ESSENTIALS OF
ORGANIZATIONAL BEHAVIOR

MANOJ KRIPLANI

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1.1 The study of Organizational Behaviour : Definition and Meaning

Organizational behavior is the study that investigates the impact that individuals, groups and structure have on behavior within the organizations, for the purpose of applying such knowledge towards improving an organization's effectiveness.

Organizational Behavior (OB) is also defined as the understanding, prediction and managing human behavior both individually or in a group that occur within an organization.

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

The core topics of motivation, leader behavior and power, interpersonal communication, processes group structure and learning, attitude development and perception, change processes, conflict, work design and work stress are included in Organizational Behavior.

Internal and external perspectives are the two theories of how organizational behavior can be viewed from an organization's point of view.

Importance of OB

While working in an organization, it is very important to understand others behavior as well as make others understand ours , we need to adapt to the environment and understand the goals we need to achieve,In order to maintain a healthy working environment. This can be done easily if we understand the importance of OB.

It explains the interpersonal relationships employees share with each other as well as within their higher and lower subordinates.

It explains prediction of individual behavior .

• It balances the cordial relationship in an enterprise by maintaining effective communication.

• It provides assistance in marketing.

• It helps managers to encourage their sub-ordinates.

• Changes within the organization can be made easier.

• It helps in the prediction of human behavior & their application to achieve organizational goals.

• The organization is made more effective.

• Thus studying organizational behavior helps in recognizing the patterns of human behavior and in turn throw the light on how these patterns profoundly influence the performance of an organization.

1.1.1 Why Study OB

Today's challenges bring opportunities for managers to use OB concepts.

Here, some of the most critical issues are reviewed confronting managers for which OB offers solutions—or at least meaningful insights toward solutions.

Responding to Economic Pressures

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

Responding to Globalization

Organizations are not constrained by national borders all major automobile makers now manufacture cars outside their borders where Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico and both BMW and Mercedes in South Africa.

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

Increased Foreign Assignments

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

Working with People from Different Cultures

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

Overseeing Movement of Jobs to Countries with Low-Cost Labor

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

Managing Workforce Diversity

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

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

Improving Customer Service

Management needs to create a customer-responsive culture. OB can provide considerable guidance in aiding the managers create such cultures in which employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs and willing to do what's necessary to please the customer.

Improving People Skills

We'll gain insights into specific people skills that we can use on the job.we'll learn ways to design motivating jobs, techniques for improving the listening skills and creating more effective teams.

Stimulating Innovation and Change

An organization's employees can be the impetus for innovation and change, stimulating their employees' creativity and tolerance for change is the challenge for the managers .A wealth of ideas and techniques to aid in realizing these goals is provided by OB.

Coping with “Temporariness Today most managers and employees today work in a climate best characterized as “temporary. Permanent employees are replaced with temporary workers.

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

Working in Networked Organizations

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

Helping Employees Balance Work–Life Conflicts

Employees increasingly recognize that work infringes on their personal lives and they’re unhappy about it. Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manage work–life conflicts.A number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work–life conflicts is offered by OB.

Creating a Positive Work Environment

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

Improving Ethical Behavior

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

the problems of unethical behavior in a number of ways are responded by the managers and their organizations.They distribute codes of ethics to guide employees through ethical dilemmas. They offer seminars, workshops and other training programs to try to improve ethical behaviors. They provide in-house advisors who can be contacted, in many cases anonymously, for assistance in dealing with ethical issues and they’re creating protection mechanisms for employees who reveal internal unethical practices.

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

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

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

Learning Process/Nature

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

i) Change process:

Learning involves some change in oneself in terms of observable actions explicitly shown to others or change in one's attitude or thought process occur with oneself in implicit manner. Change may be good or bad or positive or negative from an organization point of view.A person will hold prejudices or bias or to restrict their output,if that person is happened to experience some negative incidents.

On other hand, if the person is encountering some good incident, he/she is likely to hold positive attitude.

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

iii) Setting behavioral actions:

Explicit changes occurring in behavior is the main goal of learning process.without any changes in many explicit behavior,a change in an individual's thought process or attitudes will not be considered as learning process.

iv) Need for meaningful experiences:

Some form of experiences is necessary for learning. Experience is acquired directly through observation or practice.One can confidently say that learning has taken place,if experience results in a relatively permanent change in behavior.

Factors Affecting Learning

Learning is based upon some key factors that decide what changes will be caused by this experience. It is affected by motivation, practice, environment and mental group.

Motivation:

The encouragement, the support one gets to complete a task, to achieve a goal is called as motivation.It gives us a positive energy to complete a task.So,It is a very important aspect of learning .Example − The coach motivated the players to win the match.

Practice :

We all know that “Practice makes us perfect”. In order to be a perfectionist or at least complete the task, it is very important to practice what we have learnt.

Example :

One be a programmer only when he executes the codes written by him.

Environment:

we learn from the people around us.Two types of environment exist – internal and external. Example − A child learns from the family which is an internal environment, but when sent to the school it is an external environment.

Mental group :

It describes our thinking by the group of people we chose to hang out with. In other words, we make a group of those people with whom we connect to. It can be for a social cause where people with the same mentality work in the same direction. Example − A group of readers, travelers, etc.

How Learning Occurs?

Some theories that will explain our behavior can make us understand learning. Some of the remarkable theories are:

1. Classical Conditioning Theory

2. Operant Conditioning Theory

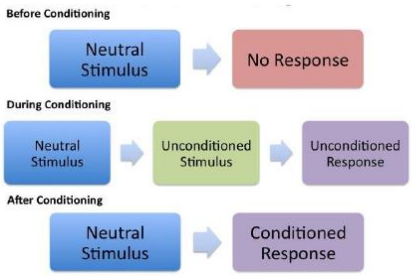
3. Social Learning Theory

4. Cognitive Learning Theory

Classical Conditioning Theory

classical conditioning occurs when a conditioned stimulus and an unconditioned stimulus are coupled.The conditioned stimulus is an impartial stimulus like the sound of a tuning fork, whereas the unconditioned stimulus is biologically effective like the taste of food and the unconditioned response (UR) to the unconditioned stimulus is an unlearned reflex response like sweating.

After this coupling process is repeated , an individual shows a conditioned response (CR) to conditioned stimulus, when conditioned stimulus is alone presented . The conditioned response is almost similar to the unconditioned response, but unlike the unconditioned response, it must be acquired through experience and is nearly impermanent.



Classical Conditioning Theory

Application Of Classical Conditioning Principles At Work

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

Operant Conditioning Theory

This theory is also known as instrumental conditioning. It is a learning process in which behavior is sensitive to or controlled by its outcomes.

Making an example of a child. A child may learn to open a box to get candy inside or learn avoiding to touch a hot stove. In comparison, the classical conditioning develops a relationship between a stimulus and a behavior. The example can be further explained as the child may learn to salivate seeing a candy or to tremble at the sight of an angry parent.

The study of animal learning was commanded by the analysis of these two kinds of learning and they are still at the core of behavior analysis.

Table: Operant Conditioning Theory

	Reinforcement Increases behaviour	Punishment Decreases behaviour
Positive Stimulus (something added)	Positive Reinforcement Add something to increase behaviour	Positive Punishment Add something to decrease behaviour
Negative Stimulus (something removed)	Negative Reinforcement Remove something to increase behaviour	Negative Punishment Remove something to decrease behaviour

Application Of Operant Conditioning In Work Life

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

Social Learning Theory

The basic assumptions of social learning theory are as follows −

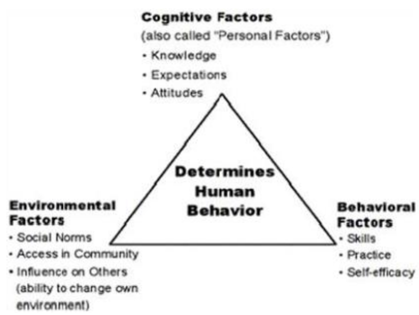
Learning is not exactly behavioral, but it is a cognitive process which takes place in a social context.

Learning occurs by observing a behavior and by observing outcomes of the behavior .

Learning includes observation, extraction of information from those observations and making decisions regarding the performance of the behavior . Thus, learning occurs beyond an observable change in behavior.

Reinforcement is important in learning but is not completely responsible for learning.

The learner is not a passive receiver of information. Understanding, environment and behavior mutually influence each other.



Social Learning Theory

Cognitive Learning Theory

Cognition defines a person's ideas, thoughts, knowledge, interpretation, understanding about himself and his surroundings.

It considers learning as the outcome of deliberate thinking on a problem or situation based upon known facts and responding in an objective and more

oriented manner. It views that a person learns the meaning of various objects and events, learns the response depending upon the meaning assigned to the stimuli.

This theory debates that the learner creates a cognitive structure in memory which stores organized information about the various events that occurs.

Learning & Organizational Behavior

An person's behavior in an organization is directly or indirectly affected by learning.

Example − Employee skill, manager's attitude are all learned.

Behavior is improved by following the listed tips :

1. Reducing absenteeism by rewarding employees for their attendance.

2. To improve employee discipline by dealing with employee’s undesirable behavior such as drinking at workplace, stealing, coming late, etc. by taking appropriate actions like oral warnings, written warnings and even suspension.

3. To develop training programs more often so as to grab the trainees’ attention, provide required motivational properties etc.

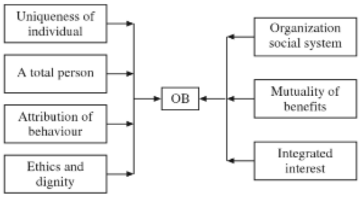
1.1.3 Foundations of Individual Behaviour

Organizational behavior is concerned specifically with the virtues of people at work.

When we look at organizations for instance, we see their formal aspects: plans, objectives, policies and procedures, structure, technology, formal authority and chains of command.

Organizational behavior focuses on two major area namely individual and group behaviors.

The goals of OB are to explain and predict the behavior. The following information will reveal how understanding the attitudes, personalities and learning preferences of employees help managers to predict and explain the employee productivity, absence , turnover rates and job satisfaction.



Foundation

Concepts that revolve around individuals are as follows:

Uniqueness of individuals:

The reaction to the stimulus of two persons are not same. OB has individual as its starting point. Personality is a term that differs from person to person. In addition, trail, intelligence, physique, body language and verbal language also differ from one person to another.To group a large number of persons into clusters with similar overall similar patterns is a challenge for the OB expert. It needs a sixth sense and intuition that cannot be taught limn textbook recipes.

A total person:

When a certain individual is selected, the firm is committed to make him a cog in the machinery that is driven by it. According to the concept. the organization accepts a total person in totality with his attitude, aptitude. skill and knowledge. Also, they have his emotional side which is very important. For above reason, the selection committee includes HR and psychology experts apart from technical experts.To assess the total person before the recruit is selected.

Cause and effect relationship (Attribution):

It is necessary to carry out a root cause analysis to find out whether a certain individual behaves in a way which looks abnormal. The root cause has to be removed to bring a disturbed employee and his overt reactions to normal.

Ethics and dignity:

Human beings deserve to be treated humanely. Autocrats should be warned not to treat subordinates depriving them of their dignity. Humans should not be treated as robots or slaves to normal.

Organizations as social systems:

While individual behaviour is driven by psychological state, human behaviour in organizations should be socially acceptable. Group behaviour in an industrial setting is governed by the laws of sociology.

6. Mutuality of interest:

Working in an organization, an individual tries to give his best under normal conditions. But he should not develop a complex that he is only giving something to the organization. The organization in return, polishes him to become a capable person due to the opportunity offered by it. This reciprocal relation should be kept in mind by the individual. Further, employees within a group and between the groups should maintain cordial relations. and thereby help each other in their personal growth. Interpersonal rivalry, intergroup rivalry and intra group rivalry does not benefit anyone and results in erosion of mutual interests.

7. Holistic benefit:

The above explained six concepts practiced together result in strong bonding within groups, between groups and within the organization. This creates synergy within the organization.

1.2 Personality – Meaning and Definition, Determinants of Personality, Personality Traits, Personality and OB

The word personality is derived from the Greek word "persona" which means "to speak through." Personality is the combination of characteristics or qualities that forms one's unique identity. It also signifies the role which a person plays in public. Every individual has a unique, personal and major determinant of his behavior that defines his/her personality.

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

Personality trait is basically influenced by two major features :

- **Inherited characteristics**
- **Learned characteristics**

Inherited Characteristics

The features an individual acquires from their parents or forefathers, in other words the gifted features an individual possesses by birth is regarded as inherited characteristics. It consists of the following features :

- **Color of a person's eye**
- **Religion/Race of a person**
- **Shape of the nose**
- **Shape of earlobes**

Learned Characteristics

Nobody learns everything by birth. First, our school is our home, then our society, followed by educational institutes. The characteristics an individual acquires by observing, practicing and learning from others and the surroundings is called as learned characteristics.

Learned characteristics includes the following features :

- Perception − It is the result of different senses like feeling, hearing etc.
- Values − Influences perception of a decision making process,situation.
- Personality − Patterns of thinking, feeling, understanding and behaving.
- Attitude − Positive or negative attitude like expressing one's thought.

Personality Determinants

An individual's personality is a result of heredity and environment. Heredity refers to factors determined at conception. Heredity approach insists that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes.

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

Personality Traits

Big Five Model gives five basic personality traits presented below.

● Extraversion:

The extraversion captures our comfort level with relationships. Extraverts tend to be gregarious, confident and sociable. Introverts tend to be slow to reveal emotion or opinions, timid and quiet.

● Agreeableness:

The agreeableness dimension refers to an individual's property to defer to others. Highly agreeable people are cooperative, warm and trust worthy People who score low on agreeableness are cold, disagreeable and hostile.

● Conscientiousness:

The conscientiousness dimension is a measure of one's reliability. A highly conscientious person is responsible, organized, dependable and firm. Those who score low on this dimension are easily distracted, disorganized and unreliable.

● Emotional stability:

The emotional stability dimension—often labeled by its converse, in taps a person's ability to withstand stress.

People with positive emotional stability tend to be calm, confident enough and secure. Those with high negative scores tend to be nervous, anxious, depressed and insecure.

● Openness to experience:

The openness to experience dimension addresses range of interests and passion with novelty. Extremely open people are creative, curious and artistically sensitive. Those at the other end of the category are usual and find comfort in the familiar.

Personality And OB

Work-related behaviour of people in an organization stands from both environmental and individual factors. From the environmental approach, interpersonal, group and societal influences and individual factors extend across cognitive abilities, acquired expertise, personality styles, motivation and physical attributes.

An aspect of personality is the manner in which we think of its effect on behaviour. We think of this in terms of a person with a particular set of traits. For example, we think of an aggressive, impatient person as one likely to act in an aggressive manner.

The direction of the relationship is thought to stand from personality trait and move to behaviour. That is to say, the personality greatly influences how we behave, not the other way around that the behaviour would explain the personality.

we usually assume that a shy person is not likely to go to parties, but we could also think that someone who does not go to parties or other social occasions is becomes shy. The assumed relationship between personality and work-related behaviour is one of the important reasons why it is of interest to those who study and manage organizations.

One of the fundamental issues in the understanding of people’s behaviour is that how we understand the person in an organizational setting. Jackson and Carter (2000) pointed out that in work organizations, we often take a limited

perspective of the person, focusing more on the degree of willingness to pursue organizational goals.

But our experience shows that in work organizations, people are more complex in their behavioral patterns. In organizational contexts, we can account for such complex behavioral syndromes from social and psychological standpoints. For example, we can think of people in the context of role, identity, personality or self.

Emotional stability

It is relevant due to:

• Less negative thinking and fewer negative emotions.

• Less hyper-vigilant.

It affects :

• Higher job & life satisfaction.

• Lower stress levels.

Extroversion

It is relevant due to:

• Better interpersonal skills.

• Greater social dominance.

• More emotionally expressive.

It affects :

• Higher performance.

• Improved leadership.

• Higher will be the job & life satisfaction.

Openness

It is relevant due to:

• Increased learning.

• More creativity.

• More flexible & autonomous.

It affects :

• Training performance.

• Enhanced leadership.

• More adaptable to change.

Agreeableness

It is relevant due to:

• Better liked.

• More compliant and conforming.

It affects :

• Higher performance.

• Lower levels of deviating behavior.

Conscientiousness

It is relevant due to:

• Greater effort & long existence.

• More drive and discipline.

• Better organization & planning.

It affects :

• Higher performance.

• Enhanced leadership.

• Greater longevity.

Other Personality Traits Relevant to OB

The other personality traits are Machiavellianism, narcissism, self-monitoring, propensity for risk taking, proactive personality and other-orientation. core self-evaluation Bottom-line conclusions individuals have about their capabilities, competence and worth as a person.

Machiavellianism

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

Machiavellianism is being practical, emotionally distant and believing that ends justify means.

Machiavellians are always need to win and are great persuaders. Here are the significant features of a high-mach individuals :

High-Machs prefer accurate interactions rather than beating about the bush.

High-Machs tend to improvise, they do not necessarily abide by rules and regulations all the time.

High-Machs get distracted by emotional details that are irrelevant to the outcome of a project.

Narcissism

The tendency to be arrogant, admiration of oneself ,have a grandiose sense of self-importance, need excessive admiration and have a sense of entitlement.

Self-monitoring

Self-monitoring is the capability of regulating one's behavior according to social situations. Individuals with high self-monitoring skill easily cope up their behavior according to external, situational factors. Their impulsive talents allow them to

present public personae which are completely different from their private personalities.

However, people with low self-monitoring skills can't cover themselves. Regardless of any situation, they remain themselves. They have an attitude of, "what we see is what we get."

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

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

Proactive personality

People who find the opportunities, show initiative, take action and persevere until meaningful change occurs.

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

Locus of Control

Locus of control is the center of control of a person's code of conduct. People is grouped into two categories namely internals and externals respectively.

People who consider themselves as the masters are known as internals, while, those who affirm that their lives are controlled by the outside forces known as externals.

Before making any decision, internals actively search for information, they are driven by achievements and want to command their environment. Thus, internals do well on jobs that craves complex information processing, making initiative and independent action.

Externals, in contrast are more compliant, more willing to follow instructions, so, they do well in structured, routine jobs.

Self-esteem

It is the extent up to which people either like or dislike themselves. Self-Esteem is anyway directly related to the expectations of success and on-the-job satisfaction.

Individuals with high self-esteem think that they have the stuff takes to succeed. So, they take more challenges while selecting a job.

On the other hand, individuals with low self-esteem are more susceptible to external distractions. So, they seek the approval of others and to get used to the beliefs and behaviors of those they respect.

Risk taking

Managers are reluctant on taking risks.Individual risk-taking inclination affects the huge information required by managers and how long it takes them to make decisions.

Thus, it is very important to identify these differences and align risk-taking propensity with precise job demands that can make sense.

1.3 Perception – Meaning and Definition, Perceptual Process, Importance of Perception in OB

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

Perception means viewing that is giving meaning to the environment around us. It can be defined as a process that involves seeing, receiving,organizing, interpreting and giving meaning to the environment.

Perception is an intellectual process of transforming sensory stimuli into meaningful information,process of interpreting something that we see or we hear in our mind and use it later to judge and give a verdict on a situation, person, group etc.

Nature of perception

(1) Perception is the intellectual process.

(2) Perception is the basic acquiring knowledge and understanding through thought or psychological process.

(3) Perception becomes a subjective process and different people may view the same event differently.

Perception and Sensation

There is a difference between sensation and perception. Sensation is response of a physical sensory organ. The physical senses are vision,tough, hearing, smell and taste. These senses are exploded by stimuli and reactions in particular sense organ take place because of these, for example of sensation may be reaction of eye to colour, ear to sound and so on. Sensation precedes perception. Perception is more than sensation. Perception depends upon the sensory raw data. The perceptual process adds to or/and subtracts from sensory world. Perception is determined by both physiological and psychological characteristics, of the organism.Sensation only activates the organs of the body and is not affected by such psychological factors as learning and the motives. Activation of eyes to see an object is the sensation and inference seen is perception. For managerial action, it is the latter which is important.

It can be divided into six types:

• Of sound − The ability of receiving sound by identifying vibrations.

• Of speech − The competence of identifying and understanding the sounds of language heard.

• Touch − To identify objects through patterns of its surface by touching it.

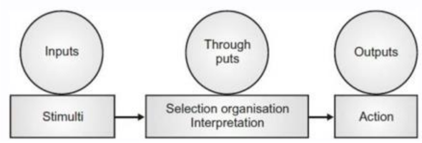
• Taste − The ability to receive flavor of the substances by tasting it through sensory organs known as taste buds.

• Other senses − They approve the perception through body, like balance, acceleration, time,pain, sensation felt in lungs and throat etc.

• Of the social world − It permits understanding of other individuals and groups of their social world. Example − Ramya goes to a restaurant and likes their customer service, so she will perceive that it is a good place to hang out and will recommend it to her friends, who may or may not like it. Ramya's view about the restaurant is good.

Perceptual Process

Perceptual process are the different stages of perception we go through. The different stages are :



Perceptual Process

Stage I: Receiving stimuli :

Receiving is the first and most important stage in the process of perception. It is initial stage in which a person collects all the information and receives the information through the sense organs.

Stage II: Selection of the Stimuli:

Selecting is the second stage in the process. Here a person doesn't receive the data randomly but selectively. A person selects some information in accordance with his interest or needs. The selection of data is by various external and internal factors.

External factors − The factors that influence the perception of an individual externally are intensity, size, contrast, repetition, familiarity and novelty.

Internal factors − Factors that influence the perception of an individual internally are psychological requirements, learning, background, experience, self-acceptance and interest.

Stage III: Organisation of stimuli :

Keeping things in order or say in a synchronized way is organizing. In order to make sense of data received, it is important to organize them.

We can organize the data by :

• Grouping them on the basis of their similarity, proximity, closure, continuity.

• Establishing a figure ground is the basic process in perception. we mean what is kept as the main focus and by ground we mean background stimuli, which are not given attention.

• Perceptual constancy that is the ability to stabilize perception so that contextual changes don't affect them.

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

Figure and Ground:

What a person observes is dependent on how the central figure is being separated from its background. This implies that the perceived object or person or the event stands out distinct from its background and occupies acquiring knowledge and understanding space of the individual.

In a dance programme, the spectators' tend to perceive the dance performance against the back ground music, backdrop setup etc. The perceiver tends to organize only the information which stands out in the environment which seems to be more significant to the individual.

Perceptual Grouping:

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

Proximity:

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

Similarity:

Persons, events or objects that are similar to each other also tend to be grouped together. This organizing mechanisms helps us to deal with information in an efficiently way rather than getting bogged down and confused with too many details.

For examples, if we see a group of foreign nationals at an International seminar, Indians are grouped as one group, British in another, Americans as yet another based on the similarity of nationalities.

Closure:

There are many situations where, the information what we intend to get may be in bits and pieces and not fully complete . However, we tend to fill up the gaps in the missing parts and making it as meaningful whole. Such process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, managers will try to get the complete information to make an effective decision, in absence of getting complete

information, managers try to make meaningful assumptions and based on that suitable decision will be made.

Stage IV: Interpretation:

Finally, we have the process of interpreting which means forming an idea about a particular object depending upon the need or interest.

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

Interpretation means that the information we have sensed and organized, is finally given a meaning by turning it into something that can be categorized. It includes stereotyping, halo effect etc.

Stage V: Behavior Response or Action:

In this stage the response of the perceiver takes on both covert and overt characteristics. Covert response will get reflected in the attitudes, motives and feelings of the perceiver and overt responses will be reflected in the actions of the individual.

Importance Of Perception In OB

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

These have important effect on the organization.

Employment Interview:

Employment interview is an important input into the hiring decision and perceptual factors influence who is hired and the Quality of an organistaion's labour force.

Performance Appraisals:

Performance appraisal depends on the perceptual process. An employee's future is closely tied to the appraisal—promotion, salary increases and continuation of employment are among the most obvious outcomes.

Assessing Level of Effort:

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

Assessing Loyalty:

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

Productivity:

What individuals perceive from their work situation will influence their productivity. More than the situation itself than whether a job is actually interesting or challenging is not relevant. How a manager successfully plans and

organises the work of his subordinates and actually helps in structuring their work is far less important than how his subordinates perceive his efforts.

Therefore, to be able to influence productivity, it is necessary to assess how workers perceive their jobs.

Absenteeism and Turnover:

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

Job Satisfaction:

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

Understanding the process of perception is important because:

(1) It is unlikely that a person's definition of reality will be identical to an objective assessment of reality.

(2) It is unlikely that two different person's definition of reality will be exactly the same.

(3) Individual perceptions directly influences the behaviour exhibited in a given situation.

Factors Influencing Perceptual Set External Factors

1. Size : Bigger size attracts the attention of the perceiver

2. Intensity : It is a loud sound, strong odor or bright light is noticed more as compared to a soft sound, weak smell or dimlight.

3. Repetition : A repeated external stimulus is more attention getting than a single one. Advertisers make use of this principle.

4. Novelty and Familiarity : A novel or a familiar external situation can serve as attention getter.

5. Contrast : It is a kind of uniqueness which can be used for attention getting. Letters of bold types, persons dressed differently , etc., get more attention.

6. Motion : A moving object draws more attention as compared to a stationary object. Advertisers make use of this principle.

Internal Factors

Self-concept :

The way a person perceives world depends a great deal on the concept or image he has about himself. The concept plays an internal role in perceptual selectivity.

Beliefs :

A person's beliefs have profound influence on his perception. Thus, a fact is conceived not alone on what it is but what a person believes it to be.

Expectations :

These affect what a person views. A technical manager expects ignorance about the technical features of a product from non-technical people.

Inner Needs :

Basically a need is a feeling of tension or discomfort, when one thinks he is missing something. People with different need experience different stimuli. According to Freud, wishful thinking is the means by which Id attempts to achieve tension reduction.

Response Disposition :

It refers to an individual’s tendency to perceive familiar stimuli rather than unfamiliar ones.

Response Salience :

It is a collection of disposition which are determined not by the familiarity of the stimulus situations, but by the individual’s own cognitive predispositions. Thus, a particular problem may be viewed as a marketing problem by marketing personnel, a control problem due to accounting people and human relations problem by personnel people.

Perceptual Defense :

It refers to screening of those elements which create conflict and threatening situation in people.

1. Denying the existence or importance of conflicting information.

2. Distorting the new information to match the old one.

3. Acknowledging the new information but treating it as a non-representation exception. The factors that influence perception is of into three categories :

1. Factors such as attitude, motives, interests, past experiences and personality, expectations that reside in the 'Perceiver'.

2. Factors of the 'situation' and-factors connected with the 'Target'.

3. Factors determining the preferred location of a brand on each of the relevant dimension in perceptive mapping.

1.4 Motivation – Nature and Importance

Motivation can be described as the internal force that impacts the direction, intensity and endurance of an individual’s voluntary choice of behavior. It consists of :

Direction: focused by the targets.

Intensity : It is the bulk of effort allocated.

Persistence: amount of time taken for the effort to be exerted.

Example − A team leader encourages his team mates to work efficiently.

Meaning:

Motivation is an important factor which encourages persons to give their best performance and aid in achieving enterprise goals. A strong positive motivation will enable increased output of the employees but a negative motivation will

reduce their performance. Motivation is a key element in personnel management .

According to Likert, "Motivation is the core of management which shows that every human being gives him a sense of worth in face-to face groups which are most important to him....A supervisor should strive to treat individuals with dignity and a recognition of their personal worth."

Definitions:

Motivation has been variously defined by scholars.

Some definitions are discussed as follows:

Steiner: and Berelson

"A motive is an inner state that energizes, activates or moves and directs or channels behaviour goals."

Lillis:

"It is the stimulation of any emotion or desire operating upon one's will and promoting or driving it to action."

The Encyclopedia of Management:

"Motivation refers to degree of willingness of an organism to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness."

Dubin:

"Motivation is the complex of forces starting and keeping a person at work in an organization."

Vance:

“Motivation implies any emotion or desire which so conditions one’s will that the individual is properly led into action.”

Vitiles:

“Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing an individual to make in a goal-directed pattern towards restoring a state of equilibrium by satisfying the need.”

Memoria:

“A willingness to expend energy to achieve a goal or reward. It is a force which activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organisation.”

Nature of Motivation:

Motivation is a psychological phenomena that generates within an individual. A person feels the lack of certain needs, to satisfy which he feels working more. The ego motivates a person to do better than he normally does.

From definitions the following inferences can be derived:

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

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

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

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

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

Features of Motivation

Motivation is an internal feeling, that is, it defines the psychological state of a person. It is a continuous process and we should make sure that it is not disturbed. A person should be encouraged completely.

Motivation has three interacting and dependent elements :

Needs − The requirements which is created whenever there is physiological imbalance.

Drives − The various camps or events organized to motivate the employees and provide them new opportunities.

Incentives − Employees need to be rewarded for their nice work to keep them encouraged.

Importance of Motivation

We need to motivate employees because of the following reasons :

1. Motivated employee are more quality oriented.

2. Highly motivated employees are more productive as compared to other employees.

3. It helps in achieving three behavior dimension of human resource namely

• Candidates must be attracted to join and also remain in the firm.

• Employees must perform task in a dependable manner.

• Employees should be creative, innovative and spontaneous at work.

4. To increase work efficiency.

5. To combine ability with willingness.

6. To reduce the rate of labour turnover.

7. To develop the leadership quality.

Types of Motivation:

When a manager expects more work from his subordinates then he has to motivate them for improving their performance. They will either be offered bonus for more work or may be in the space of rewards, better reports, recognition or he may instill fear in them or use force for getting the desired work done. The following are the types of motivation:

1. Positive Motivation:

Positive motivation which is also known as incentive motivation.It is based on rewards. The workers are offered incentives for achieving the desired goals. The incentives can be in the shape of more pay, promotion, recognition of work, etc.

The employees are given the incentives and try to improve their performance willingly.

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

2. Negative Motivation:

Negative or fear motivation is based on force or fear. It causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with lay-offs. The fear acts as a push mechanism. The employees do not willingly act together, but they want to avoid the punishment.

Though employees work up-to a level where punishment is avoided but this kind of motivation may causes anger and frustration. This type of motivation generally becomes a cause of industrial unrest. Eventhough negative motivation has some drawbacks , this method is commonly used to achieve desired results. There may be only few management which has not used negative motivation at one or the other time.

Motivation Theories are:

1.Maslow’s need hierarchy theory (priority model).

2.Herzberg’s two factor theory.

3.McGregor’s theory X and Theory Y of motivation.

4.MacClelland’s achievement theory of motivation.

1.4.1 Herzberg's Two Factor Theory

McGregor states that the people inside an organization can be managed in two ways. The first is basically negative which falls under category X and other is basically positive which falls under the category Y. After viewing the way in which the manager deals with his/her employees, McGregor concluded that a manager's view on the nature of human beings is based on a certain assumptions and that he or she tends to mould his or her behaviour towards subordinates .

Under the assumptions of theory X:

• Employees inherently do not like work and whenever possible will try to avoid it.

•It is because employees dislike work, they have to be forced, coerced or threatened with punishment to achieve goals.

• Employees avoid responsibilities.They do not work to fill formal directions are issued.

• Most workers place a greater importance on their job security over all other factors and display little ambition.

In contrast, under the assumptions of theory Y:

• Physical and mental effort put at work is as natural as rest or play.

• People do exercise self-control and self-direction when they are committed to those goals.

• Average human beings are willing to take responsibility and exercise , ingenuity ,imagination and creativity in solving the problems of the organization.

• The way the things are organized, the average human being's a part of brainpower is used.

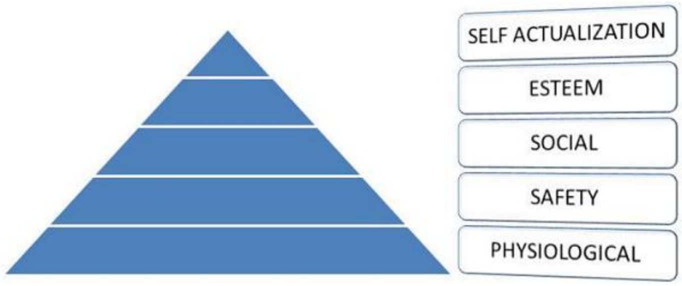
On analysis of the assumptions it can be detected that theory X assumes that lower-order needs dominating individuals and theory Y assumes that higher-order needs dominate individuals.

An organization that is run on the theory X lines tends to be authoritarian in nature, the word "authoritarian" suggests such ideas as the "power to enforce obedience" and the "right to command."

In contrast, Theory Y organizations can be considered as "participative", where the aims of the organization and of the individuals of it are integrated. Individuals can achieve their own targets best by directing their efforts towards the success of the organization.

1.4.2 Maslow's Need Hierarchy Theory

Maslow identified the basic human needs are:



Basic human needs

(a)Physiological Needs:

According to this hierarchy, our first need is survival which includes the clothing, food, shelter, water, sleep and air etc. These are called as physiological needs, the need for those things which will keep us alive and functioning physiologically.

(b)Safety Needs:

Security and safety needs are secondary in priority. Everybody needs economic security and physical protection. These needs includes protection against threat, job security, property, insurance, provisions for old age. Management can offer pension, insurance and job security to fulfill their needs.

(c)Social Needs:

Social needs are the needs for the sense of belongingness and acceptance by others. These needs can be fulfilled by effective communication, supervision, good co-workers (peers), superior etc.

(d)Esteem Needs:

Esteem needs are related to the two prolonged desire to have a positive self-image and to have our contribution appreciated by others. They are of two types:

(i)Self-esteem.

(ii)Public esteem.

(e)Self-Actualisation Needs:

Maslow regards this as the highest need in this hierarchy. Self-actualisation pertains to the requirements of developing capability and reaching full potential.

1.4.3 Alderfer's ERG Theory, Evaluations

ERG Theory:

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

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

Existence Needs:

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

Relatedness Needs:

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

Growth Needs:

These needs to involve a person’s efforts toward personal growth on the job. Satisfaction of growth needs results from an individual engaging in tasks that require the person’s full use of his or her capabilities and also may require development of new capabilities. Maslow’s self-actualization and certain of his ego, esteem needs are comparable to those growth needs.

Implications of ERG Theory:

Alderfer has proposed two sets of views on individual’s aspirations and fulfillment. One is satisfaction-progression and other frustration-regression. Satisfaction progression is similar to Maslow’s model in which once an individual’s basic needs are satisfied, he/she will progress to the next level to satisfy the succeeding higher level to have them satisfied. Alderfer proposed yet another view of individual’s aspirations and fulfillment. If people eventually

become frustrated in trying to satisfy their needs at one level, their next lower level needs will re-emerge and they will regress to the lower level to satisfy more basic needs. This is called as frustration regression.

For manages, ERG theory provides a more workable approach to motivation in organization. Because of the frustration regression approach component, it provides the manager with the opportunity of directing employee behavior in a constructive manner even though higher order needs are temporarily frustrated. In summary, ERG theory argues that satisfied lower-order needs lead to the desire to satisfy higher-order needs, but multiple needs can be operating as motivators at the same time and frustration in attempting to satisfy a higher-level need can result in regression to a lower level need .

2

ORGANIZATIONAL BEHAVIOUR PROCESS

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

2.1 Organizational Behaviour Process : Communication – Importance

According to Koontz and O'Donnell, "Communication, is explained asan intercourse by words, letters symbols or messages and is a way that organization members shares meaning and understanding with another".

Importance

Good communication is an essential tool in achieving productivity and to maintain strong working relationships at all levels of an organisation.

Employers who invest their time and energy into delivering clear lines of communication will rapidly build up levels of trust amongst employees, leading to increases in the productivity, output and morale in general.

Poor communication in the workplace will lead to unmotivated staff that may begin to question their own confidence in their abilities and inevitably in the organisation.

Therefore, effective communication is significant for managers in the organizations so as to perform the basic functions of management, i.e., Planning, Leading ,Organizing and Controlling.

Communication helps managers to perform their jobs and responsibilities. It serves as a foundation for planning. All the essential information must be communicated to managers who in-turn must communicate the plans so as to implement them. Organizing also requires effective communication with others about the job task. Similarly leaders as managers must communicate effectively with their subordinates in order to achieve the team targets. Controlling is not possible without written and oral communication.

Managers spend great part of their time in communication. They generally devote approximately 6 hours per day in communicating. They spend great time on face to face or on telephonic communication with their superiors, subordinates, colleagues, customers or suppliers. Managers also make use of Written Communication in form of letters, reports or memos wherever oral communication is not always feasible.

Thus, we can say that “effective communication is a building block of successful organizations”. Communication acts as organizational blood.

The importance of communication in an organization can be summarized as follows:

Communication promotes motivation by announcing and clarifying the employees about the task to be done, the manner they are performing their task and how to improve their performance if it is not up to the mark.

Communication is a source of information to organizational members for decision-making process as it helps identifying and assessing alternative actions.

Communication also plays a crucial role in altering individual’s attitudes, that is a well informed individual will have better attitude than a less-informed individual. Organizational magazines, meetings and various other forms of oral and written communication help in moulding employee’s attitudes.

Communication also helps in socializing.Nowadays the only presence of another individual fosters communication. one cannot survive without communication.

It assists in controlling process. It helps controlling organizational member’s behaviour in many ways. There are various levels of hierarchy and certain principles and guidelines which employees must follow in an organization. They must comply with organizational policies, perform their job role efficiently and also communicate any work problem and grievance to their superiors. Thus, communication helps in controlling the function of management.

An effective and efficient communication system needs managerial proficiency in delivering and receiving of messages. A manager must discover various barriers to communication, analyze the reasons for their occurrence and take preventive steps to avoid those barriers. Thus, the primary responsibility of a manager is to develop and maintaining an effective communication system in the organization.

2.1.1 Types, Gateways and Barriers to Communication

Different types of formal organizational communications:

a)Formal Communication:

Formal communication always follow the route formally laid down in the organization structure.

There are three directions in which communications flow: downward, upward and laterally.

i)Downward Communication:

Downward communication involves a message that travels to one or more receivers at lower level in the hierarchy. The message frequently involves directions or performance feedback.

The downward flow of the communication generally corresponds to the formal organizational communications system which is synonymous with the chain of command or line of authority. This system has received a great deal of attention from both the managers and behavioural scientists since it is crucial to organizational functioning.

ii)Upward Communication:

Here, the message is directed towards a higher level in the hierarchy. It is often takes the form of progress reports and failures of the individuals or work groups reporting to the receiver of message. Sometimes employees also send suggestions or complaints upward through the organization's hierarchy.

The upward flow of communication involves two distinct manager-subordinate activities in addition to feedback. They are as follows:

•The participation of the employees in formal organizational decisions.

•Employee appeal is a result against the formal organization decisions. It is a result of the industrial democracy concept that provides for two-way communication in areas of disagreement.

iii)Horizontal Communication

If it takes place among members of the same work group, among members of work groups at same level, among managers at the same level or among any horizontally equivalent personnel, we call it as lateral communications.

In lateral communication, the sender and receiver(s) are at same level in the hierarchy. Formal communications that travel laterally involves employees engaged in carrying out the same or related tasks.

Barriers To Effective Communication

Semantic Problems:

The use of inappropriate language, symbols and words affect the understanding capacity of the receiver. The sender must ensure that the proper words and language are chosen to communicate the message so that there is no room for misinterpretation or confusion as the receiver decodes the message exactly as it was encoded. Words commonly used in communication carry quite different

meanings for the different people. Two general kinds' of semantic problems presents the barriers to communication.

i) Some words and phrases are so abstract that they invite varying interpretation.

ii) Semantic problem arise when different groups develop their own technical language.

Status Effects:

Status effect hinders communication in as much as people occupying higher positions in the organization have a tendency to tell more to the subordinates but not to listen. When people don't listen, they don't understand each other and here effective communication is blocked. Thus, superior-subordinate status comes in the way of effective communication between them.

Physical Distraction:

When people communicate with each other, noise enters in the form of various types of distraction. Distractions occur because of situational factors such as constant telephone interruptions, people walking in and out of the room or loud noises from the background.

certain peculiar mannerism of the speaker also distracts to the listener and hide effective listening.

Information Overload:

It refers to too much volume of information which is beyond the level of a person to comprehend. Communication may be ineffective when too much information is transmitted at one time .If the individual also has limited attention span and poor memory retention the problem is compounded.

Managers are literally drowned in communication and unable to attend to them fully. This includes variety of information received from different mode such as e-mail, official letters, reports, instructions, circular, telephone, meetings etc. is required to attend.

Time Pressures:

Time is always short and this often leads to distortion in communication. A major temptation when pressed for time is to close formal communication channels. Because of time pressures, many messages are inadequately communicated by managers, leaving the listener with much ambiguity and confusion as to what has been said and what action should be taken. Since

managers have to deal with a number of people on an ongoing basis within limited periods of time, giving incomplete information and verbally transmitted short, telegraphic message seems inevitable.

Cultural Differences:

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

Trust Level:

When there is lack of sufficient trust between the communicating parties, selective listening occurs, which results in ineffective communication. Complete information is never exchanged under such circumstances and the withholding of information by one or both parties will further aggravate the trust issue and impersonal problems. **Selective Perception:**

People have a tendency to listen to only part of a message for a variety of reasons. One of the most important of aspect is a need to avoid or reduce cognitive dissonance. So, people have a tendency to ignore new information which conflicts with or denies already established beliefs, expectations and, values. Selective perception occurs when the receiver values the context of the communication including the identity, values, mood and motives of the sender

Self-Concept:

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

Absence of Two-way Communication:

If communication is one way – either from top to bottom or from superior to subordinate – without any feedback, would hinder communication from taking place in an effective manner.

For example, the receiver might decode the message in a way that was not intended. Neither the receiver nor the sender will realize that the message was misinterpreted until it becomes too late to rectify the situations. For instance, An examination question is one way communication which could easily get misunderstood by some students since attempts by students to seek clarifications in the examination hall is discouraged.

Overcoming Barriers To Communication

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

Active listening:

It implies that receiver of information engages in the following patterns of behavior.

Stop talking since it is impossible to talk and listen at the same time

b) Remove the distracting elements in and around as much as possible

c) Be patient and let the other person say whatever needs to be said

d) Appreciate the emotion behind speaker's words and is empathic

e)Be attentive

f) Create a positive listening environment

g) Use feedback mechanisms to check understanding

h)Withhold the judgment

i) Ask more questions

j) React to the message and not the person.

Active listening takes a lot of energy and be perfected by conscious and constant practice.

Follow up and Feedback:

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

Parallel Channels and Repetition:

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

Timing:

A manager ignores a memo or request simply because other problems are pressing in at the same time. Two kinds of actions can be taken by management to ensure the precise reception of communication through timing.

i) They have to standardize the timing of certain messages.

ii) Organizations establish "retreats" or time away from normal job pressures to transmit material, ideas and instructions to the employees. This action ensures the undivided attention of the receivers.

Be patient and paying adequate attention:

While choosing a style of language, the sender must give a consideration to the listener's intention and background. Using effective language consists of tailoring one's message for the context of receivers in order to maximize overall understanding between the intended and received messages.

Information Communication and Information Centers:

Running parallel to formal communication channel in an organization is an informal network commonly called grapevines. It tends to be a universal fact of life in all organizations.

They have been serving informational functions and also motivational functions as well. A number of employees needs are served by the powerful reinforce. Effective communicators often combine formal and informal (grapevine) channels of communication. A manager may reinforce information received through formal with an off-the record talk with the key subordinates. In reverse directing, he/she might reinforce and clarify a formal written with an informal chat session among the employees.

Exception principle and need to know:

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

Being empathetic in understanding:

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

Using feedback mechanisms:

Feedback involves both receiver and sender.So, understanding the conditions under which feedback session will be more effective both from the sender's and receiver's perspective. For a feedback to be most effective, the person giving the feedback must:

a) Give specific and not a vague feedback.

b) Give feedback immediately or soon after the event has taken place rather than long after the event has occurred.

c) Give feedback on aspects that the receiver can rectify than on aspects over which the person has no control.

d) Try to be descriptive than evaluative

e) Give feedback on a few critical issues where improvement is urgently expected rather than on a wide range of problem areas

f) Examine the own motivation in giving feedback

g) Make sure that the receiver is ready to receive feedback

h) Be non-threatening and disregard the superior status while offering feedback.

Minimize Physical distraction:

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

Gateways To Communication

OVERCOMING BARRIERS AND ACHIEVING EFFECTIVE COMMUNICATION :

Overcoming barriers and achieving effective communication Developing and maintaining a system of good communication is the primary job of any executive. But it should be kept in a perspective that mere transmission of information does not, in any way, ensure effective communication. Effectiveness mostly depends on mutual exchange of ideas,reciprocal understanding, facts and information for it is not the executive affair of the transmitter of the message.

Two-Way Channel :

In communication, two parties namely the sender or transmitter and the receiver of the message are involved. Mere transmission of facts, ideas, opinions, etc. does not make any effective and meaningful communication. The crucial needs is to keep the channel open is to send the receiver's views, understanding an opinion about the event informed. A good communication system is similar to two-way traffic

Mutual Trust :

A good communication system exits when mutual understanding exists between the sender and the receiver of the message.It does'nt matter whether the communication takes place among the executives or subordinates. Existence of good and healthy relationship is an indicator of a good system of communication.

Clarity Of Message :

The message should be as clear as possible.There should be no ambiguity creeping in to it. It can be conveyed properly only if it is clearly formulated in the mind of communicator. The message should be encoded in simple language so that the receiver able to understand it without much difficulty

Timely Message :

Considerable attention should be given to the timeliness of communication. Old information is worse than none at all.

Consistency Of Message :

The message should always be consistent with the objective, programs and policies of the enterprise. No conflict should occur with the previous communication, otherwise it may create confusion and chaos in organization

Good Relation :

The communication mode should be chosen in such a way that it does not hurt the feelings of receiver. It should create proper understanding in their minds if it is to achieve good human relations in an enterprise. It is essential that the communicator also attempts to understand the receiver.

Feedback:

Feedback provision in the communication process makes it a two-way process. The sender must try to ascertain through some signals whether or not he is properly understood. He should try to know the reaction of the receiver of the message.

Empathetic Listening :

Manager, needs to resist the temptation of making premature evaluation of a subordinate’s communication or interrupting him in the course of communication. Empathetic listening allows smooth the flow of information.

Flexibility :

The communication system should be flexible enough that it adjusts to the changing environments. It should be able to carry extra loads of information without strain. It must absorb new techniques of communication with little resistance.

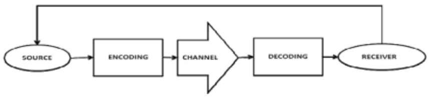
2.1.2 Communication as a tool for improving Interpersonal Effectiveness

THE COMMUNICATION PROCESS

This process is important in building and sustaining human relationships at work. Before communication can take place, a purpose, expressed as a message to be conveyed is needed. It passes between the sender and the receiver. The result is the transference of meaning from one person to another.

The figure here depicts the communication process. This model is made up of seven parts

(1) Source, (2) Encoding, (3) Message, (4) Channel, (5) Decoding, (6) Receiver and (7) Feedback.



Communication process

a) Source:

It initiates a message. This is a starting point of the communication and can be an individual, group or an object.

The effective communication depends to a considerable degree on the characteristics of the source.

The person initiating the communication process is referred as sender, source or communicator. In an organization, the sender will be a person who has a desire to send a message to others.

The sender has some information that he needs to communicate to some other person for some purpose. By message initiation, the sender attempts to achieve understanding and change in the behaviour of the receiver.

b) Encoding:

Once the source has decides the message to be communicate, the content of a message must be put to form the receiver can understand. The sender uses his or her own frame of reference, as the background for encoding information.

The individual's view of the organization or situation is included as a function of the personal education, attitudes, interpersonal relationships, knowledge and experience.

There are three conditions necessary for successful encoding of the message that includes the following:

• **Skill:** Successful communication depends on the skill we posses. Without requisite skills, the message of the communicator wont be reaching the receiver in the desired form. An individual,s total communicative success includes speaking, listening, reading, reasoning skills.

• **Attitudes:** Attitudes influence our behaviour. We hold ideas on a number of topics and our communications are affected by these attitudes.

• **Knowledge:** We cannot communicate about things we don't know. The knowledge the source holds about his/ her subject depends on the message he / she seeks to transfer.

c) The Message:

It is the actual physical product from the source encoding. It contains the thoughts and feelings that the communicator intends to invoke in the receiver.

Every message has two primary components:

• **The Content:** The conceptual component of the message is contained in the words, ideas, symbols and concepts chosen to relay the message.

• **The Affect:** The feeling or emotional component of the message is contained in the intensity, force, conduct or behaviour and sometimes the gestures of the communicator.

d) The Channel:

The actual means by which the message is transmitted to the receiver such as auditory, visual, written or some combination of these three is called the channel.

The channel is the medium through which the message travels. The channel is observable carrier of the message.

Communication where the sender's voice is used as the channel is referred as oral communication. When written language is involved, the sender is using written communication.

Sender's choice of a channel conveys additional information beyond which contained in the message itself. For instance, documenting an employee's poor performance in writing conveys that the manager has taken the problem seriously.

e) Decoding:

Decoding refers to interpretation of what the message means. The extent to which the decoding done by the receiver depends heavily on the individual characteristics of the sender and receiver.

Greater the similarity in the background or status factors of the communicators, the greater the probability that a message will be perceived accurately. Majority of the messages can be decoded in more than one way.

Receiving and decoding a message are a kind of perception. The decoding process is therefore subject to the perception biases.

f) The Receiver:

Object to whom the message is directed is the receiver. Receiving the message means one or more of the receiver's senses register the message. For example, seeing the boss give a thumbs-up signal.

Similar to sender, the receiver is subjected to many influences that affects the understanding of message.

Most importantly, the receiver will view a communication in a way that is consistent with previously handled experiences. Communications that are not consistent with expectations is likely to be rejected.

g) Feedback:

It is the final link in the communication process is a feedback loop. Feedback in effect, is communication traveling in the opposite direction.

When the sender pays attention to the feedback and interprets it accurately, the feedback can help the sender to learn whether the original communication was decoded precisely.

one-way communication occurs between managers and their employees without feedback. Faced with differences in their power and a desire to save face by not passing on negative information, employees may be discouraged from providing the necessary feedback to the managers.

Barriers of effective interpersonal communications

1. Physical barriers: These are environment factors which reduce the sending and receiving of communication. It includes distance, distracting noises and other interference. Difficulty in passing of message increases with increase in physical distance.

2. Personal or Socio-psychological barriers: It arises from motives, attitudes, emotions and judgment. Finally, it leads to physical distances. It may be caused due to the problems in encoding and decoding others sentiments, motives and attitudes.

3. Organizational barriers: The information flows through the hierarchical structure in an organization.Hence, there are chances of information being filtered.

Example:

The information received from the top may or may not reach in the same sense to bottom.

Sometimes information may be coloured favorably according to the prevailing situations. Intermediate person does this which is also a barrier of communication in a formal organization.

4. Semantic barriers: These are the relationship of signs to their reference. It may arise due to limitations of the symbolic system. Symbols may reach a person's brain through any of the senses such as hearing or feeling.Symbols may be classified as language, picture or action.

5. Mechanical barriers: This includes inadequate arrangement such as poor office layout, defective procedures and practices.

2.2 Groups in Organizations – Nature

Groups have been a central part of our everybody lives. We are members in many different groups such as family, student association, work groups, and various clubs.

A group is defined as two or more interacting and interdependent persons who come together to achieve particular goals. A group behavior can be stated as a course of action a group takes as a family. For instance: Strike.

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

The above definition stresses the following points.

- **Interaction among the individuals**
- **Size of the group**
- **Shared interest of goal**
- **Collective Identity**

2.2.1 Types

Many methods are used to classify the types of groups which exist in our organizations. The predominant operating groups are the functional groups, project groups and interest groups. Groups are also classified as formal and informal groups.

Formal groups:

These groups are collections of employees who work together for the organization to get the job done smoothly and efficiently. For example, if six members are put together in a department to attend to customer complaints they would form a formal group. The formal groups are those whose primary purpose is facilitating, through member interactions, the attainment of the objectives of the organization. project groups, command groups and committees come under the classification of formal groups.

Task or Project Groups:

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

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

Informal groups:

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

Interest and Friendship Groups:

The group members form relationships based on some common characteristics such as age, interests etc.., It can be considered as informal group. Employees who joined together to have their fringe benefits continued to have its implementation, to support a peer who has been fired or to seek more festival holidays etc. They unite together to further their common interest. Groups tend to develop because the individual members have common characteristics. This is called friendship groups. For example recreation clubs, social groups etc. Management doesn't have any control over these informal groups.

2.2.2 Why do people join groups

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

Protection of common and individual Interest:

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

Status:

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

Self-Esteem:

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

Affiliation:

Social needs can be fulfilled by groups. People enjoy regular interaction which comes with group membership. For many people, these on-the-job interactions at work are primary source for fulfilling their needs for affiliation.

Power:

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

Goal Achievement:

There are instances when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a task. In such times, management will rely on use of a formal group.

2.2.3 Group Cohesiveness and Group Decision-making Managerial Implications

Group Cohesion:

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

Factors increasing Cohesiveness:

Following are the factors can facilitate to increase the cohesiveness of the work group.

i) Common consent on Group Goals:

If the group agrees on the purpose and direction of its activities, it will serve to bind them together and structure interaction patterns towards successful accomplishment of goal

ii) Frequent Interactions:

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

iii) Personal Attractiveness:

Cohesiveness is increased when members are attractive to one another if mutual trust and support already exists. Personal attraction also helps the group members to overcome the barriers to goal accomplishment and personal growth and development.

iv) Inter-group Competition:

Competition with other groups, both written and external to organization is a mechanism which acts to bring the groups closer together for reaching a common purpose.

v) Favorable Evaluation:

Some recognition for the group performance by management serves to elevate the prestige of the group in the eyes of its members and other members of the group ,if it has performed in an outstanding manner. Favorable evaluation make group members feel proud about being members of the group.

vi) Group Size:

The frequency of interaction between members decreases as the size of the group increases, thus decreasing the probability of maintaining cohesiveness among them. Past studies show that the groups of four to six members provide the best opportunity for interaction.

vii) Pleasant experiences with the group:

When group members are attracted to each other and cooperative, interaction may become a pleasant experience resulting in high level of cohesiveness in the group.

viii) Lack of Domination:

When one or few members dominate the group, cohesiveness cannot adequately develop. This can create smaller “cliques” within the group or identify individual members as deviates.

ix) Gender of Members:

Women tend to have greater cohesion than men as per reports. A possible reason is that women are likely to be feeling types than thinking types.

x) Previous Success:

If a group has a history of success, it builds an espirit de corps which attracts and unites members. Successful organizations find it easier to attract and hire new employees than unsuccessful ones.

xi) Humor:

Humor is linked to increased cohesion in several studies. Greater the cohesion, greater will be the influence of the group over the behavior of members and group performance. As the groups are composed of individuals attracted to the goals of the group and to each other, one would expect to find a strong relationships in between cohesiveness and group performance. A major difference between highly cohesive and low cohesive groups is how closely members conformed to the group norms.Moreover, the group performance would not be influenced only by cohesion, but by the level of group norms.

Group Decision Making:

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

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

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

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

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

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

The group decision making has a couple of advantages over individual decision making.

Synergy

Synergy is the idea that the whole is greater than the aggregate of its parts. When a group makes a decision collectively, its judgment can be powerful than that of its members. Through questioning, discussing and collaborative approach, group members can identify more complete and robust solutions and recommendations.

Sharing of information

The group decisions take into account a wider scope of information as each group member may contribute distinct information and expertise. Sharing information enhances understanding, clarifies issues and directs the movement towards a collective decision.

Weakness of group decision making:

The main disadvantages are:

i) Time-consuming: It takes time to assemble the group for discussion.

ii) Pressures to conform: The desire by the group members to be accepted and considered as an asset to the group may result in squashing any overt disagreement, thus encouraging conformity among viewpoints.

iii) Domination by the few: People will try to dominate the group discussion. The group overall effectiveness will suffer,if such people are happened to be mediocre.

iv) Ambiguous responsibility: In group decision, the responsibility of any single member is reduced.

Diffusion of Responsibility

The group decision making results in distribution of responsibility that results in lack of accountability for outcomes. So, everyone is responsible for a decision and no one really is. Also,the group decisions can make it easier for members to refuse their personal responsibilities and blame others for the bad decisions.

Lower Efficiency

Decisions made by the groups can sometimes be less efficient than individual decisions. It takes additional time because there is a need for active participation, discussion and coordination among group members. Without good facilitation and structure, meetings can get eliminated in trivial details which may matter a lot to one person but not to the others.

Group think

A biggest disadvantage of effective group decision making is group think. This psychological phenomenon that occurs within a group of people in which the wish for harmony results in an illogical or dysfunctional decision-making outcome.

Group members reach a decision without critical evaluation of substitute viewpoints,by refraining themselves from the outside influences and actively suppressing opposing viewpoints in the interest of minimizing conflict.

Group think sometimes results in dehumanizing actions against the out-group.

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

Group Decision-Making Techniques

To eliminate group think and group shift from a group,four different techniques can be used that will help us make a collaborative decision that is best for the group. These techniques are :

1. Brainstorming

2. Nominal group thinking

3. Didactic technique

4. Delphi technique

Brainstorming

This a technique that includes a group of people, mostly between six and ten in number, sitting around a table,creating ideas in form of free association.Main focus is on the generation of ideas and not on evaluation of these ideas.

If more ideas could be originated, then it is likely that there will be a unique and creative idea among them. These ideas are written on the blackboard with a piece of chalk so that all the team members can see every idea and try to improvise these ideas.

This technique is very effective when the problem is precise is simple to define. A complex problem is divided into several parts and each part can be dealt with separately at a time.

Nominal Group Thinking

It is similar to brainstorming except that this approach is more structured. It motivates individual creativity. Members form the group for namesake and

operate independently, produce ideas for solving the problem on their own, in silence and in writing. Members don't communicate well with each other so that strong personality domination is evaded.

Group coordinator either collects the written ideas or writes them on a large blackboard so that each member of the group can see what the ideas are. These ideas are further discussed one by one in turn and each participant is motivated to comment on these ideas to clarify and improve them. After these ideas have been discussed, they are evaluated for their merits and drawbacks and each actively participating member is required to vote on each idea and allot it a rank on the basis of priority of each alternative solution.

The idea with the highest cumulative ranking is selected as the final solution to the problem.

Didactic Interaction

This technique is applicable only in certain situations, but is an excellent method when a situation actually demands it. The problem type should be such that it generates output in the form of yes or no. Say for example, a decision is to be made whether to buy or not to buy a product, to merge or not to merge, to expand or not to expand and so on. These types of decision need an extensive and exhaustive discussion and investigation since a wrong decision can sometimes have serious consequences.

There are many advantages and disadvantages of this type of situation. The group which makes the decision is divided into two sub-groups, one in favor of the "go" decision and opposing in favor of "no go" decision.

The first group enlists all the "pros" of the problem solution and latter group lists all the "cons". These groups meet and discuss their discoveries and their reasons.

After tiring discussions, the groups switch sides to find weaknesses in their own original standpoints. This interchange of ideas and understanding of various viewpoints results in mutual acceptance of facts as they exist so that a solution can be put together around these facts and a final decision is arrived.

Delphi Technique

This technique is an improvised version of the nominal group technique, except that it involves obtaining opinions of experts physically distant from each other and unknown to each other.

It isolates group members from the undue influence of others. Basically, the types of problems sorted by this technique are related to a particular situation at a given time.

For example, the technique can be used to explain the problems that could be created in the event of a war. The Delphi technique includes the following steps −

The problem is first identified properly and a panel of experts are selected. These experts are asked to provide the required solutions through a series of thoughtfully designed questionnaires.

Each expert concludes and gives back the initial questionnaire.

The results of questionnaire are composed at a central location and central coordinator prepares a second set of questionnaire which is based on the previous answers.

Each member receives a copy of results accompanied by the second questionnaire.

Members are needed to review the results and respond to the second questionnaire. The results typically trigger new solutions and motivate changes in the original ideas.

The process is repeated until a general agreement is obtained.

Managerial implications:

1. Difficult goals would lead to higher performances

Specific hard goals lead to better performances (90%) than do the best or having no goals

Feedback improves the effect

4. Participative = assigned = self-set goals

5. Goal commitment and monetary incentives affect the outcomes .

2.2.4 Effective Team Building

Team is the small number of people or group of individuals with complementary skill who are committed for common purpose for which they hold themselves and are mutually accountable.

Team Building:

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

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

ii) Goal Setting: It is nothing but focusing on shared understanding of the mission and goals of the team. During this activity the team members clarify general goals and define specific tasks and sub goal to be accomplished within a specific time with the set measurement criteria and reporting mechanisms.

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

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

The first rule of team building is a clear one:

In order to lead a team effectively, we must first establish leadership with each team member. The most effective team leaders build their relationships of loyalty and trust, rather than fear or the power of their positions.

Consider each employee's ideas as valuable: There is no such thing as a stupid idea.

Be aware of employees' unspoken feelings: Setting an example to team members by being open with the employees and being sensitive to their moods and feelings.

Act as a harmonizing influence: Looking for chances to mediate and resolve minor disputes, point continually toward the team's higher goals.

Be clear when communicating.

Be careful to clarify directives.

Encourage trust and cooperation among employees on the team:

The relationships team members establish among themselves are every bit as important as those we establish with them. As the team begins to take shape, pay close attention to ways in which team members work together and take steps to improve communication, cooperation, respect and trust in those relationships.

Encourage team members to share information:

Emphasize the importance of each team member's contribution and explain how all of their jobs operate together to move the entire team closer to its goal.

Delegate problem:

Solving tasks to the team. Let the team work on creative solutions together.

Facilitate communication:

Communication is an important factor in successful teamwork. Facilitating communication does not mean holding meetings all the time. It means setting an example by remaining open to suggestions and concerns, by asking questions and offering help and by doing everything we can to avoid confusion in the own communication.

Establish team values and goals:

Evaluate the team performance. Make sure to talk with members about the progress they are making toward established goals so that employees get a sense both of their success and of challenges that lie ahead. Address the teamwork in performance standards. Do discuss with the team:

Make sure that we have a clear idea of what we need to accomplish, that we know what the standards for success are going to be that we have established clear time frames and that the team members understand their responsibilities.

Use consensus:

Set objectives, solve problems and plan for action. While it takes much longer to establish consensus, this method provides better decisions and greater productivity since it secures every employee's commitment to all phases of the work.

Set ground rules for the team:

These are the norms that we and the team need to establish to ensure efficiency and success. They can be simple directives such as team members are to be punctual for the meetings or general guidelines such as every team member has the right to offer ideas and suggestions, but we should make sure that team creates these ground rules by consensus and commits to them, both as a group and as individuals.

Establish a method for arriving at a consensus: we may have to conduct open debate about the pros and cons of proposals or to establish research committees to investigate issues and deliver reports.

Encourage listening and brainstorming: As a supervisor, the first priority in creating consensus is to stimulate the debate. Employees are afraid to disagree with one another and that this fear can lead the team to make mediocre decisions. When we encourage debate we inspire creativity in them and that's how we'll spur the team on to better results.

Establish the parameters of consensus-building sessions: Be sensitive to frustration that can mount when the team is not achieving consensus. At the

outset of meeting, establish time limits and work with the team to achieve consensus within those parameters. Watch out for the false consensus, if an agreement is struck in too quickly, be careful to probe individual team members to discover their real feelings about proposed solution.

2.3 Leadership-Leadership & Management

Definition:

Leadership is defined as the influence, the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group objectives.

Types of leadership:

The leadership style are given below:

a) Autocratic style

b) Democratic Style

c) Laissez Faire Style

a) Autocratic style:

The manager retains as much power and decision making authority as possible. He/She neither consult employees nor are they allowed to give any input.

Employees are expected to obey the orders without receiving any explanations. The motivation environment is produced by creating a structured set of rewards and the punishments.

Autocratic leadership is a classical leadership style with the following characteristics:

• Managers are less concerned with investing their own leadership development and prefer to simply work on the task at hand.

• Manager seeks to have the most authority and control in decision making.

• Manager seeks to make as many decisions as possible.

• Consultation with other colleagues is minimal and decision making becomes a solitary process.

• Manager seeks to retain responsibility rather than utilizing complete delegation.

Advantages:

1. A more productive group 'while the leader is watching'.

2. Reduced stress due to increased control.

3. Faster decision making.

4. Improved logistics of operations.

Disadvantages:

1. Manager perceived as having poor leadership skills.

2. Short-term approach to management.

3. Teams become dependent upon their leader.

4. People dislike being ordered around.

5. Increased workload for the manager.

b) Democratic Style:

Democratic Leadership is the leadership style which promotes the sharing of responsibility, the exercise of delegation and continual consultation.

The style has the following characteristics:

• Manager effectively delegate work to subordinates and give them full control and responsibility for those tasks.

• Manager seeks consultation on all the major issues and decisions.

• He encourages others to become leaders and be involved in leadership development.

• Manager welcomes feedback on the results of initiatives from the subordinates and the work environment.

Advantages:

1. Successful initiatives.

2. It creates positive work environment.

3. Employee turnover will be reduced.

4. Reduction in the friction and office politics.

5. Enhances creative thinking.

Disadvantages:

1. As other styles, the democratic style is not always appropriate. It is most successful when used with experienced employees or when implementing operational changes or resolving individual or group problems.

2. It creates the danger of pseudo participation.

3. Takes long time to take decisions.

c) Laissez-Faire Style:

This French phrase means “leave it be” and is used to describe a leader who leaves the colleagues to get on with their work.

The style is largely a "hands off" view which tends to minimize amount of direction and face time required.

Advantages:

• Frustration may force others into leadership roles.

• There would be no work for the leader.

• Group empowerment would be achieved.

• Provides the visionary worker an opportunity to do what they want, free from interference.

Disadvantages:

• The manager doesn't understand his or her responsibilities and is hoping the employees can cover.

• Managers are unable to thank employees for their good work.

• There occurs a feel of being in among the employees insecure at the unavailability of a manager. The manager cannot provide regular feedback to let employees know how well they are doing.

Management and Leadership

Leadership is an important part of management, but not the whole story. The primary role of a leader is to influence others to voluntarily seek defined objectives. Managers plan activities, organize appropriate structures and control resources. Managers hold formal positions, whereas anyone can use his / her informal influence while acting as a leader. They achieve results by directing the activities of others, whereas leaders create a vision and do inspire others to achieve this vision and to stretch themselves beyond their normal capacity. Since there is a difference between management and leadership, strong leader may be weak managers if poor planning causes their group to move in the wrong directions. Though they can get their group going, they just cannot get it going in directions that best the serve organizational objectives. Other combinations also possible. A person who is a weak leader and still be an effective manager, especially if she/ he happens to be managing people who have a clear understanding of their jobs and a strong drive to work. This set of circumstances is less likely and hence we expect excellent managers to have reasonably high leadership ability among their other skills. Leadership ability is acquired through observation of effective role models, participation in management training and learning from work experiences.

Leader Vs Manager

A leader is one whom people follow or someone who guides or directs others whereas a manager is someone who is responsible for directing and controlling the work and staff in an organization or of a department within it.

The main difference between the two is that a leader works by example, whereas a manager dictates expectations. If a manager goes against the rules, that will tarnish his position as a manager. If a leader goes against the example he / she is trying to set, that will be seen as a setback.The following are a few subtle differences between the two −

• A leader is an innovator and creator while a manager is a commander.

• A leader can't be a manager yet opposite is possible, a manager is more than a leader.

• A leader does what is right, while the manager tries to make things right.

• A leader deals with change whereas a manager plans for a change.

• A leader directs to do something whereas the manager plans for everything that is to be done.

• A leader encourages his subordinates whereas the manager controls people.

• A leader handles communication, credibility and empowerment whereas a manager deals with organizing and staffing.

2.3.1 Theories of Leadership-Trait theory

Trait Theory:

Basic assumptions are:

• Some traits are particularly suited to the leadership.

• Individuals are born with inherited traits.

• People who make good leaders have the right combination of traits.

Description:

The early research on leadership was based on the psychological focus of day, which was of people who have inherited characteristics or traits. Attention was thus put on discovering these traits often by studying successful leaders but with underlying assumption that if other people could also be found with these traits, then they too could become great leaders.

McCall and Lombardo (1983) identified four primary traits by which leaders could succeed or 'derail':

• Emotional stability and composure: confident,Calm and predictable, particularly when under stress.

• Admitting error: Owning up to the mistakes rather than putting energy in covering up.

• Good interpersonal skills: Ability to communicate and persuade with others without resort to negative or coercive tactics.

• Intellectual breadth: Ability to understand a wide range of areas rather than having a narrow area of expertise.

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

- Physical Characteristics – age, appearance,weight, height

- Social Background – Such as education, social status, mobility

- Intelligence – Ability, judgment, knowledge, decisiveness, fluency of speech

- Personality – Alertness,aggressiveness, dominance, enthusiasm, extroversion, independence, creativity, personal integrity, self-confidence

- Task-related Characteristics – Achievement drive, drive for responsibility, initiative, enterprise, persistence, task orientation

- Social Characteristics – Administrative ability, cooperativeness,attractiveness, popularity, sociability, interpersonal skill, tack and diplomacy.

The important leadership traits are endless and it grows with each passing year. It has not yet been shown that a finite set of traits can distinguish successful from unsuccessful leaders.

For instance, successful research administrators are usually inquisitive, independent, perspective and are experts within their field. Successful sales manages are usually high-need achievers gregarious and project a professional stature, What are the important traits for one occupation may not be important for other roles in the same organization. Uniformity of traits across all the levels is thus questioned. Trait identifies who the leader is and not the behavioral patterns that he or she will exhibit in attempting to influence subordinate actions.

2.3.2 Leader Behaviour theory

Behavioral Theory:

The basic assumptions are:

• Successful leadership is based in definable, behaviour that can be learnt.

• Leaders could be made rather than are born.

Description:

Behavioral theories of leadership does not seek inborn traits or capabilities. But they look at what leaders actually do.

If success can be defined in terms of actions, then it should be relatively easy for other people to act in the same way. This is easier to teach, learn and then to adopt the more ephemeral 'traits' or 'capabilities'.

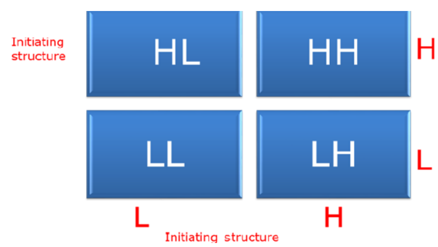
This theory explains the effectiveness of leadership. According to this theory, leadership consists of two qualities that is, initiating structure and consideration. These qualities are tested with higher and lower levels with proper intersection with each other.

Initiating Structure

It is the level up to which a leader is task oriented and directs his subordinates towards achieving a goal. In this case, the leader gives instruction, makes plan and schedules work activities.

Consideration

It is the level up to which a leader is concerned with the sub-ordinates, ideas and feelings. Considerate leaders are friendly, as show concern for sub-ordinates' well-being and satisfaction.



Consideration

This type of leadership is achieved by performance and is found to be effective. But it is not the best way as factors corresponding are not taken into consideration.

2.3.3 Contingency Theory

According to this theory, propounded by Paul Hersey and Ken Blanchard, believes that the effectiveness of a leader is dependent on the action or readiness of his followers. By readiness we mean the extent to which the followers are able and willing to achieve the goal.

This theory can be explained on the basis of four cases.

Contingency Theory

Case 1 : We have high relationship behavior and low task behavior. The leader motivates the followers and helps in decision making. Not much productivity can be seen in this case but the sense of togetherness is more.

Case 2 : We have high relationship behavior as well as high task behavior. The leader explains the decision and helps to build confidence of the employees in this combination. Productivity as well as loyalty towards the leader is more in this case.

Case 3 : We have a combination of low relationship behavior and low task behavior. Here we see that the leader delegates the responsibility of decision making to his followers. In this case, there is poor communication as well as poor production.

Case 4 : Here we deal with a combination of low relationship behavior and high task behavior. The leader gives specific direction and supervises the

performance. It is effective only if the leaders change their style irrespective of readiness of the followers.

2.3.4 Leadership and Follower ship, How to be an effective Leader

A social influence process in which leaders influence employees to achieve organizational goals.

Key functions of leadership: Strategic decisions about and establishment of:

• Core purposes and the primary visions of an organization

• Core values and organizational culture: routines,norms, love, trust, passion, enthusiasm, care, heroes.

• Core capabilities and competencies: creation and maintenance of competitive advantages

• Effective organizational structure and processes to motivate, coach, coordinate and facilitate employees' effort.

Leadership:

It is process of guiding and directing the behavior of people in the work environment.

Formal leadership:

It is the officially sanctioned leadership is based on the authority of a formal position.

Informal leadership:

It is the unofficial leadership accorded to a person by other members of the organization

All leaders guide and direct behavior of other people in the work environment. Leaders cannot accomplish objectives without the assistance of followers.

Followership

The link between leadership, management and enterprise performance is widely understood and accepted. Improving leadership improves management and raises the probabilities of better performance. That boards often change leaders when enterprises are slipping confirms the importance placed on leadership.

The flip side of leadership is followership. It stands to reason that if leadership is important to performance, followership must have something to do with it too. But curiously, followership gets only a small fraction of the airtime that leadership does.

Followership is the process of being guided and directed by the leader.

Good leaders are not necessarily good managers, nor good managers necessarily be good leaders. According to Kotter, managers control complexity and leaders produce the change. Leaders work for change, managers advocate stability. Leaders and managers differ among four distinct personality.

Followers have been viewed historically as either passive or autonomous.The concepts of empowerment and self-managed work teams have altered the views of follower role and have increased the role's importance in leadership thought and research.

Followership with a few exceptions, leaders in organizations are also followers. They nearly always report to someone else. Even the president of a public firm or reports to a board of directors. Leaders should be able to wear both hats, relating effectively both upward and downward. Just as leaders give something

to their superiors and employees, they need validation from higher authority as much as they need support from followers. In formal organizations of several levels, ability to follow is one of the first requirements for good leadership. Being an effective follower is a testing ground for future leaders, a place where employees are closely observed to see if they exhibit potential for leadership. Skillful performance in current roles unlocks the door to future leadership opportunities. In contrast, many people fail in their jobs not as a result of any skill deficiencies, but because they lack followership skills. These skills help employees support their current leader and be effective subordinates.

Followership behaviors include

• Not competing with leader to be in the limelight.

• Being loyal and supportive, as a team player .

• Not being a “yes person" who automatically agrees.

• Acting as a devil's advocate by raising penetrating questions.

• Constructively confronting to leader's ideas, values and actions.

• Anticipating potential problems and preventing them .Good followers, then, need to succeed at their own jobs while helping their managers succeed at theirs. At the same time, effective subordinates can prepare themselves for pro-motion by developing their conceptual and leadership skills. Similarly, good leaders must never forget what it is like in the trenches. Many effective leaders remind themselves of the importance of followership roles by spending time visiting their stores, working a shift in a plant and doing other things to remain in contact with the first-level employees.

Types of Followers

Followers are divided as either active or passive and as either independent, critical thinkers or dependent, uncritical thinkers. Effective followers practice self-management and self-management and are committed to organization and a purpose or person outside themselves. They are not self-centered, but are courageous, honest and credible.

Kelley's characteristics of Followership:

1. Alienated Followers

2. Passive Followers

3. Conformists Followers

4. Pragmatists Followers

5. Exemplary Followers

Alienated followers

Alienated followers are deep and independent thinkers who do not intentionally commit to any leader.

Passive Followers

These followers do as they are told but do not think critically and are not particularly active participants.

Conformists Followers

Conformists are more participative than passive followers, but do not provide particular challenge. Kelley's

Pragmatists Followers

Pragmatic followers are middling in their independence, engagement and general contribution.

Exemplary Followers

Exemplary followers are ideal in all ways, excelling at all tasks, engaging strongly with group and providing intelligent yet sensitive support and challenge to the leader.

Dynamic Follower

A dynamic follower is one who is a responsible steward of his/her job, is effective in managing the relationship with the boss and practices self-management.

Qualities for a good follower:

Judgment:

Followers must take direction but they have an underlying obligation to enterprise to do so only when the direction is ethical and proper. The key is having the judgment to identify between a directive that the leader gives on how to proceed that we do not agree with and a directive that is truly wrong.

None disputes that good judgment is critical to being a good leader. Show enough good judgment as a follower and we end up getting a shot at being the leader. Something of an aside but there is a line about judgment: "Good judgment comes from experience, experience comes from bad judgment."

Work ethic:

Good followers motivated, committed, diligent,pay attention to detail and make the effort. Leaders have a responsibility to create an environment which permits these qualities but regardless, it is the responsibility of a follower to be a good worker. There is nothing as a bad worker who is a good follower.

Competence:

The follower cannot follow properly unless competent at the task which is directed by his leader. It is the obligation of the leader to assure that the followers are competent .Things go wrong sometimes because the follower is not competent at the task at hand. When this happens, leaders should blame themselves, not the follower. A sign of poor leadership is blaming followers for not possessing skills they do not have.

4. Honesty:

The follower is honest to the leader and forthright assessment of what the leader is trying to achieve and how. This is especially the case when the follower feels the leader's agenda is seriously flawed. Respect and politeness are important but that said, it is not acceptable for followers to sit on their hands while an inept leader drives proverbial bus over the cliff. Good leaders are grateful for constructive feedback from their team. Bad leaders do not welcome feedback and here followers have to tread carefully. If the situation is serious enough, consideration must be given to going above the leader in question for guidance.

5. Courage:

Followers need to be honest with those who lead them. They also need the courage to be honest. Real courage is required to confront a leader about concerns with the leader's agenda or worse, the leader himself or herself. Churchill called courage as"The foremost of the virtues, for upon it, all others depend".

Discretion:

A saying in World War II was "Loose lips sink ships." Sports teams are fond of the expression "What we hear here, let it stay here." Followers owe their enterprises and their leaders discretion. Talking about work matters inappropriately is at best unhelpful and more likely harmful. Discretion means keeping the mouth shut. It should be easy but many find it next to impossible. Bluntly, we cannot be a good follower and be indiscreet. Everybody

who working an enterprise has a duty of care, indiscretion is not care, it is careless.

Loyalty:

Good followers respect their obligation to be loyal to their enterprise. Loyalty to the enterprise and its goals is particularly important when there are problems, interpersonal or with a particular leader. Followers who are not loyal are a source of difficulty. They create problems between the team members, they compromise achievement of the goals, they waste everybody's time, they are a menace. Loyalty is not a synonym for lapdog. But its essence is a strong allegiance and commitment to what organization is trying to do. Followers need to remember that their obligation is to the firm, not a given leader at a given point in time.

Ego management:

Good followers have their egos under control. They are team players in the fullest sense of the concept. They have excellent interpersonal skills. Success for the good followers relates to performance and goal achievement but not personal recognition and self promotion. It is difficult but best organizations tie advancement and reward to the performance and goal achievement as hard as that may be to do.

Followership will always be in the shadow of leadership. But no leaders exist without followers and the on-going success with weak followers will usually prove elusive. It is true that an organization is only as good as its leaders.

Leadership Vs Followership

°We cannot be a leader and ask other people to follow us, unless we know how to follow, too. "— Sam Rayburn.

All leaders are followers, but not all the followers are leaders. The leader cannot know what to do with follower if the follower does not give him any feedback. Without that feedback, the follower cannot lead and will remain a follower until he builds courage to speak. A leader inspires followers to undertake mighty challenges. With adequate communication, the leader tells his followers what he wants and the followers can show him what they need him to do for them. Communication is important to both leadership and followership.

Followership can be as "the act or instance of accepting the guidance and command of someone who leads or guides" The follower will imitate the leader's

behaviour and actions, gaining self-discipline, motivation, ideas and responsibility from previous experiences, if the leader exhibited those qualities as well. These acquired qualities are essential for the cadet's development as a follower and eventually, a leader.

Leadership is essentially the converse of followership. Leadership is defined as "the art of influencing and directing people in such a way that will win their obedience, respect,confidence and loyal cooperation in achieving a common objective". Leaders have the necessary experience, skill and motivation to bear the responsibilities that a follower might not be capable of handling. The qualities that have been developed through a cadet's career must be maintained, as well. As mentioned previously, a follower imitates the behaviour imposed upon him / her by his / her leader. The leader must act properly as a role model for the follower, evincing self-discipline, motivation to teach the correct procedure or behaviour to his follower. The leader must also act as a follower towards his or her superiors. There is always a level ordinate to a leader.

Even the President is a follower, he is a follower of the will of the people. This is, in fact, the basis for the chain of command. Leaders receive feedback from their subordinates and relay this information to the next-higher authority. Theoretically, this chain may continue indefinitely.The cooperation between the leader and his or her subordinate is crucial or the chain will not function effectively. Therefore, a leader is concurrently a follower.

The differences between leadership and followership, are a process of learning and the time needed to gain experience in assigned responsibilities. Once a follower has demonstrated the mastery of self-discipline, motivation, responsibility and other important traits, he or she has competence to become a successful leader and pass this wisdom on to future generations. The followers usually have a strong desire to be identified with his leader. The leader who gives that identification to his followers acts as motivating factor for them.

Variables Affecting Leadership Effectiveness (Mullins):

Characteristics of the manager, personal credibility of manager, characteristics of the subordinates, relationships, type, nature and development stage of the organization, nature of the tasks organization structure and systems of management, type of problem and the nature of the manager's decisions, nature and influence of the external environment, social structure and culture of the organization, influence of national culture, are some of the factors impacting leadership effectiveness.

How to be an effective Leader

The following points make the leadership effective.

• Sound mental and physical health.

• Knowledge and Intelligent.

• Clear cut and worthy goal.

• Conviction.

• Sense of responsibility.

• Motivation.

• Initiative and Drive.

• Leader's own personality, past experience & expectation.

• His superiors expectation & behaviour.

• Expectation & behaviour of his subordinate.

•Task Requirement.

• Organizational culture & climate.

2.4 Conflict-Nature of Conflict and Conflict Resolution

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

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

Concept of conflict is controversial. Sociologists and psychologists have given different meanings. It is being defined as the process by few, an obstructive behavior and goal incompatibility by others. Conflict can be expressed as:

Conflict is a process, where perception leads to disruption of desirable state of harmony and stability in an interdependent world.

Characteristics of Conflict:

1. Conflict is Inevitable:

Conflict exists everywhere. No two persons are the same. Hence they may have individual differences. And the differences may be because of their values, otherwise it lead to conflict. Although inevitable, conflict can be minimized, diverted and/or resolved. Conflict develops because we are dealing with people's lives, jobs, pride, ego, self-concept and sense of mission. Conflict is inevitable and often good, for example, a good teams always go through the "form, norm, storm and perform" period.

2. Conflict is a Process:

Conflict occurs in the 'layers'. First layer is always the misunderstanding. Other layers are the differences of values, differences of interest, differences of viewpoint and interpersonal differences. It is also referred as a process because it begins with one party perceiving the other to oppose or negatively affect its interests and ends with collaborating, competing, compromising or avoiding.

3. Conflict is a Normal Part of Life:

Individuals, groups and organisations have unlimited needs and different values but limited resources. Thus, this incompatibility is bound to lead to conflicts. The conflict is not a problem, but if it is poorly managed then it becomes a problem.

4. Opposition:

One party to the conflict must be perceiving or doing something the other party does not like or want.

5. Perception:

It must be perceived by the parties to it, otherwise it does not exist. In an interpersonal interaction, perception is more important than reality. What we perceive and think affects our attitudes, behaviour and communication.

6. Everyone is inflicted with Conflict:

Conflict may occur within an individual, between two or more individuals, groups or between the organizations.

7. Interdependence and Interaction:

There must be some kind of real or perceived interdependence. Without the interdependence there can be no interaction. Conflict occurs only when some kind of interaction takes place.

8. Conflict is not Unidimensional:

It comes into different ways in accordance with the degree of seriousness and capacity. At times, it may improve even at difficult situations.

Nature of conflict:

Through the integration of participants, interests, perspectives, belief systems and values, conflict and conflict resolution play important roles in the individual and social evolution and development. Conflict arises when one or more participants view the current system as not working. At least one party is sufficiently dissatisfied with the status quo that they are willing to own the conflict and speak up with the hope of being able to influence the situation to arrive at an improved condition. Conflict may be viewed as a process we put ourselves through to achieve a new condition and self definition. Through the conflict we have opportunities to be creatively self-defining. If nothing else, the conflict allows us to do things differently in the future.

Through the resolution of conflict, we can, if we choose, evolve and redefine ourselves, our community, our relationships, our society and our world. It is no an accident that we most often find ourselves in conflict with those with whom we spend the most time - friends, family, business associates and fellow organizational members. There is a great benefit, in terms of the quality of our lives, in being able to constructively resolve conflict with those around us.

Types Of Conflict

On the basis of involvement:

The conflicts may be intrapersonal, interpersonal and organisational. Organizational conflict, whether real or perceived, is of two types -Intraorganizational and interorganizational. Interorganizational conflict occurs between two or more organizations.

Different businesses competing against each other are the good example of interorganizational conflict. Intraorganizational conflict is the conflict within an organization and can be examined based upon level (e.g. work team, department, individual) and can be classified as interpersonal, intergroup and intragroup.

Interpersonal conflict:

Once again-whether it is substantive or affective, refers to conflict between two or more individuals (not representing the group of which they are a part of) of the same or different group at the same or different level, in an organization.

Interpersonal conflict can be divided into intergroup and intergroup conflict. While the former—intragroup-occurs between the members of a group, intergroup-occurs between the groups or units in an organization.

When conflict occurs in between individual to individual ,it is referred as interpersonal conflict.

Intrapersonal Conflict:

When a conflict occurs within an individual, it is referred as intrapersonal conflict. It occurs in three ways:

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

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

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

Intragroup Conflict:

When a conflict occurs within one group, it is referred as intragroup conflict.

Intergroup Conflict:

When a conflict occurs amongst different groups, it is referred as intergroup conflict. It occurs in three ways:

a) Horizontal conflict:

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

b) Vertical Conflict:

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

c) Line & Staff Conflict:

It refers to the conflicts that arise between those who assist or act in an advisory capacity and those who have direct authority to create the process, products and services of the organizing.

On the basis of Scope:

Conflicts may be affective and substantive. A substantive conflict is associated with the job, not with the individuals, while an affective conflict is drawn from the emotions. Substantive conflicts may be over the facts of a situation, the method or means of achieving a solution to the problem, ends or goals and values. Thus it includes the task conflict and process conflict in its scope.

Procedural conflicts can include the disagreements about factors such as meeting dates and times, individual task assignments, group organization and leadership and methods of resolving disagreements. Unresolved procedural conflicts can prevent the work on collaborative projects. Substantive conflict can enhance a collaborative decision-making. Substantive conflict is also known performance, task, issue or active conflict.

On the other hand, an affective conflict deals with the interpersonal relationships or incompatibilities and centres on emotions and frustration between parties.

Affective conflicts can be very destructive to the organization, if remains unresolved. Relationship conflict comes under the scope of affective conflicts. An affective conflict is nearly always disruptive to collaborative decision-making. The conflict causes the members to be negative, suspicious, irritable and resentful.

For example, when a collaborators disagree on the recognition and solution to a task problem because of personal prejudices (e.g. prejudices stemming from strong social, economic, political, racial, ethnic, religious, philosophical or interpersonal biases) they are seldom able to focus on the task.

The two concepts are related to each other. If one could make a distinction between good and bad conflict, substantive would be good and affective conflict would be bad. Substantive conflict deals with the disagreements among group members about the content of the tasks being performed or the performance itself.

On the basis of Results:

Conflict can be Constructive or Destructive, positive or negative and creative or restricting. Destructive conflicts are also called as dysfunctional conflicts, because such conflicts prevent a group from attaining its goals.

Conflict is destructive when it takes the attention away from other important activities, undermines morale or self-concept, polarises people and groups, reduces cooperation, increases or sharpens difference and leads to irresponsible and harmful behaviour, such as fighting, name-calling.

On the other hand, a constructive conflicts are also known as functional conflicts, because they support the group goals and help in improving the performance. Conflict is constructive when it results in the clarification of important problems and issues, results in the solutions to problems, involves people in resolving issues important to them, causes authentic communication, helps release emotion, anxiety and stress, builds cooperation among the people through learning more about each other, joining in resolving the conflict and helps the individuals to develop the understanding and skills.

On the basis of Sharing by Groups:

Conflicts may be Distributive and Integrative. Distributive conflict is approached as a distribution of a fixed amount of positive outcomes or resources, where one side will end up winning and the other losing, even if they do win some concessions.

On the other hand, an integrative – Groups utilizing the integrative model see conflict as a chance to integrate the needs and concerns of both groups and make the best outcome possible. This type of conflict has a greater emphasis on compromise than the distributive conflict. It has been found that the integrative conflict results in consistently better task related outcomes than the distributive conflict.

On the basis of Strategy:

Conflicts may be competitive and cooperative. Competitive conflict is accumulative. The original issue that began with the conflict becomes irrelevant. The original issue is more of a pretext than a cause of the conflict. Competitive conflict is marked by the desire to win the fight or argument, even if winning costs is more and causes more pain than not fighting at all.

Costs do not matter in competitive conflict and therefore, the irrationality remains its main mark. Competitive conflict is characterized by fear, which is one of the important ingredients in a conflict becoming irrational. If one is personally invested in the outcome, this too leads to te irrational conclusions, especially if issues of self-esteem, whether the personal or national are involved.

Competitive conflict can either begin by or be rationalized by, conflicts of ideology or principle. Even more, when the desire to win overtakes any specific reason for the conflict, irrationally develops.

Importantly in history, when the powers are roughly equal, such as the World War I alliances were, conflict that becomes competitive and irrational always develops. In economic competition customers are the winners and firms may be at risk. But in the sports competition is encouraged.

In a cooperative situation the goals are so linked that everybody 'swims or sinks' together, while in the competitive situation if one swims, the other must sink. A cooperative approach aligns with the process of interest-based or integrative bargaining, which leads parties to seek win-win solutions.

Disputants that work cooperatively to negotiate a solution are more likely to develop the relationship of trust and come up with the mutually beneficial options for settlement.

On the basis of Rights and Interests:

Conflict of rights means where the people are granted certain rights by contract or by law or by previous agreement or by established practice. If such case right is denied, it will lead to the conflict. Such a conflict is settled by legal decision or arbitration, not negotiation.

On the other hand the conflict of interests means where a person or group demands certain privileges, but there is no law or right in the existence. Such a dispute can be settled only through the negotiation or collective bargaining.

Conflict Process

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

Stage I: Potential opposition or incompatibility:

This covers the present condition that creates opportunity for the conflicts to arise. This may be one of the conditions responsible for the occurrence of conflict. The major sources of conflict can be further categorized as structure, communication and personal variables.

Communication: It is reported that word connotations, jargon, insufficient exchange of information and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict.

Stage II: Cognition and personalization:

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

Stage III: Intentions:

Using the two dimensions – cooperativeness (degree to which one party attempts to satisfy the other party's concerns) and assertiveness (degree to which one party attempts to satisfy his/her own concerns) – five conflict handling intentions can be identified. There are as follows:

i) Competing (assertive and uncooperative)

ii) Collaborating (assertive and cooperative)

iii) Avoiding (unassertive and uncooperative)

iv) Accommodating (unassertive and cooperative)

ii) Compromising (mid-range on both assertiveness and cooperativeness).

Stage IV: Behaviour:

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

Stage V: Outcomes:

The outcomes of conflict may be functional or dysfunctional. Conflict is constructive when it improves the quality of decision, it stimulates the creativity and innovation, encourages the interest and curiosity among the group members, provides the medium through which the problems can be aired and tensions released and fosters an environment of self-evaluation and change.

Causes Of Inter-Group Conflict:

There are three basic sources of inter-group conflict:

1) Goal incompatibility

2) Decision-making requirements

3) Performance expectations.

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

1. Pooled interdependence: No direct interaction occurs between the groups. Interdependence exists because their pooled performance determines the organizational performance. Creates relatively low conflict potential.

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

3. Reciprocal interdependence: The output of each group is the input for other groups and vice versa (e.g., the anesthesiology, nursing and surgical teams in an operating room). Creates a high conflict potential. All the organizations have pooled interdependence, complex organizations have sequential interdependence and the more complex organizations have the reciprocal interdependence. The more complex the organization, the greater will be the conflict potential.

B. Goals Difference: Groups with the different goals have different expectations that can cause Conflict when the groups interact. Goal differences become more evident when the resources are limited and are allocated across the groups. Conflict pressures increase when the groups think resources have not been allocated equitably. Different goal can produce different perceptions. Different time horizons can produce the different times perspectives and affect perceived importance of problems (e.g., a company president's time perspective of five-to-ten years vs. a foreman's perspective of one month to one year).

C. Perceptual Differences: Status incongruency-one group perceiving itself as more prestigious than another can provoke the intergroup conflict. Inaccurate perceptions often causes the groups to develop stereotypes about other groups, which can provoke the conflict and erode intergroup relations.

When conflict is low rational model describes the organization where goals are consistent across participants, power and control are centralized, decision process are orderly, logical, rational, rules and norms are norms of efficiency, information is extensive, systematic and accurate.

When conflict is high political model describes the organization where the goals are inconsistent and pluralistic within the organization, power and control are decentralized and shifting coalitions and interest groups, decision process are disorderly and result of bargaining and interplay among interests.

Conflict management Techniques:

The various strategies for minimizing and resolving the conflicts can be classified into five categories:

i) Avoidance

ii) Accommodating

iii) Compromise

iv) Competition

v)Collaboration.

i) Avoidance:

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

1) Non-attention: The manager totally avoids or ignores the dysfunctional situation. Individuals tends to “look the other way” or disregard hostile action in hopes that the situation will resolve itself in time.

2) Physical separation: It involves moving conflicting groups physically apart from each other. The rational is that if the groups cannot interact, then conflict will diminish.

3) Limited interaction: Groups are allowed to interact only on the formal situations.

ii) Accommodation:

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

iii) Competition:

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

iv) Compromising:

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

v) Collaboration:

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

Conflict Resolution

Conflict resolution is a method by which two or more parties determine a peaceful solution to a disagreement among them. The disagreement can be personal, political, financial or emotional. When a disagreement arises, often the best course of action is negotiation to resolve the disagreement. We all know that when people gather for a discussion, it is not necessary that what one thinks is right the other thinks the same way, this difference in thinking or mentality leads to conflict.

2.4.1 An Introduction to Transactional Analysis (TA)

Transactional Analysis

Introduction

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

Key Ideas In TA

Ego States

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

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

There are two kinds of Parent ego states :

(i) Nurturing Parent and

(ii) Critical parent.

Nurturing Parent

The Nurturing parent is that part of a person which is understanding and caring about other people. Behaviour coming from the nurturing parent may set limits on and provide direction for the people behaviour. It will not put the people down and make them feel not OK as individual.

Critical parent

Critical parent behaviour attacks the people's personalities as well as their behaviour. Critical parent makes the people feel that they are not OK. When the people are in their critical parent ego state they are very evaluative and judgmental. They are always ready to respond with a 'should' or 'ought' to almost anything people tell them.

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

The child ego state is associated with the behaviours that appear when a person is responding emotionally. A person's child contains the 'natural' impulses and attitudes learned from the child experiences. There are several forms of the child ego state. However, two kinds of ego states viz. happy child and destructive child are commonly relevant in their behaviour. People behaving from their happy child are doing things they want to do it but it is not destructive to others. However, the people in their destructive child are also doing things but their behaviour is either destructive to others or to themselves or to their environment. In understanding the difference between these two types of child ego state, it helps to remember that behaviour by itself is not happy or destructive. Whether a person's behaviour is coming from a happy child or destructive child depends on the transaction feedback from others.

Strokes

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

Games

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

The payoff is hidden advantage which motivates the players to participate. Transactional Analysis became a nation-wide fad in the 1960's due to the bestselling success of Eric Berne's book, Games People Play.

Payoffs

There are a number of payoffs of this game, every game pays off at three different levels:

(i) Biological pay-off of a game is strokes. Even though the games end badly, all the players get a considerable number of strokes – both the positive and negative – out of playing them.

(ii) Social pay-off of a game is time-structuring. People are able to fill time which otherwise might have been dull and depressing with an exciting activity.

(iii) Existential pay-off of a game is the way in which the game confirms the existential position of each player.

Life position

In the process of growing up, people make basic assumptions about their own self-worth as well as about the worth of significant people in their environment that may or may not be channelized to other people later in life. Harris called them the combination of an assumption about oneself and another person a life position. Life position tend to be more permanent than ego states. They are learned through out life by way of reinforcements for and responses to expressed. These assumptions are described in terms of 'okay ness'. Thus individual are either OK or not OK and other individuals are assumed to be either OK or not OK.

Four possible relationship resulted from this life position.

I am not OK, You're not OK

2. I am not OK, You're OK

3. I am OK, You're not OK

4. I am OK, You're OK

Transaction:

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

APPLICATION OF TA:

Stroking: Stroking is defined as any act of recognition for another. People seek stoking in their interaction with others. It applies to all the type of recognition, such as physical, verbal and eye contact between the people. Strokes may be either positive, negative or mixed. Positive strokes, when they are received contribute to a person's sense being OK. Negative stokes hurt physically or emotionally and make us feel OK about ourselves. There also is a difference between the conditional and unconditional strokes.

Conditional strokes are offered to employees if they perform correctly or avoid problems. A Regional manager may promise" I will give you a choice posting if you achieve the targets of advances, deposits and recovery and turn around the branch". Unconditional strokes are presented without any connection to behaviour, although they may make a person feel good.

TA and Leadership:

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

TA and conflict resolution:

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

Benefits of TA:

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

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

CONCEPTS OF ORGANIZATION

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

3.1 Organization : Organizational Culture – Meaning and Definition

Organizational Culture

Organizational culture is an idea in the field of organizational studies and management that describes the psychology, attitudes, experiences, beliefs, personal and cultural values of an organization.

It is defined as "the specific collection of values and norms which are being shared by people and groups in an organization and that control the way they interact with each other and with the stakeholders outside the organization."

3.1.1 Culture and Organizational Effectiveness

Culture's Five Basic Functions

- **Defines the Boundaries**
- **Conveys Sense of Identity**
- **Generates the Commitment Beyond Oneself**
- **Enhances the Social Stability**
- **Sense-making and Control Mechanism**

Culture as a Liability

1. Barrier to Change

- Culture is slow to change even in a dynamic environment.

2. Barrier to Diversity

- Culture attempts to minimize diversity .

- Can implant prevalent bias and prejudice .

• Barrier to Acquisitions and Mergers

- Most mergers fail due to cultural incompatibility.

Creating Culture

Ultimate source of an organization's culture is its founders.

Founders create culture in three ways:

• By hiring and keeping those who think and feel the similar way they do .

• Inculcating and socializing those employees to their way of thinking and feeling .

• Acting as a role model and encouraging employees to identify with them.

Keeping a Culture Alive

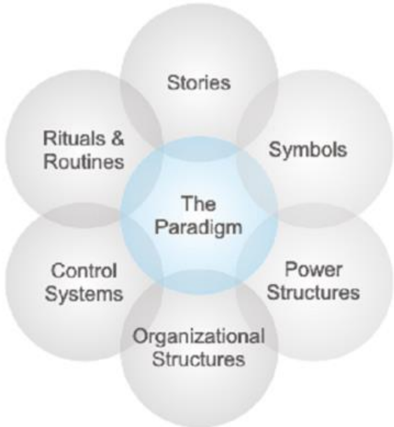
• Selection – seek out those who fit in.

• Top Management – establish norms of behavior by their actions.

• Socialization – help new employees adapt to the existing culture.

Elements Of Organizational Culture

Johnson and Scholes described a cultural web, identifying a number of elements that can be used to describe or influence the Organizational Culture.



Elements of organizational culture

The six elements are:

a) Stories: The past events and people talked about inside and outside the company. Who and what the company chooses to enshrine says a great deal about what it values and perceives as great behaviour.

b) Rituals and Routines: This says what is expected to happen in a given situation and what is valued by the management.

c) Symbols: The visual representations of the company includes logos, how rich the offices are and the formal or informal dress codes.

d) Organizational Structure: This includes both the structure defined by organization chart and the unwritten lines of power and the influence which indicate whose contributions are most valued.

e) Control Systems: The ways by which an organization is controlled. It includes the financial systems, quality systems and rewards including the way they are measured and distributed within the organization.

f) Power Structures: The pockets of real power in company. This involve one or two key senior executives, a whole group of executives or even a department.

The key is that these people have the greatest amount of influence on decisions, operations and the strategic direction.

Types Of Organizational Culture

Organizational culture is based on following two elements:

1. Feedback Speed: How quickly are feedback and rewards provided .

2. Degree of Risk: The level of risk taking.

a) Tough-Guy Culture or Macho Culture:

• Stress results from the high risk and the high potential decrease or increase of the reward.

• Focus on now, individualism prevails over teamwork.

• Typical examples: advertising, brokerage, sports.

The most important aspect of this kind of culture is big rewards and quick feedback. This kind of culture is mostly associated with quick financial activities like brokerage and currency trading. It can also be related with activities such as sports team or branding of an athlete and also the police team. This kind of culture is considered to carry along a high amount of stress and people working within the organization are expected to possess a strong mentality, for survival in the organization.

b) Work Hard/Play Hard:

• Stress results from quantity of work rather than uncertainty.

• Focus on high-speed action, high levels of energy.

• Typical examples: restaurants, sales, software companies.

This type of organization does not involve much risk, as the organizations already has a firm base along with a strong client relationship. This kind of culture is mostly opted by large organizations which have strong customer service. The organization with this kind of culture is equipped with specialized jargons and is qualified with multiple team meetings.

c) Bet our Company Culture :

• Stress results from high risk and delay before knowing if actions have paid off.

• Focus on long-term, preparation and planning.

• Typical examples: pharmaceutical companies, aircraft manufacturers, oil prospecting companies.

In this kind of culture, the company makes big and important decisions over high stakes aspires. It takes time to view the consequence of these decisions. Companies that postulates the experimental projects and researches as their core business, adopt this kind of culture. This kind of culture can be adopted by a company for ex. a company that designs experimental military weapons .

d) Process Culture :

• Stress is generally low, but may come from internal politics and stupidity of the system.

• Focus on details and process excellence.

• Typical examples: bureaucracies, banks, insurance companies, public services. This type of culture does not include the process of feedback. In this kind of culture, the organization is extremely cautious about the adherence to laws and prefer to abide by them. This culture provides consistency to the organization and is good for public services.

One of the most difficult tasks to undertake in an organization is to change its work culture. An organizational culture change requires an organization to make amendments to its policies, its workplace ethics and its management system. It needs to start right from its base functions which includes support functions, operations and the production floor which finally affects the overall output of the organization. It requires a complete overhaul of the entire system and not many organizations prefer it as the process is a long and tedious one, that requires patience and endurance. However, when an organization succeeds in making a change on such a massive level, the results are almost always positive. The different types of organizational cultures mentioned above should have surely helped us to understand them. We can also adopt one of them for our own organization, however, persistence and patience is ultimately of the essence.

Effectiveness is not a one-dimensional concept that may be precisely measured by a single, clear-cut criterion. Rather effectiveness is a label that describes in a relative way the extent to which an organization has performed according to its capabilities, potentialities and general goals.

(1) Individual Effectiveness:

An organization can be said to be effective if its individual members are effective to the maximum extent. Such effectiveness can be judged by:

(a)The progress of his learning and acquisition of skill and experience.

(b) The growth of his problem-solving ability.

(c) His inter-personal behaviour, i.e., his ability to interact with his fellows or peers.

(d) Finally, his contribution to the goals of enterprise or output both in quantity and quality. But even if all individuals are best performers, that will not lead to better organizational effectiveness. Because in an organization work is carried on in groups of individuals.

(2) Intra-Group Effectiveness:

This depends on the extent to which the individuals organized in the form of a section or even department work as a team, the extent of fellow-feeling, mutual help and collaboration among them. But even if the individual members of each group work with the highest degree of collaboration, in other words team spirit reaches its climax in each group, that may not necessarily ensure maximum organizational effectiveness. One group may be at loggerheads with another group. Or different groups may proceed in altogether different directions. So there is the need for inter-group effectiveness.

Inter-Group Effectiveness:

This is indicated by the manner, in which different groups in an organization. i.e., different sub-organizations like sections, departments and even divisions work as a single team. Thus, each group must see that not only its own tasks are performed effectively but also there is neither any overlapping of these performances nor any group performance at cross purposes in relation to other groups. The overall organizational spirit must be very high. The performances of all the groups must effectively converge to the overall organizational goals.

(4) Organizational Effectiveness:

Organizational effectiveness is not the mere sum total of Individual, Intra-Group and Inter-Group effectivenesses. Something more is expected from the organization as a whole. Thus, an organization has also to conform to the goals of the society at large. At the same time, it must attain its projected rate of growth, cope with surrounding and maintain the improvement of its products and services.

3.2 Introduction to Human Resource Management

Human Resource Management:

Human resources planning is the process that identifies the current and the future human resources requirement for an organization to achieve its goals.

Human resources planning must serve as a link between the human resources management and the overall strategic plan of an organization.

Aging worker population in most western countries and growing demands for qualified workers in developing economies have underlined the importance of effective Human Resources Planning.

Nature of HRM

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

The following comprises the core of HRM

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

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

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

4. HRM Functions are not Confined to Business Establishments Only but applicable to non-business organizations such as education, health care, recreation and like. HRM refers to a set of programmes, functions and activities designed and carried out to maximize both employee as well as organizational effectiveness.

Scope of HRM

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

The scope of Human Resources Management extends to:

• All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.

• All the dimensions related to the people in their employment relationships and all the dynamics that flow from it.

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

• Human Resource Planning

• Design of the Organization and Job

• Selection and Staffing

• Training and Development

• Organizational Development

• Compensation and Benefits

• Employee Assistance

• Union/Labour Relations

• Personnel Research and Information System

Objectives of HRM

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

2. Organizational Objectives: it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not standalone department, but rather a means to teach the organization with its primary objectives.

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

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

Functions of Human Resource Management

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

• **Managerial Function**

a)Planning

b)Organizing

c)Directing

d)Coordinating

e)Controlling

• **Staffing/Operating Function**

a)Acquisition & Absorption

b)Development & Utilization

c)Maintenance & Retention

d)Motivation & Empowerment

HR Planning:

The ongoing process of systematic planning to achieve optimum use of an organizations most valuable asset, is their human resources.

The objective of human resource (HR) planning is to fortify the best fit between the employees and jobs while avoiding the manpower shortages or surplus.

The three key elements of the HR planning process are forecasting labor demand, analyzing the present labor supply and balancing projected labor demand and supply.

Recruitment:

Recruitment is the process of finding and attempting to attract candidates those who are capable of effectively filling job vacancies. The recruitment process consists of the following steps.

Steps involved in recruitment process:

• **Identification of vacancy.**

• **Preparation of job description and job specification.**

• **Selection of sources.**

• **Advertising the vacancy.**

• **Managing the response.**

Recruitment is one of the challenging activities of Personnel managers. Recruitment means securing human resources for organization.

The principle purpose of recruitment activities is to attract the sufficient and suitable potential employees.

Recruitment is defined as the process of searching for prospective employees and stimulating them to apply for jobs in concern.

Sources of Recruitment:

(a)Internal Recruitment within the organization:

•Promotion

•Transfer

(b)External Recruitment:

When large vacancies are to be filled, external sources of manpower supply are preferred. The principle sources of external recruitment are mentioned below.

•Employment agencies

•Advertisements

•Campus recruitment

•Trade unions

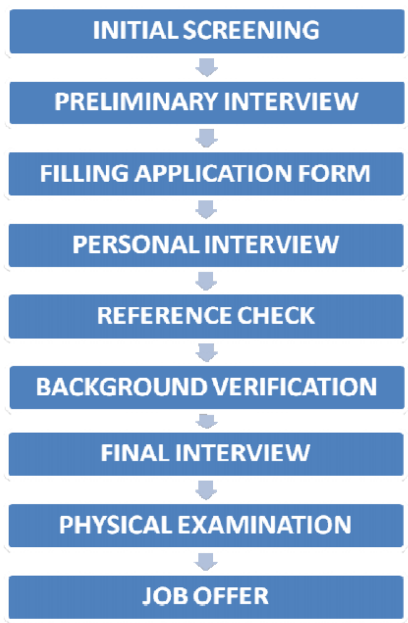
•Intermediaries

3.2.1 Selection, Orientation, Training and Development, Performance Appraisal, Incentives

Selection Process

Selecting a suitable candidate is the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of right candidate builds the foundation of any organization's success and helps in reducing the turnovers.

Though there is no fool proof selection procedure that will ensure low turnover and high profits, the following steps generally make up the selection process.



Steps in Selection Process

a) Initial Screening:

This is generally the starting point of any employee selection process. Initial Screening eliminates unqualified applicants and helps save time.

Applications received from various sources are scrutinized and irrelevant ones are discarded.

b) Preliminary Interview:

It is used to eliminate those candidates who do not meet minimum eligibility criteria laid down by organization.

The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews.

The candidates are given a brief up about the company and the job profile and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

c) Filling Application Form:

An candidate who passes preliminary interview and is found to be eligible for job is asked to fill in a formal application form. Such a form is designed in a way so that it records the personal as well as professional details of the candidates like age, qualifications, reason for leaving previous job, experience, etc.

d) Personal Interview:

Most employers believe that personal interview is very important. It helps them in getting more information about the prospective employee.

It also helps them in interacting with candidate and judging his communication abilities, his ease of handling pressure etc. In some companies, selection process comprises only of the Interview.

e) References check:

Most application forms include a section that requires prospective candidates to put down names of a few references. References can be classified into - former employer, former customers, business references, reputable persons. Such references are contacted to get a feedback on the person in question that include his behaviour, skills, conduct etc.

f) Background Verification:

A background check is a review of a persons commercial, criminal and financial records.

Employers often perform background checks on candidates for employment to confirm information given in a job application, verify a persons identity or ensure that the individual does not have a history of criminal activity etc., that could be an issue upon employment.

g) Final Interview:

Final interview is a process in which a potential employee is evaluated by an employer for prospective employment in their organization. During this process, the employer determine whether or not the applicant is suitable for the job.

Different types of tests are conducted to evaluate the capabilities of an applicant, his behaviour, special qualities etc. Separate tests are conducted for various types of jobs.

h) Physical Examination:

If all goes well, then at this stage, a physical examination is conducted to make sure that candidate has sound health and does not suffer from any serious ailment.

i) Job Offer:

A candidate who clears all the steps is finally considered right for a particular job and is presented with job offer. An applicant may be dropped at any given stage if considered unfit for the corresponding job.

Orientation

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

Orientation is a systematic and planned introduction of employees to their jobs, their coworkers and the organization. It is otherwise called as induction.

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

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

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

Purpose of Orientation

a)To feel like home atmosphere

b)To reduce the anxiety level of new employee

c)For familiarization

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

Types of Orientation Programme

Formal ↔ Informal

Individual ↔ Collective

Serial ↔ Disjunctive

Investiture ↔ Divestiture

Requisites of an Effective Programme

a)Prepare for new employees.

b)Determine the information that new employees want to know.

c)Determine how to present the information.

d)Completion of paper work.

Training

Training is a process of learning a sequence of programmed behaviour. It improves the employee's performance on current job and prepares them for an intended job.

Purpose of Training:

1) To improve Quality: Better trained workers are less likely to make operational mistakes.

2) To improve Productivity: Training leads to increased operational productivity and increased company profit.

3) To improve Organizational Climate: Training leads to improved production and product quality that enhances financial incentives. This in turn increases the overall morale of the organization.

4) To increase Health and Safety: Proper training prevents industrial accidents.

5) Personal Growth: Training gives employees a wider awareness, an enlarged skill base and that leads to enhanced personal growth.

Steps in Training Process:

Steps in Training Process

(1) Identifying Training needs: A training program is designed to assist in providing solutions for specific operational problems or to improve performance of a trainee.

• **Organizational determination and Analysis:** Allocation of resources which relate to the organizational goal.

• **Operational Analysis:** Determination of a specific employee behaviour required for a particular task.

• **Man Analysis:** Knowledge, attitude and skill one must possess for attainment of organizational objectives.

2) Getting ready for the job: The trainer has to be prepared for the job and also who needs to be trained - the newcomer or the existing employee or the supervisory staff.

Preparation of the learner:

• Putting learner at ease.

• Stating importance and ingredients of the job.

• Creating the interest.

• Placing the learner as close to his normal working position.

• Familiarizing him with equipment, materials and trade terms.

3) Presentation of Operation and Knowledge: The trainer should clearly tell, show, illustrate and question in order to convey the new knowledge and operations. The trainee must be encouraged to ask questions in order to indicate that he really knows and understands the job.

4) Performance Try out: The trainee is asked to go through the job several times. This gradually builds up his skill, speed and confidence.

5) Follow-up: This evaluates the effectiveness of the entire training effort.

Training Methods

Training methods can be broadly classified as on-the-job training and off-the-job training.

a) On-the-job training:

On the job training occurs when the workers pick up the skills while working along side experienced workers at their place of work. For example this could be actual assembly line or offices where employee works.

New workers may simply “shadow” or observe fellow employees to begin with and are often given instruction manuals or interactive training programs to work through.

b) Off-the-job training:

This occurs when workers are taken away from their place of work to be trained. This may take place at a training agency or a local college, although many larger firms also have their own training centres. Training can take the form of lectures or self-study and can be used to develop more general skills and knowledge which can be used in variety of situations.

The various types of off-the-job training are:

(i) Instructor presentation: The trainer orally presents the new information to the trainees usually through lecture. Instructor presentation may include classroom lecture, seminar, workshop and the like.

(ii) Demonstration: The trainer tells the correct steps for completing a task or shows an example of correctly completed task.

(iii) Exercise: The trainer assigns problems to be solved either on a paper or in real situations related to the topic of training activity.

(iv) Assigned reading: The trainer gives trainees, the assignments which provide the new information.

(v) Field visit and study tour: Trainees are given opportunity to observe and interact with the problem being solved or skill being learned.

(vi) Case study: The trainer gives trainees information about a situation and directs them to come to a decision or solve a problem concerning the situation.

(vii) Role play: Trainees act out a real-life situation in an instructional setting.

(viii) Group discussion: The trainer leads the group of trainees in discussing a topic.

Career Development

Career development, not only improves the job performance but also brings about the growth of the personality.

Purpose of development management attempts to improve managerial performance by imparting the following:

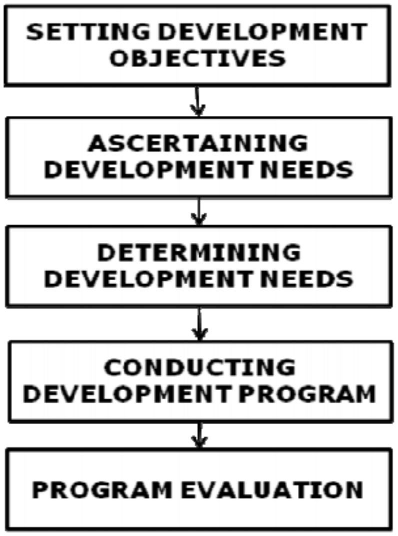
• Knowledge.

• Changing attitudes.

• Increasing skills.

The major objective of development is managerial effectiveness through a planned and a deliberate process of learning. This provides for a planned growth of managers to meet the future organizational needs.

Development Process:



Steps in Development Process

The development process consists of the following steps:

1. Setting Development Objectives:

It develops a framework from which executive needs can be determined.

2. Determining Development Needs:

This has the appraisal of present management talent, management Manpower Inventory .

The above 2 processes will determine the skill deficiencies that are relative to the future requirements of the organization.

3. Ascertaining Development Needs:

It ha the goals at organizational planning & forecast the present and future growth.

4. Program Evaluation:

It is an attempt to assess the value of training in order to achieve the organizational goals.

5. Conducting Development Programs:

It is carried out on the basis of requirements of different individuals, differences in their attitudes and behavior, also their intellectual, physical and emotional qualities. Thus a comprehensive and well conceived program is prepared depending on the organizational requires and the time & cost involved.

Performance Appraisal

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

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

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

Importance and needs of an performance Appraisal

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

1. To provide information about amount of achievement and behavior of subordinate in their job.This kind of information helps to evaluate the performance of the subordinate, by correcting loopholes in performances and to set new standards of work, if required.

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

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

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

5. It is an ongoing process in every large scale organization.

6. To avoid grievances and in disciplinary activities in the organization.

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

1. Feedback: Employees on a regular basis get feedback of their performances and problems in which they lack, which requires to be resolved on a regular basis.

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

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

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

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

Past Oriented Methods:

Performance appraisal methods are categorized in 2 ways past oriented and future oriented methods.

i) Ranking Method:

Ranking method is the oldest and easiest technique of performance appraisal in which employees' are ranked on certain criteria such as trait or characteristic. The employee is ranked from highest to lowest or from worst to best in an organization. Thus if there are 7 employees to be ranked then there will be seven ranks from 1 to 7.

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

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

ii) Paired Comparison:

In paired comparison method is comparatively simpler as compared to ranking method. In this method, the evaluator ranks employees by comparing one employee with all other employees in the group.

The rater is provided a slips where, each slip has a pair of names, the rater puts a tick mark next those employee whom he considers to be the better of the 2. This employee is compared number of times so as to find out the final ranking. This method provides comparison of persons in a better way. However, this raises the work as the large number of comparisons has to be made.

For example, to the rank 50 persons through paired comparison, there will be 1,225 comparisons. Paired comparison method could be employed simply where the numbers of employees to be compared are less. This might be calculated by a formula N (N-1)12 where N is the total number of persons to be compared. Where N is the total number of persons to be evaluated.

iii) Grading Method:

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

iv) Forced Distribution Method:

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

v). Forced-choice Method:

In this rating method has a sequence of question in a statement form with which the rater checks how effectively the statement describes each individual being evaluated in the organization. There might be some variations in the methods and statements used, but the most common method of forced choice contains 2 statements both of which might be positive or negative. It might be both the statement describes the characteristics of an employee, but the rater is forced to tick only one that is the most appropriate statement which might be more descriptive of the employee.

vi) Check-list Method:

The important reason for using this method is to decrease the burden of evaluator. In this method of evaluation the evaluator is given with the appraisal report which has series of questions which is related to the appraise. Such questions are prepared in a method that reflects the behavior of the concerned appraise. Every question has two alternatives, yes or no, as given below:

1. Is he/she ready to help other employees? Yes/No

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

3. Is he/she respected by his/her subordinates? Yes/No

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

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

vii). Critical Incidents Method:

Critical incident method is very useful for finding out those employees who have the highest potential to work in a critical situation. Such an incidence is very important for organization as they get a sense, how a supervisor has handled a situation in the case of sudden trouble in an organization, which provides an idea about his leadership qualities and handling of situation. It is also said to be a continuous appraisal method where employees are appraised constantly by keeping in mind the critical situation.

Here, only the case of sudden trouble and behavior associated with these incidents or trouble are taken for evaluation. This method is categorized in 3 steps. Initially, a list of notable on-the-job behavior of specific incidents or sudden trouble is prepared. Second, selected experts would then assign weightage or score to these incidents according to how serious a particular incident is and their degree of willingness to perform a particular job. Third, finally a check-list indicating incidents that illustrate workers as good or "bad" is formed. Then, the checklist is given to the rater for evaluating the workers.

The strong point of critical incident method is that it focuses on behaviors and, thus, judge's performance rather than personalities. Its disadvantage are that too frequently they require to write down the critical incidents which is very time consuming and burdensome for evaluators, i.e., managers. Normally, negative incidents are more noticeable than positives.

viii) Graphic Scale Method:

It is one of the easiest and most famous techniques for appraising performances of employee. It is also called as linear rating scale. In graphic rating scale the printed appraisal form is used to appraise each employee.

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

The rater provides an estimate the extent to which subordinates possess each quality. The extent to which quality is possessed is measured on a scale which can vary from 3 points to many points. In general practice five-point scales is used. Some organizations use numbers in order to avoid the propensity of the rater to tick mark central points. It might be numbered or defined. Thus numbers like 5, 4, 3, 2 and 1 may denote points for various degrees of excellent-poor, high-low or good-bad and so on. Such numbers might be expressed in terms like excellent, very good, average, poor and very poor or very high, high, average, low and very low. Graphic scale method is good for measuring different kinds job behaviors of an employee. But, it is bound to limitations of rater's bias while rating employee's behavior at job.

ix). Essay Method:

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

x). Field Review Method:

In the field review method of appraisal direct superior is not going to appraise an employee but appraised by another person, generally, from personnel department. The rater, in such a case, appraises the employee on the basis of his past records of productivity and other information such as absenteeism, late corning, etc. It is more suitable in a situation where an organization wants to provide promotion to an employee. It also provides the information for comparing employees from different locations and units. It decreases the partiality to some extent as personnel department person is supposed to be trained in appraisal mechanism. This method suffers from 2 restrictions:

1. As employees are not rated by the immediate boss, the rater from other department might not be familiar with the conditions in an employee's work environment which might hamper his ability and work motivation to perform.

2. The rater from other department do not get a chance to scrutinize the employee's behavior or performance with different time interval and in a variety of situations, but only in an unnaturally structured interview situation which is for a very short period of time.

Behaviorally Anchored Rating Scales:

It is a combination of traditional rating scales and critical incidents methods. It has the preset critical areas of job performance or sets of behavioral statements which describes the important job performance qualities as good or bad. These statements are developed from critical incidents.

These behavioral examples are then again translated into appropriate performance dimensions. Those that are selected into the dimension are retained. The end groups of behavior incidents are then scaled numerically to a level of performance that is perceived to represent. A rater must denotes which behavior on each scale best describes an employee's performance. The results of the above processes are behavioral descriptions, such as anticipate,executes, plan, solves

immediate problems, carries out orders and handles urgent situation situations. This method has following benefits:

- Behavior is assessed over traits.

- It reduces rating errors

It provides an idea about the behavior to the employee and the rater about which behaviors bring good Performance and which bring bad performance.

Future Oriented Methods

Management by Objectives (MBO):

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

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

The entire program me of MBO is divided in 4 major steps i.e setting up of goal, action planning, comparison and timely review.

Setting up of the goal-In goal setting superior and subordinate together set certain goals that is the expected outcome that each employee is supposed to achieve. In action planning, the manner in which goals could be achieved is found out i.e. Identifying the activities which are necessary to perform, to achieve pr determined goals or standards. When the employees start with their activities, they come to know what is to be done, what has been done and what remains to be done and it also provides an idea about the resources to be achieved.

In the 3rd step, the objective set by the individual employee are compared with the actual objective achieved. It gives an idea to the evaluator as why there is a variation in desired outcome and actual outcome. Such a comparison helps create need for training so as to enhance employees’ performance. Atlast, in the timely review step, corrective actions are taken so that actual performances do not deviates from standards established in beginning. The basic reason for conducting reviews is not to humiliate the performer but to assist him in better performances in future.

Assessment Centres:

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

This technique employees from different departments are brought together for an assignment which they are supposed to perform in a group, as if they are working for a higher post or promoted. Every employee is ranked by the observer on the basis of merit .The basic purpose behind assessment is to recognize whether a particular employee can be promoted or is there any need for training or development. This method has certain benefits such as it helps the observer in making correct decision in terms of which employee has the capability of getting promoted, but it has certain disadvantages also it is costly and time consuming, discourages the poor performers etc.

The Performance Appraisal Process

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

A. Establish Performance Standards:

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

B. Measuring of the Actual Performances:

It is one of the most complex steps of performance appraisal process. It is very major to know as how the performance will be measured and what must be measured, thus four important sources frequently used by managers are personal statistical reports, observation, oral reports and written reports. However, combination of all these resources provides the reliable information. What we measure is probably more critical to the evaluation process than how we measure. The selection of the incorrect criteria can result in serious consequences. What we measure provides an idea about what people in an organization will attempt to achieve.

C. Communicating the Standards Set for an Employee:

Once the standards for performance are set it must be communicated to the concerned employee, about what it expected from them in terms of performance. It should not be part of the employees' job to calculate what they are expected do. Communication is said to be 2 ways street, mere passing of information to subordinate does not mean that the work is done. Communication only takes place when the information given has taken place and has been received and understood by subordinate. If need, the standards might be tailored or revised in the light of feedback obtained from the employees.

D. Discussion with the Concerned Employee:

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

E. Initiate Corrective Action:

The corrective action can be of 2 types, one is instant and deals primarily with symptoms. The other is basic and deals with the causes. Instant corrective action is often described as "putting out fires", whereas basic corrective action gets to the source from where deviation has taken place and seeks to adjust the differences permanently.

The Instant action corrects something right at a particular point and gets things back on track. Basic action asks how and why performance deviated. In some instances, managers might feel that they do not have the time to take basic corrective action and thus may go for "perpetually put out fires. Thus the appraisal system of each organization might vary as per the requirement of that Organization.

Issues in the Performance Appraisal

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

Biasness in rating employee:

It is the issue with subjective measure i.e. the rating which will not be verified by others. Biasness of rater might include:

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

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

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

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

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

Incentives

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

According to Burack & Smith,

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

Types of Incentives

Incentives can be categorized as follows:

1. Financial and Non-Financial Incentives

2. Positive and Negative Incentives

3. Individual and Organizational Incentives

1) Financial and Non-financial Incentives:

The Individual or group performance can be found in financial terms. It means that their performance is rewarded in money or cash as it has a great impact on motivation as a symbol of accomplishment. These incentives form visible and tangible rewards provided in recognition of accomplishment. The financial incentives include salary, reward, premium, dividend, income on investment etc. On the other hand, non-financial incentives are that social and psychological attraction which encourages people to do the work efficiently and effectively. Non-financial incentive can be delegation of responsibility, lack of fear, worker’s participation, title or promotion, security of service, constructive attitude, good leadership etc.

Positive and Negative Incentives:

The positive incentives are those agreeable factors related to work situation which prompt an individual to attain or excel the standards or objectives set for him, whereas negative incentives are those disagreeable factors in a work situation which an individual needs to avoid and strives to get the standards needed on his or her part. Positive incentive might include expected promotion, worker’s preference, competition with fellow workers and own ‘s record etc. Negative incentives include fear of lay off, reduction of salary, discharge, disapproval by employer etc.

3) Individual and Organizational Incentives:

According to L.G. Magginson,

"Individual incentives are the extra compensation paid to an individual for all production over a specified magnitude which stems from his exercise of more than normal skill, effort or concentration when accomplished in a predetermined way involving standard tools, facilities and materials."

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

The individual Incentive System is of 2 types:

1. Production based System- it includes Taylor's Differential Piece Rate System, Gantt's Task and Bonus Plan.

2. Time based System- It includes Halsey Plan, Rowan Plan, Emerson Plan and Bedeaux Plan.

The group Incentive System is of following kinds:

a.Priestman's Plan

b.Scalon Plan

c.Profit Sharing

d.Co-Partnership Plan

Some important plans of incentive wage payments are as follows:

Halsey Plan:

According to this plan a standard time is fixed in advance for completing a work. The bonus is rewarded to the worker who perform his work in less than the standard time and paid wages according to the time wage system for the saved time.

Total earnings of the worker = wages for the actual time + bonus

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

Or

50% of the time saved (standard are scientifically set)

Example: Time needed to complete job (S) = 20 hours

Actual Time taken (T) = 15 hours

Hourly Rate of Pay (R) = Rs 1.5

Calculate the wage of the worker.

Solution:

Given:

Time needed to complete job (S) = 20 hours

Actual Time taken (T) = 15 hours

Hourly Rate of Pay (R) = Rs 1.5

T X R + (S-T)/2 X R

15 X 1.5 + (20-15) /2 X 1.5 = 22.5 + 3.75 = 26.25 Rs

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

Rowan Plan:

According to this plan minimum wages are guaranteed given to worker at the ordinary rate for the time taken to complete the work. The bonus is that proportion of the wages of the time taken which the time saved bears to the standard time allowed.

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

Bonus = S-T/S X T X R

Emerson Plan :

According to this system, wages on the time basis are guaranteed even to those workers whose output is below the standard. The workers who prove efficient are paid a bonus.

For the use of determining efficiency, either the standard output per unit of time is fixed or the standard time for a job is determined and efficiency is found on the basis of a comparison of actual performance against the standard.

Bedeaux Plan :

It give comparable standards for all workers. The value of time saved is divided both to the worker and his supervisor in the ratio of ¾ and ¼ respectively. A supervisor also supports a worker in saving his time so he is also given some usages in this method.

The standard time for each job is determined in terms of minutes which are called Bedeaux points or B’s. each B represents one minute through time and motion study. A worker is paid time wages upto standard B’s or 100% performance. Bonus is paid when actual performance exceeds standard performance in terms of B’s.

Taylor’s Differential Piece Rate System:

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

Gantt’s Task and Bonus Plan :

This technique the minimum wage is guaranteed. Minimum wage is provided to anybody, who completes the job in standard time. If the job is completed in less time, then there is a hike in wage-rate. This hike differs between 25% to 50% of the standard rate.

Profit Sharing :

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

3.2.2 Organizational Change – Importance of Change, Planned Change and OB techniques

The organizational change can be defined as the modification in structure, technology or people in an organization or behavior by an organization. Here we require to note that change in organizational culture is different from change in an organization. A new method or style or new rule is implemented here.

An organizational change happens due to 2 important factors namely :

External factor:

The external factors are those factors that are present outside the firm but force the firm to change or implement a new law, rule etc. For example, all the banks are bound to follow the rules laid down by the RBI.

a) Competitive Market Force:

Competition is changing:

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

Government laws and regulations:

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

b) Labor Markets:

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

c) Technology:

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

d) Economic Changes:

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

Internal factor:

These are the factors that are caused or introduced inside an organization that forces a change. For example, no smoking in the workplace.

a) Structural factors:

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

b) Strategy:

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

c) Organizations Workforce:

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

d) Introduction of new technology:

The introduction of new equipment shows another internal force for change. Employees might manufacturing industries. More foreign automobile industries are setting up manufacturing plants and generating more employment opportunities in India.

e) Employee Attitudes:

The employee attitudes such as increased job satisfaction might lead to increased absenteeism, more voluntary resignations and even labor strikes. Such events will generally lead to modifies in management policies and practices.

Kurt Lewin's Force Field Analysis

It is a noted organizational theorist, who used the force field analysis for organizational change. In this theory, he has prioritized 2 factors for change in an organization, namely called as;

Driving force:

It can be defined as an organizational force that makes a change according to the structure, people and technology. In short, it drives the organization from one culture to another.

Restoring force:

It is the force which changes the culture from the existing state to the old state. It denotes a backward motion while the driving force indicates a forward motion.

Needs of Organizational Change

There is a need of change in an organization because there is always a hope for further development and in order to survive in a competitive market, the organization needs to be updated with changes. However, we have listed some reasons to explain why changes are deliberately made and carefully planned by the organization before implementation.

1. It improves the means to satisfy the economic requirements of people.

2. It enhances the profitability of organization.

3. It promotes employee satisfaction and well-being.

Planned Change

Here we can able to define planned change as any type of alteration or modification which is done in advance and differently for improvement.

Need for Planned Change

The planned change takes places in an organization when there is a demand for change due to 2 kinds of forces. These forces are grouped into internal sources and external sources.

The internal forces that lead to a planned change in an organization include obsolescence of production and service, new strategic direction, new market opportunities, increasing workforce diversity and shift in socio-cultural values.

The external forces that lead to a planned change in an organization include regulators, competitors, market force, customers and technology. Every forces can create pressing demand for change in public or private, small or big, business or non-business organizations.

Process of Planned Change

Once the management decides to implement the changes in the organization, it requires to be done carefully as it is a very sensitive issue. It is very necessary for all the employees to adapt to change. According to Kurt Lewin, the planned organizational change is implemented in 3 different stages. They are :

Changing : Here the organization executes the plan and program for change. For this use, proper precautions are taken in order to maintain cooperation and coordination between the employees and management, avoiding miscommunication or disputes. Adequate supervision and control is arranged as required.

Refreezing :

In order to bring organizational change which must be used at final level. By way of supervision, the organization tries to evaluate the effectiveness of change. Collecting all this information, the management interprets whether to continue or replace change by some other alternatives or to make further small changes.

Unfreezing :

Here, the organization studies if the change is needed or not, what and why is the change necessary. Considering the entire situation, the organization decides for appropriate change. Thus a plan and strategy is formulated as required.

3.3 International Organisational Behaviour – Trends in International Business, Cultural Differences and Similarities, Individual and Interpersonal Behaviour in Global Perspective

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

There are similarities and dissimilarities in certain respects between national and international organizations. As regards dissimilarities, it is mainly the cultural variations across the nations that distinguishes organizational behaviour . Given the varying cultural background across the nations, human behaviour at work in them therefore varies.

Trends in International Business

As the economy grows slowly at home, the business may have to look at selling internationally to remain profitable. Before examining foreign markets, we have to be aware of the major trends in the international business so that we can take advantage of those that might favor the company. International markets are evolving rapidly and we can take advantage of changing environment to create a niche for the company.

Growing Emerging Markets

Developing countries see the highest economic growth as they come closer to the standards of living of the developed world. If our business needs to grow rapidly, selling into one of these emerging markets is ideal. Language, financial stability and local cultural factors influence which markets we should favor.

Demographic Shifts

The population in the industrialized world is aging while many developing countries still have very youthful populations. Businesses catering to well-off pensioners can profit from a focus on developed countries, while those targeting young families, mothers and children can look in Latin America, Africa and the Far East for growth.

Innovation

The pace of innovation is increasing as many new companies develop new products and improved versions of traditional items. Western companies no longer can expect to be automatically at the forefront of technical development and this trend will intensify as more businesses in developing countries acquire the expertise to innovate successfully.

Communication

More intense and rapid communications allow customers everywhere to purchase products made anywhere around the world and to access information about what to buy. As pricing and quality information become available across all markets, businesses will lose pricing power, especially the power to set different prices in different markets.

Increased Competition

As more businesses enter international markets, Western companies will see increased competition. Because companies that are based on the developing markets often have lower labor costs, the challenge for Western firms is to keep ahead with faster and more effective innovation as well as a high degree of automation.

Slower Growth

The motor of rapid growth is the Western economies and the largest of the emerging markets, such as China and Brazil. Western economies are stagnating and emerging market growth has slowed, so economic growth over the next several years will be slower. International businesses must plan for profitability in the face of more slowly growing demand.

Clean Technology

Environmental factors have a major influence in the West and will become more so worldwide. Businesses must take into account environmental impact of their normal operations. They can try to market environmentally friendly technologies internationally. The advantage of this market is that it is expected to grow more rapidly than the overall economy.

Cultural Differences And Similarities

Before we delve into human behaviour in the context of international organizations, a brief focus as study scaffolding on differences and similarities in human behaviour across cultures seems pertinent. Such a delineation is required mainly for two reasons. First, in many cases, both culture and national boundaries do not necessarily coincide. For example, some areas of India (e.g. Jammu & Kashmir) are very much like Switzerland. Within India too, there are profound cultural differences among southern, northern and eastern India. One recent review of literature' on differences and similarities in human behaviour across cultures listed the following five salient features :

Human behaviour at work varies across cultures given the varying organisational context.

Culture is a major cause for variation in human behaviour across organisations.

While behaviour varies across cultures, organisations reveal a tendency to become more and more similar.

The behaviour of the same manager varies from culture to culture.

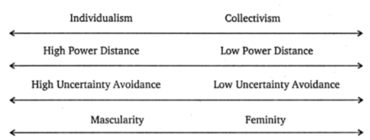
5. Diversity in culture turns out to be an important ingredient in achieving synergy required for effective organisational performance.

Individual Behaviour In International Organisation:

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

Individual Differences:

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



Differences in individual behaviour

Individualism/Collectivism:

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

Power Distance:

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

Uncertainty Avoidance:

While some individuals ready to accept uncertainty and, in turn, risk to thrive in the challenging and exciting situations, there are others, who simply avoid uncertainty. Employees of US and Australia represent the two cases respectively.

Masculinity/Femininity:

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

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

Motivation:

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

Interpersonal Behaviour in an International Business

Group behaviour also varies according to different cultures which are group dynamics leadership, power and conflict and communication.

1. Group Dynamics

A manager can expect the following three problems in a culturally different group :

(i) Problem of distrust among members in a group.

(ii) Problem of stereotype members.

(iii) Problem of communication due to different language.

The manager should overcome these difficulties as follows :

(i) To bring cohesiveness within the group.

(ii) To understand intra-group problems.

(iii) To find solutions to solve these problems.

2. Leadership

(i) Situational approach should be given to leadership according to the culture of that country.

(ii) Power is one of the situational factors as :

In high power society the leader is expected to make decisions, solve problems and assign work. He should not follow a participative management.

(B) In low power society empowerments is appreciated by the employees.

Examples :

In Japan the leader is required to serve as a facilitator to group performance and not as control administrator.

(b) In China the leader is required to do formal roles assigned to him.

(c) In Europe the leader is usually surpasses his roles.

Mr. Ralph J. Cordiner - Chairman of the board of the General Electric company said this to a leadership conference — "we need from every man who aspires to leadership for himself and his company a determination to undertake a personnel program of self development. No body is going to order a man to develop whether a man lags behind or moves ahead in his speciality is a matter of his own personal application.This is something which takes time, work and sacrifice. No body can do it for us".

According to David Joseph Schwartz - "Leaders use solitude to put the pieces of a problem together, to workout solutions to plan and in one phrase– to do their supper thinking. Remember the main Job of the leader is thinking and the best preparation for leadership is thinking".

3. Power and Conflict

Power and conflict are the part and parcel of the organisations in some countries.

Examples :

(i) In U.S.A., Power and conflict are sustained and even encouraged at moderate level of conflict for effectiveness of the organisation.

(ii) In Japan, power is not liked and conflict is discouraged while group harmony is followed.

(iii) In U.K., Conflict is more prone in work place due to hostile nature of workers towards management hence often strikes takes place.

Communication In communication language creates a lot of problem in different countries.

(i) In Japan they don't say "No" to any request but later on by explaining in detail they make it an affirmative answer.

(ii) General Motors produced a car called "Nova' which could not be sold in Italy as there Nova means "does not go".

(iii) Non-verbal communication also affect the various cultures. Example : Colours and Body Language have also different meaning in different cultures.

(iv) Coordination should also be done according to the time and difference in language. Thus managers should :

Become familiar with the verbal and non-verbal languages of that cultures.

(b) Find innovative ways for coordinating their activities.