewpoint or have a preference for the way something's done, it's difficultto challenge. This is why you should aim to resolve conflicts through a **compromise** that suits themajority.

The first approach for achieving this is usually to have an informal discussion. But when a number ofpeople are involved, this is unlikely to be sufficient. Certain forms of ADR are more suitable, and it's upto you to assess the situation and decide what option is best.

Ways to deal with group conflict include:

- **Mediation**. It is ideal if you want to keep the situation informal and for people to be activelyinvolved in reaching a compromise. Either you or an external mediator will get people to listenand open up about issues. But be aware that you need training in conflict management andmediation to effectively do this.
- **Arbitration**. This is a more formal approach that involves an arbitrator assessing evidence andreaching a legally-binding decision. Trained arbitrators are experienced in handling casesobjectively and reaching a fair resolution. But because people don't talk through differences,relationships may not be repaired as effectively as they would through mediation.
- **Arbitration is generally better suited to large group conflicts**, but mediation can work equallywell with multiple mediators.
- **Promote a workplace culture of openness** where people feel free to share complaints aboutindividuals or a team without retribution. Otherwise, issues behind the scenes lead to the qualityof work dropping while you struggle to understand why.

Leadership: The ability to influence a group toward the achievement of goals.

. Leadership plays a central part in understanding group behavior.

. There are many definitions of leadership and various theories have been proposed

LEADERSHIP THEORIES….

Trait Theories

Theories that consider personal qualities and characteristics that differentiate leaders from non-leaders.

- Some traits increase the likelihood of success as a leader, but none of them guarantee success.
- Some limitations to trait theories…. There are no universal traits - traits appear to predictleadership in selective situations only; Traits generally predict behavior in "weak" vs. "strong"situations; cause and effect relationships are not clear; do traits simply predict the appearance ofleadership rather than effective vs. ineffective leadership.

Behavioral Theories

Theories proposing that specific behaviors differentiate leaders from non-leaders.

Ohio State Studies

- Initiating structure vs.
- Consideration

University of Michigan Studies

- Employee oriented vs.
- Production oriented

The Managerial Grid

- Concern for people vs. concern for production (i.e. 81 different styles on which a leader'sbehavior may fall)

Contingency Theories

Several contingency models are explored...(what works in one organization may not work in another)

Fiedler Model

Effective group performance depends upon the proper match between the leader's style of interactingwith subordinates and the degree to which the situation gives control and influence to the leader.

Assumes an individual's leadership style is fixed.

- Identify style via the Least Preferred Co-worker (LPC) scale

Leader-member relations

Task structure

Position power

Match leaders and situations

*Cognitive resource theory: stress unfavorably affects a situation. Intelligence and experience can lessenthe influence of stress on the leader…

Hersey and Blanchard's Situational Theory

- Situational leadership theory (SLT) – Focus on "readiness" of the followers (ability andwillingness to accomplish a specific task)

Leader-Member Exchange Theory (LMX)

Leaders create "in-groups" and "out-groups", and subordinates with in-group status will have higherperformance ratings, less turnover, and greater satisfaction with their superior.

Path-Goal Theory

A leader's behavior is acceptable to subordinates insofar as they view it as a source of either immediate orfuture satisfaction.

- Directive vs. Supportive leadership

Leader-Participation Model

Provides a set of rules to determine the form and amount of participative decision making in differentsituations. There are now 12 contingency variables in the latest revision of this model. This model isoften too complicated for managers/leaders to actually put into place in organizations.

Summary and Implications for Managers

Leaders usually are the members of an organization who provide the direction toward goal attainment.

Re: Traits - Generally speaking, individuals who are ambitious; have high energy, a desire to lead, self-confidence, intelligence, and are flexible are more likely to succeed as leaders than those without thesetraits.

No particular style (behavioral theories) is effective in all situations

Contingency models help us better understand leadership. Consider…..Task structure of the job, level ofsituational stress, group support, leader intelligence and experience, and follower characteristics

(personality, experience, ability and motivation)

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UNIT-V

Organization Design:

"Organization design" involves the creation of **roles, processes and structures** to ensure that theorganization's goals can be realized.

Some people associate organization design with the mechanical arrangement of positions and reportinglines on the organization chart.

It is certainly true that organizational designers also need to define the vertical structure, includingreporting lines.

In an organization re-design process one may consider elements at **different levels:**

- The overall organizational "architecture" (e.g., the corporate level, the role of the headquartersversus business areas in a large firm, etc.)
- The design of business areas and business units within a larger firm
- The design of departments and other sub-units within a business unit
- The design of individual roles

The field of organization design sits at the intersection of strategy, operations, law and HR.

1. An important driver for organization design is the organization's **strategy** – but the design of theorganization may also to a great extent determine which strategies we may be able to form in the firstplace.

2. We should, in general, attempt to align the organization with the work processes – so there is a closelink between **operations** and organization design.

3. The design of the organization is also influenced by **laws, regulations, and governanceprinciples** adopted by the industry sector.

4. Last but not least, organization design is fundamentally about **people**. People inhabit the roles that aredefined in the organization design proces. People participate in design processes and also influencedesigns in many direct and indirect ways.

Organisation Culture and Climate:

Organizational culture is a broader construct that encompasses much of employees' experiences at work,whereas climate is more narrowly defined in terms of employees' shared perceptions of theorganization's policies, practices, procedures, and reward systems. The deeper layers of culture arepotentially outside of the day-to-day awareness of employees, whereas climate is based on employees'reports of what is happening around them at work. Although both culture and climate are difficult to change, the deepest assumptions and core values of culture are more difficult to change than climate.

Finally, climate research has moved in the direction of being studied with a particular strategic or processfocus, whereas culture research tends to take a broader perspective attempting to be more all-encompassing and less focused.

These differences in research on organizational climate and culture are important because they suggestthe strengths of each literature and how integrative approaches that take advantage of thiscomplementarity could provide additional insights beyond what can currently be found in either literaturealone. Several recent efforts have attempted to demonstrate how the two constructs may work together toyield a better understanding of organizational environments and their outcomes.

Research results confirmed that stability, reward system, job satisfaction, team orientation, empowerment, core values and agreement are most important **organizational culture factors influencing organizational climate**

Stress Management and Counselling:

Stress is often defined as a bodily response to the demands of life. But there are also emotional andmental aspects of stress. It is experienced as thoughts and feelings as well as in the body. Anotherway to define stress could be as an internal and conditioned response to external pressures.

Stress management is a wide spectrum of techniques and psychotherapies aimed at controlling a person's level of **stress**, especially chronic **stress**, usually for the purpose of and for the motive of improving everyday functioning.

Counselling:

Counseling is a process where clients are helped in dealing with their personal and interpersonal conflictsby a third-party therapist. It allows an individual to have an opportunity to improve upon theirunderstanding of themselves, including their pattern of thoughts, behaviours, feelings and the ways inwhich these may have been problematic in their lives. It also helps to examine how to tap into existingresources or develop new ones that enhance their lives and relationships.

Types Of Counseling

“Counseling” is a very broad category that encompasses many opportunities in any number of counselingsubfields. Counselorsandtherapists help their clients in a variety of ways, depending upon the type ofcounseling they need. Few of the types of counseling are as follows:

1. Individual Counseling

Individual counseling is a one on one counseling process of a patient and a trained psychiatrist, psychotherapist or psychologist, where the patient seeks to achieve certain goals. It is mainly a process ofself-discovery and overcoming your problems, where a person works out his/her issues under theguidance of an expert. Individual counseling is popular because it provides the setting for a patient to talkopenly about his/her problems and disclose his/her feelings, without fear of being judged. Individual counseling helps patients explore themselves better and work out their issues, and basically discuss issueswhich they may not be comfortable discussing with others.

2. Relationship & Marriage Counseling

As the name suggests, relationship counseling is the counseling that the parties of a relationship undergo,in order to resolve relationship issues and foster better relationships. Typically, relationship counselinginvolves couple therapy, which is a subset of relationship therapy, where partners involved in a romanticrelationship seek therapy, however relationship counseling is not confined to those involved in a romanticor sexual relationship. It could be relationship counseling between parents and a child, boss and anemployee etc. Marriage counseling is counseling of parties to a marriage, either before marriage or aftermarriage. It could be for a specific problem, or to remove the general toxicity of a relationship.

3. Career Counseling

Career counseling is for both students who are about to decide their careers and professionals, to guidethem on their professional growth trajectory. It mainly is an assessment of your strengths and discoveringwhere your interests lie. Career counseling generally takes place in a high school setting, and could alsoinvolve help in selection of colleges to best suit the student's needs and requirements. However, it couldalso be for professionals who want to switch careers or want to learn how to progress in the career theyhave chosen.

4. Educational Counseling

Academics is one of the biggest reasons of stress and anxiety in students and parents alike. So academiccounseling is counseling pertaining to time management, procrastination and study tips.

Change Management:

Change management is the discipline that guides how we prepare, equip and support individuals tosuccessfully adopt change in order to drive organizational success and outcomes.

Three Levels of Change Management

Individual Change Management

While it is the natural psychological and physiological reaction of humans to resist change, we areactually quite resilient creatures. When supported through times of change, we can be wonderfullyadaptive and successful.

Individual change management requires understanding how people experience change and what theyneed to change successfully. It also requires knowing what will help people make a successful transition:what messages do people need to hear when and from whom, when the optimal time to teach someone anew skill is, how to coach people to demonstrate new behaviors, and what makes changes “stick” insomeone’s work.

Organizational/Initiative Change Management

While change happens at the individual level, it is often impossible for a project team to manage changeon a person-by-person basis. Organizational or initiative change management provides us with the stepsand actions to take at the project level to support the hundreds or thousands of individuals who areimpacted by a project.

Enterprise Change Management Capability

Enterprise change management is an organizational core competency that provides competitivedifferentiation and the ability to effectively adapt to the ever-changing world. An enterprise changemanagement capability means effective change management is embedded into your organization's roles,structures, processes, projects and leadership competencies. Change management processes areconsistently and effectively applied to initiatives, leaders have the skills to guide their teams throughchange, and employees know what to ask for in order to be successful.

Communication:

Communication is simply the act of transferring information from one place, person or group toanother.

Every communication involves (at least) one sender, a message and a recipient. This may sound simple,but communication is actually a very complex subject.

The transmission of the message from sender to recipient can be affected by a huge range of things.

These include our emotions, the cultural situation, the medium used to communicate, and even ourlocation. The complexity is why good communication skills are considered so desirable by employersaround the world: accurate, effective and unambiguous communication is actually extremely hard.

Categories of Communication

There are a wide range of ways in which we communicate and more than one may be occurring atany given time.

The different categories of communication include:

- **Spoken or VerbalCommunication**, which includes face-to-face, telephone, radio or television andother media.
- **Non-VerbalCommunication**, covering body language, gestures, how we dress or act, where we stand,and even our scent. There are many subtle ways that we communicate (perhaps even unintentionally)with others. For example, the tone of voice can give clues to mood or emotional state, whilst hand signalsor gestures can add to a spoken message.
- **WrittenCommunication**: which includes letters, e-mails, social media, books, magazines, the Internetand other media. Until recent times, a relatively small number of writers and publishers were verypowerful when it came to communicating the written word. Today, we can all write and publish our ideasonline, which has led to an explosion of information and communication possibilities.
- **Visualizations**: graphsand charts, maps, logos and other visualizations can all communicate messages.

The Communication Process

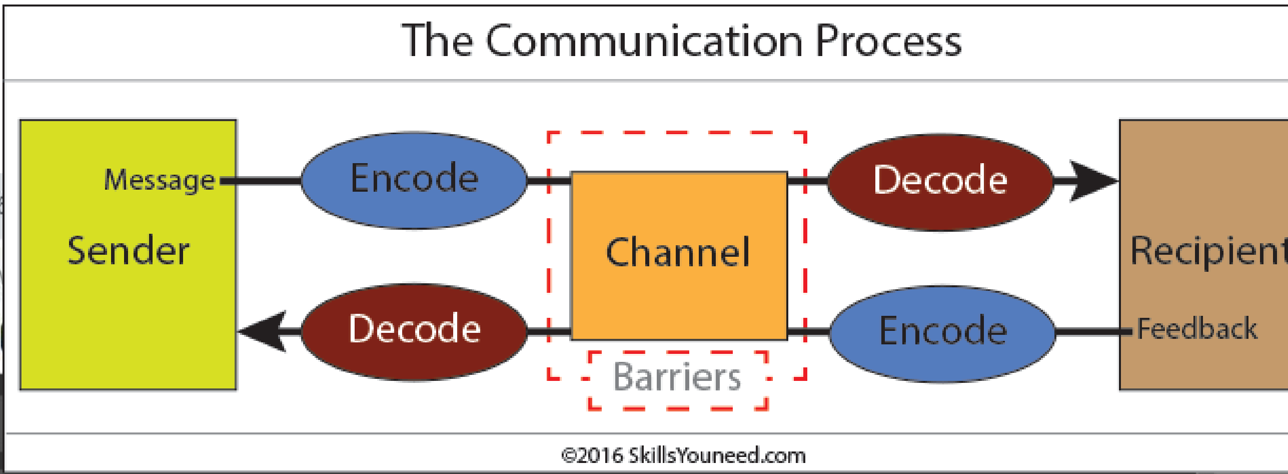
A message or communication is sent by the sender through a communication channel to a receiver,or to multiple receivers.

The sender must encode the message (the information being conveyed) into a form that is appropriate tothe communication channel, and the receiver(s) then decodes the message to understand its meaning andsignificance.

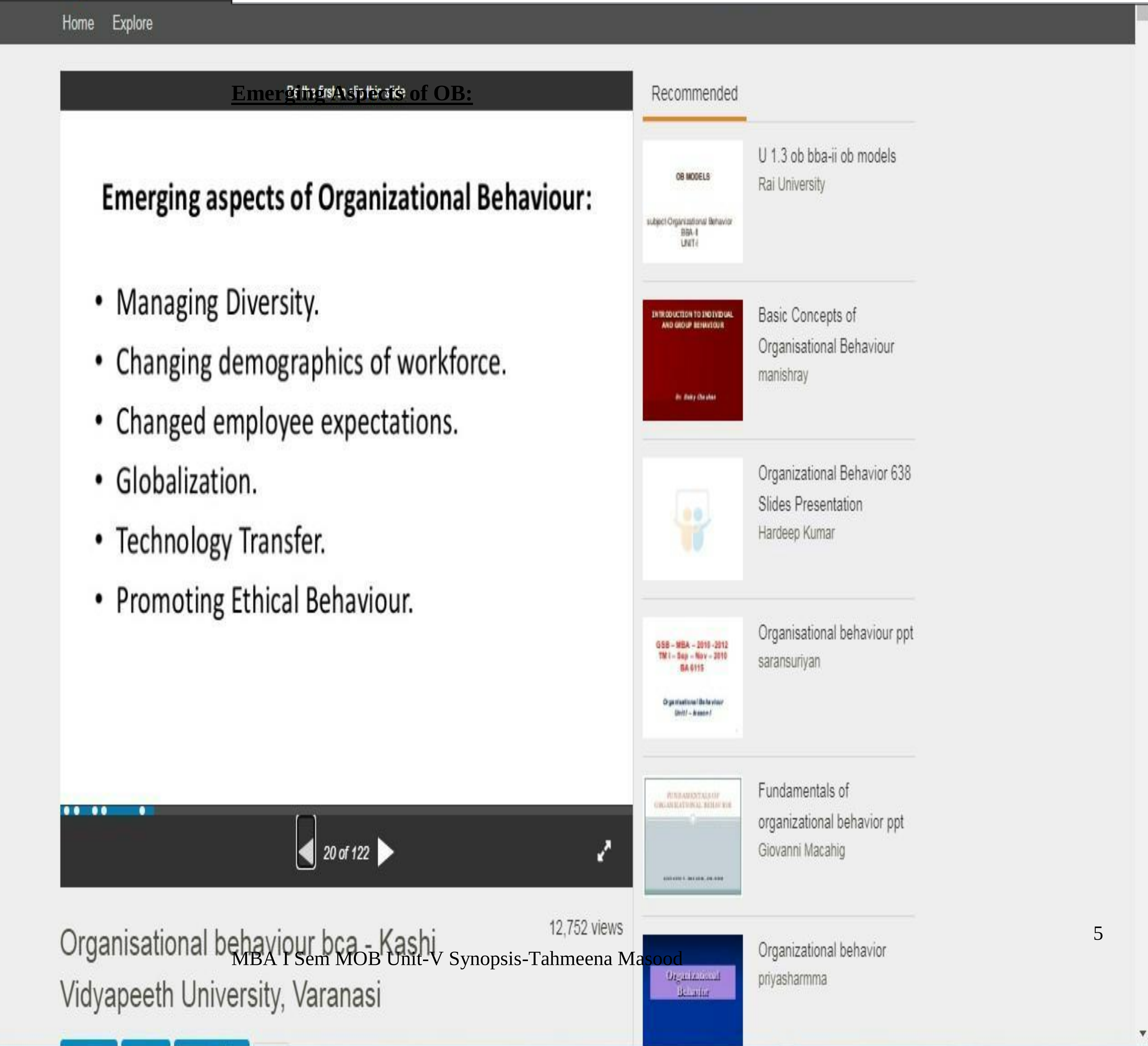
Misunderstanding can occur at any stage of the communication process.

Effective communication involves minimising potential misunderstanding and overcoming any barriersto communication at each stage in the communication process.

An effective communicator understands their audience, chooses an appropriate communicationchannel, hones their message to this channel and encodes the message to reduce misunderstanding by thereceiver(s).



Emerging Aspects of OB:



Emerging aspects of Organizational Behaviour:

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MBA I Sem MOB Unit-V Synopsis-Tahmeena Masood