

Biyani's Think Tank

Concept based notes

Organizational Behavior

MBA-I Sem

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Preface

I am glad to present this book, especially designed to serve the needs of the students. The book has been written keeping in mind the general weakness in understanding the fundamental concepts of the topics. The book is self-explanatory and adopts the “Teach Yourself” style. It is based on question-answer pattern. The language of book is quite easy and understandable based on scientific approach.

Any further improvement in the contents of the book by making corrections, omission and inclusion is keen to be achieved based on suggestions from the readers for which the author shall be obliged.

I acknowledge special thanks to Mr. Rajeev Biyani, *Chairman* & Dr. Sanjay Biyani, *Director (Acad.)* Biyani Group of Colleges, who are the backbones and main concept provider and also have been constant source of motivation throughout this Endeavour. They played an active role in coordinating the various stages of this Endeavour and spearheaded the publishing work.

I look forward to receiving valuable suggestions from professors of various educational institutions, other faculty members and students for improvement of the quality of the book. The reader may feel free to send in their comments and suggestions to the under mentioned address.

Shalini Singh
Surbhi Mathur

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Syllabus

The paper aims to present the basic concepts of management. The objective is to help student comprehend perceive and understand dynamic nature of groups. Provide on insight into behavior of individuals in organization and the changing environment of organization. This is with a view to enable him to develop and adopt effective strategies to influence it. It also aims to help the student develop decision making skills through case discussions.

Section –A

Organizational Behavior – Definition – assumptions.,- Historical Background Fundamental concepts of Ob, research foundation, trends, impact of globalization, learning organization and Knowledge management.

Individual Behavior and managing diversity, individual behavior, main reasons impact, trends and layers of diversity, initiatives. Personality Development: meaning, theories of Personality development, managerial consideration for further developing of personality development of employee. Perception –Meaning and definition, Perceptual process, Managerial implications of perception in business situations, schemas, perceptual errors.

Motivation; nature and importance, basic process, need theories of motivation- the concept of needs, Maslow's hierarchy of needs theory, Alderfer's ERG theory, McClelland's Achievement Motivation theory, Cognitive and behavioral theories- expectancy, Equity, Goal - Setting theories.

Communication: Meaning, importance, process, types, effective and efficient communication, barriers in communication.

Group Behavior; Group formation: formal and informal group, stages of group development, group decision making, group effectiveness and self managed teams.

Conflict and stress management: meaning, process, functional and dysfunctional conflict, conflict handling, nature causes and consequences of stress.

Management of change: concept, Lewin's stages of change, forces of change, resistance of change, and managing planned change.

Section-B

Case study.

1.

Dean, Rajasthan Technical university, Kota/ 2008-2009/Prof. Surendra Kumar Vyas, Chairman BoS, Department of Management & technology, Engineering College, Bikaner.



Organizational Behavior

Q.1 Define Organizational Behavior?

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

- Stephen P. Robbins

"Organizational behavior can be defined as the understanding; prediction and management of the human behavior affect the performance of the organizations.

- Luthans

In brief organizational behavior is concerned with the study of what people do in an organization and how their behavior affects the performance of the organizations. Organizational behavior is a scientific discipline in which a large number of research is conducted which improve its knowledge base.

Q.2 Why organizational behavior is significant. Explain?

Ans. Organizational behavior offers several ideas to management as to how human factor should be properly emphasized to achieve organizational objectives. Organizational behavior provides opportunity to management to analyze human behavior and prescribe means for shaping it to a particular direction.

Organizational behavior helps to analyze 'why' and 'how' an individual behaves in a particular way. Human behavior is a complex phenomenon and is affected by a large number of factors including the psychological, social and cultural implications. Organizational behavior integrates these factors to provide simplicity in understanding the human behavior.

- **Interpersonal Level:** Human behavior can be understood at the level of interpersonal interaction. Organizational behavior provides means for understanding the interpersonal relationships in an organization.
- **Group Level:** Though people interpret anything at their individual level, they are often modified by group pressures, which then become a force in shaping human behavior. Thus individuals should be studied in groups also.
- **Inter-group Level:** The organization is made up of many groups that develop complex relationships to build their process and substance. Understanding the

effect of group relationships is important for managers in today's organization. Inter-group relationship may be in the form of co-operation or competition.

- **Controlling and Directing Behavior:** After understanding the mechanism of human behavior, managers are required to control and direct the behavior so that it conforms to the standards required for achieving the organizational objectives. Thus, managers are required to control and direct the behavior at all levels of individual interaction.
- **Use of Power and Sanction:** The behaviors can be controlled and directed by the use of power and sanction, which are formally defined by the organization. Power is referred to as the capacity of an individual to take certain action and may be utilized in many ways. Organizational behavior explains how various means of power and sanction can be utilized so that both organizational and individual objectives are achieved simultaneously.
- **Leadership:** Organizational behavior brings new insights and understanding to the practice and theory of leadership. Thus, managers can adopt styles keeping in view the various dimensions of organizations, individuals and situations.
- **Communication:** Communication helps people to come in contact with each other. To achieve organizational objectives, the communication must be effective.
- **Organizational Climate:** Organizational climate refers to the total organizational situations affecting human behavior. Organizational climate takes a system perspective that affect human behavior. Besides improving the satisfactory working conditions and adequate compensation, organizational climate includes creation of an atmosphere of effective supervision; the opportunity for the realization of personal goals, congenial relations with others at the work place and a sense of accomplishment.
- **Organizational Adaptation:** Organizations, as dynamic entities are characterized by pervasive changes. Organizations have to adapt themselves to the environmental changes by making suitable, internal arrangements such as convincing employees who normally have the tendency of resisting any changes.

Q.3 Discuss the historical evolution of organizational behavior to the present age?

Ans. Historical Background For Modern Organizational Behaviour

Scientific Management Approach

Scientific management approach was developed by F.W. Taylor at the beginning of the 20th century. This theory supported the use of certain steps in scientifically

studying each element of a job, selecting and training the best workers for the job and making sure that the workers follow the prescribed method of doing the job. It provided a scientific rationale for job specialization and mass production. His assumption was that employees are motivated largely by money. To increase the output, Taylor advised managers to pay monetary incentives to efficient workers. Yet, his theory was criticized by many employers and workers. Workers objected to the pressure of work as being harder and faster. Critics worried that the methods took the humanity out of labor, reducing workers to machines responding to management incentives. Therefore, Taylor's view is now considered inadequate and narrow due to the points given by the critics.

Bureaucratic Approach

While scientific management was focusing on the interaction between workers and the task, researchers of such approach were studying how to structure the organization more effectively. Instead of trying to make each worker more efficient, classical organization theory sought the most effective overall organizational structure for workers and managers.

The theory's most prominent advocate, Max Weber, proposed a 'bureaucratic form' of structure, which he thought would work for all organizations. Henry Ford, Henry Fayol and Frederick W. Taylor, the early management pioneers, recognized the behavioral side of management. However, they did not emphasize the human dimensions.

Hawthorne Studies

The real beginning of applied research in the area of organizational behaviour started with Hawthorne Experiments. In 1924, a group of professors began an enquiry into the human aspects of work and working conditions at the Hawthorne plant of Western Electric Company, Chicago. The findings of these studies were given a new name 'human relations' the studies brought out a number of findings relevant to understanding human behaviour at work. The Human element in the workplace was considerably more important. The workers are influenced by social factors and the behaviour of the individual worker is determined by the group.

Q.4 Discuss learning organization and knowledge management?

Ans. Learning organization : Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective

aspiration is set free, and where people are continually learning to see the whole together.

According to Sandra Kerka (1995) most conceptualizations of the learning organizations seem to work on the assumption that 'learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn'. Learning organizations:

- Provide continuous learning opportunities.
- Use learning to reach their goals.
- Link individual performance with organizational performance.

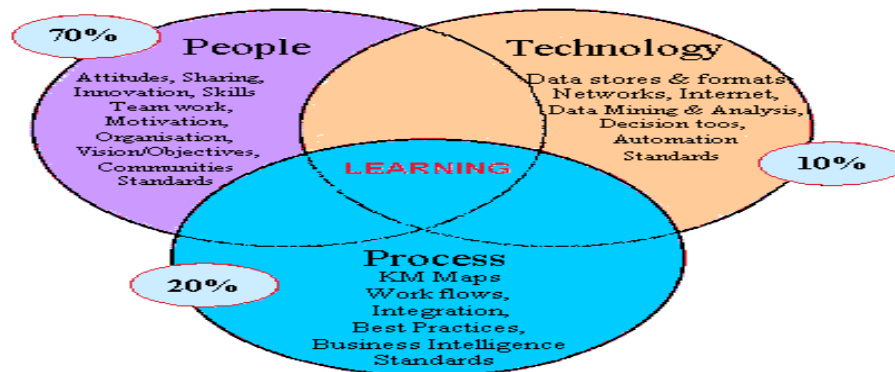
Benefits

The main benefits are:

- Maintaining levels of innovation and remaining competitive
- Being better placed to respond to external pressures
- Having the knowledge to better link resources to customer needs
- Improving quality of outputs at all levels
- Improving Corporate image by becoming more people oriented
- Increasing the pace of change within the organization.

Knowledge Management: Knowledge management (KM) comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Knowledge management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization.

Knowledge Components



CASE STUDY: A PROBLEM AT McDonald's

McDonald's Corporation, perhaps the premier hamburger retailer in the world for decades, now faces significant problems. Within the last 10 years, McDonald's share of fast food sales in the United States has slipped almost two percentage points. The drop has come despite in the company's increasing its number of restaurants by 50%, thereby leading the industry. Michael Quinlan, CEO at McDonald's is very disturbed and wants to introduce a new system in his restaurants. Quinlan is an astute manager, and he knows that many problems will arise before the system contributes all that it can to the success of the organization.

Questions:

Q.1 How should McDonald's try to regain its lost sales by applying the learning organization approach?

Q.2 List some advantages of adopting the learning organization approach?



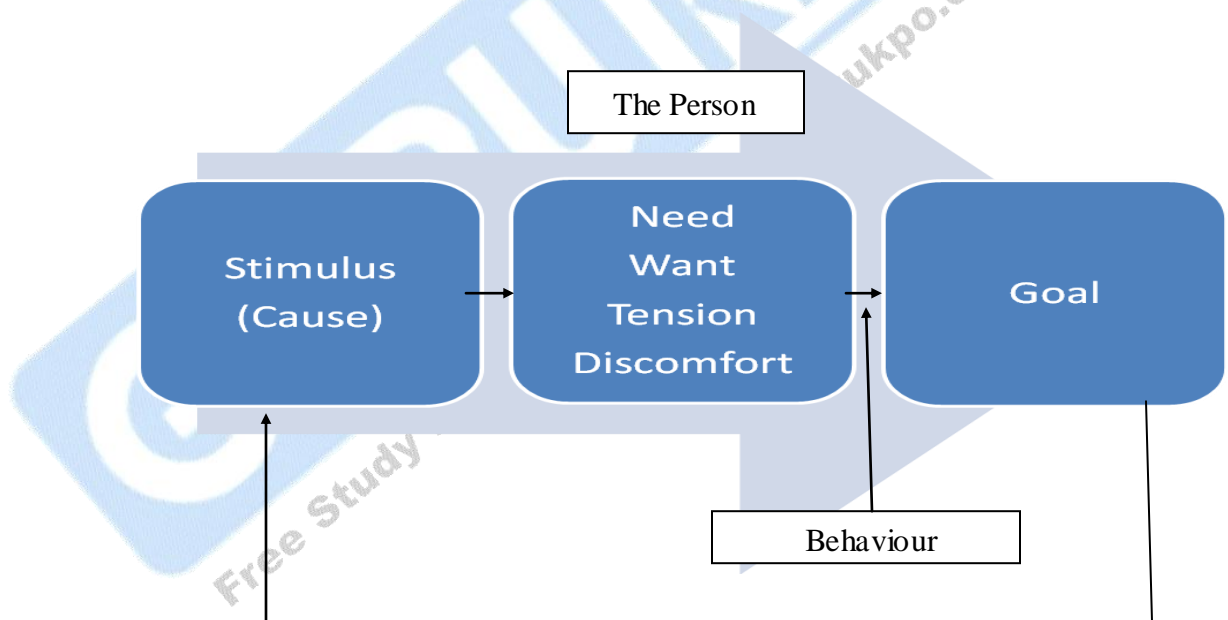
Individual Behavior and Managing Diversity

Q.1 What are the models to understand the process of individual behavior?

Ans. The process of individual behavior can be understood by three models:

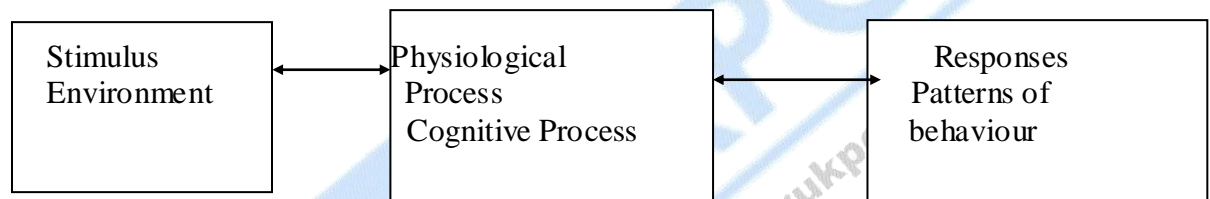
- (a) Basic model of behavior
- (b) S-R model of behavior
- (c) MARS model of behavior

(a) Basic Model of behavior

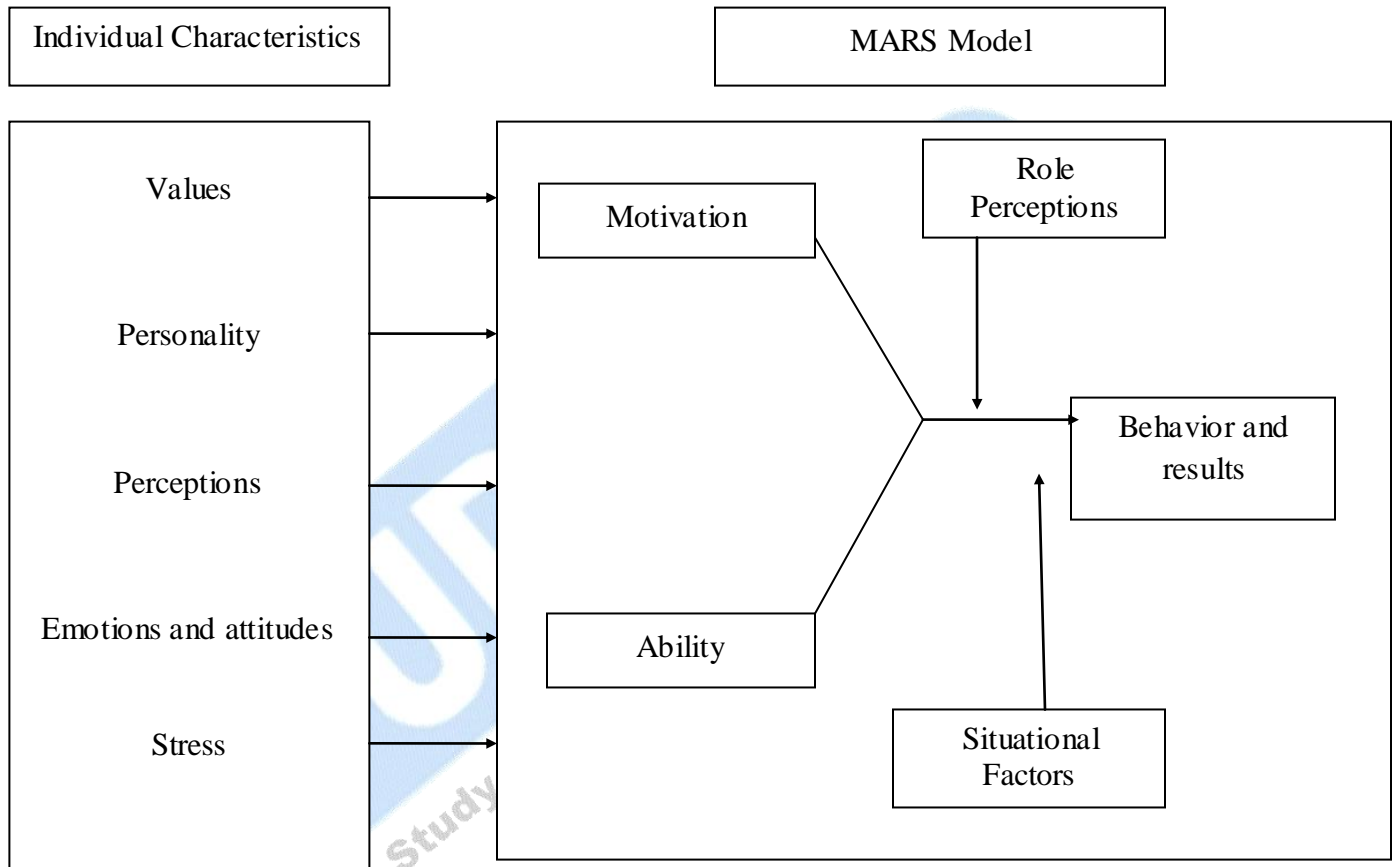


This model shows that:

- 1) The behavior process is similar for all people
- 2) Actual behavior can differ because of physiological, environmental and physiological variables and such factors as frustration, conflict, and anxiety
- 3) Many of the variables influencing behavior have been shaped before persons enter in the organization.

(b) Stimulus-Response Model of Behavior**The behavior of person may be caused by**

- (a) Certain internal factors such as feelings, stress, motives, etc.
- (b) Other external stimulus (environment)
- (c) A stimulus may be any factor in the environment which directly has an impact on the individual which may be visible in the behavior.
This means that the response or behavior of an individual is determined by certain situational forces present in the environment. This entire situation is referred to as the S-R process.

(c) MARS Model of Individual Behavior

MARS Model of Individual Behavior

This model shows that:

- (1) All these four factors have combined effect on individual performance. If any factor weakens, employee performance will decrease.
- (2) These four factors – motivation, ability, role perceptions, and situational factors are influenced by several other individual variables such as values, personality, perceptions, emotions, attitudes, stress etc. Personality and values are the most stable elements, whereas emotions, attitudes, and stress are much more fluid characteristics.
- (3) Each of these factors relates to the MARS model in various ways. For example, personal values affect an employee's motivation through emotions & tend to shape role perceptions through the perceptual process.

Q.2 Explain the concept of personality?

Ans. The term 'personality' has been derived from the Latin term 'persona' which means to 'speak through'. Therefore a very common meaning of the term personality is the role which the person (actor) displays to the public.

Personality is a very frequently used word but still there is no consensus about its meaning. There is a great deal of controversy about the meaning of the word personality. A few definitions of personality are as given as:

According to Gordon Allport, "Personality is the dynamic organization within the individual of those psychological systems that determine his unique adjustment to his environment."

According to Floyd L. Ruch, "Personality includes external appearance and behaviour, inner awareness of self as a permanent organizing force and the particular pattern or organization of measurable traits, both inner and outer."

According to Fred Luthans, "Personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits and the person-situation interaction."

According to Salvatore Maddi, "Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment."

Q.3 Describe in detail any three theories of personality development?

Ans. Following are the various theories of personality:

1. The Psychoanalytic Theory: The Psychoanalytic Theory of personality has held the interest of psychologists and psychiatrists for a long time. Sigmund Freud, its formulator, was quite an influence. It attends to emphasizes three main issues i.e. the id, the ego and the superego. Psychoanalysts say that all human personality is comprised of these closely integrated functions.

The id is considered as mostly biological or physical in function -- unfettered, compelling and lacking morality, selfish and intolerant of tension. It functions on the principle of pleasure before anything else. The ego is the rationally functioning element of human personality. It exerts conscious control, trying always to be the mediator between the id and the superego. Though the id seeks pleasure blindly, based on the pleasure principle, the ego seeks pleasure using rationality instead of irrationality. Its main quirk is rationality, and is always conscious. The superego represents our moral system. It strives to put a right or wrong tag on our behavior, often triggering conflict among the three divisions. Its main quirk is morality. The ego is that aspect we present to the "outside" -- it is our persona our celebrity.

2. Traits Theories: Trait theory is the biggest area of research in personality development. Trait theories are therefore, primarily concerned with the differences in people with regards to their own set of personality traits.

We all characterize the traits we see in people all the time, for example we might say, "My dad is outgoing, fun-loving, and extremely active for his age."

The most widely known trait theories are discussed as below:

- A. Gordon Allport's trait theory:** The psychologist Gordon Allport based his three-tier theory of traits in 1936, when he discovered over 4,000 listed personality traits. Trait categories according to Gordon Allport:
- i. Cardinal traits** - Cardinal traits are very dominating traits that characterize a person throughout life. Many times, people are known by these traits; for example, we often hear people classified as Nerd, Christ-Like, anal, bad-tempered, drama queen, and so on. According to Gordon Allport, these cardinal traits usually develop later on in life.
 - ii. Central traits** - Central traits are not as dominating, yet still basic for most individuals. To illustrate we can say, a Nerd is a special term often reserved for extremely bright people; however, a central trait would be intelligent and this trait is distributed more evenly among people. Other central traits would include: honest, shy, anxious, happy, resourceful, etc.

- iii. **Secondary traits** - Secondary traits are traits that appear as a reaction to a situation; but, may not be overly dominating the personality of the person experiencing them. For example, a person may be impatient waiting in a line, or waiting on someone to call, but that same person may be very patient helping an elderly individual, or helping a child with his or her homework.
- B. **Raymond Cattell's trait theory:** Trait theorist, psychologist, Raymond Cattell, reviewed Allport's 4,000 trait list and reduced personality traits to 171. He eliminated most uncommon traits in favor of traits commonly found among most humans. He utilized what is known as a factor analysis and by combining traits with striking similarities; he further reduced the number of traits down to 16. He is known for his famous, Sixteen Personality Factor Questionnaire (*16PF*) which is widely used as a personality test worldwide.

3. Self-Theories: Carl Rogers was a humanistic psychologist agreed with most of what Maslow believed, but added that for a person to "grow", they need an environment that provides them with genuineness (openness and self-disclosure), acceptance (being seen with unconditional positive regard), and empathy (being listened to and understood).

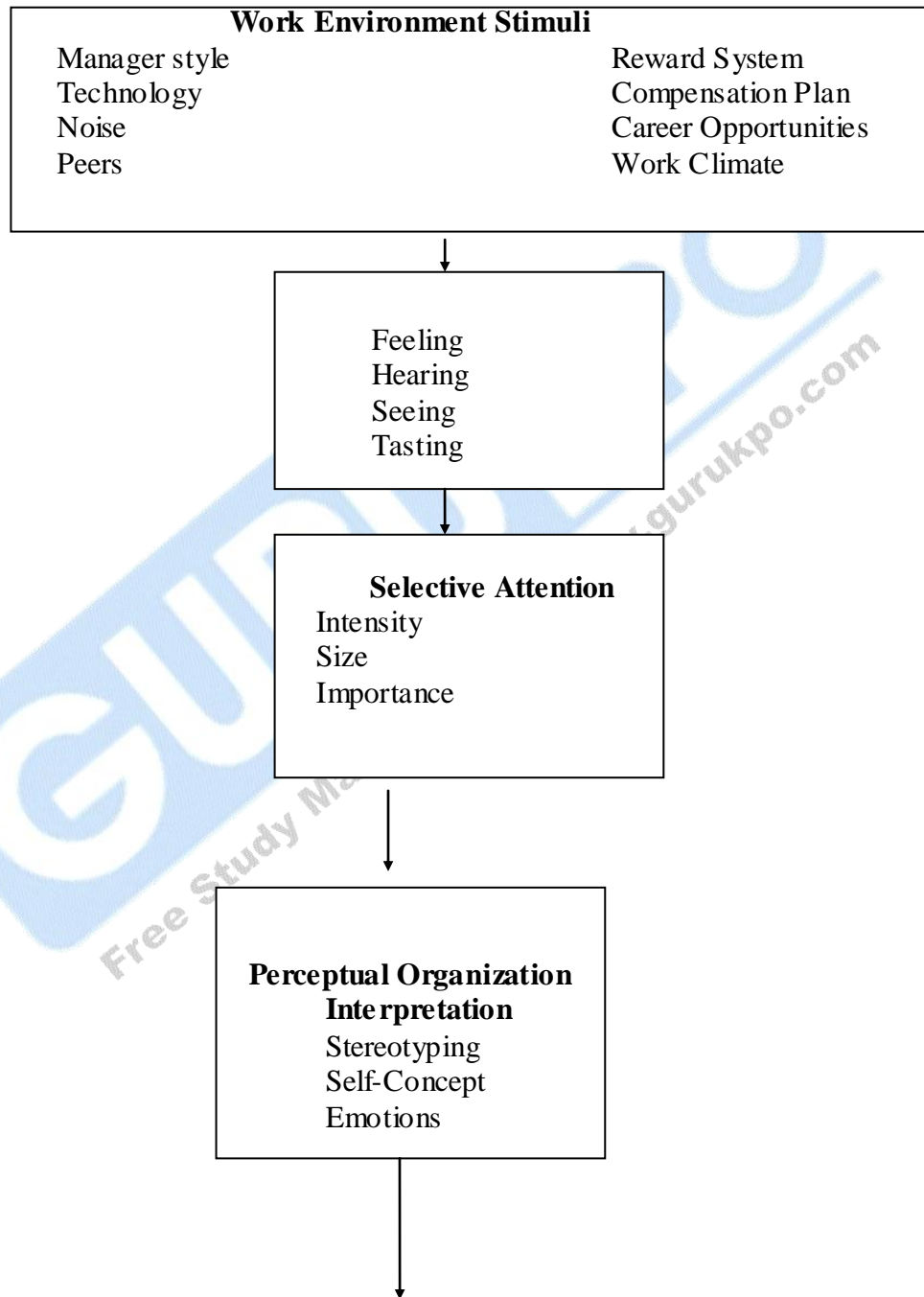
According to Rogers basic ingredients of personality:

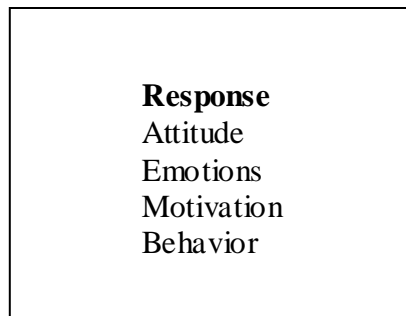
- A. **Self Actualization:** Carl Rogers believed that humans have one basic motive that is the tendency to self-actualize - i.e. to fulfill one's potential and achieve the highest level of 'human-beingness' we can. Like a flower that will grow to its full potential if the conditions are right, but which is constrained by its environment, so people will flourish and reach their potential if their environment is good enough.
- B. **The self-concept:** Self-concept is defined as "the organized, consistent set of perceptions and beliefs about oneself". The self is the humanistic term for who we really are as a person. The self is influenced by the experiences a person has in their life, and our interpretations of those experiences. Two primary sources that influence our self-concept are childhood experiences and evaluation by others. The self-concept includes three components:
- **Self worth** (or self-esteem) – what we think about ourselves. Rogers believed feelings of self-worth developed in early childhood and were formed from the interaction of the child with the mother and father.
 - **Self-image** – How we see ourselves, which is important to good psychological health. Self-image includes the influence of our body image on inner personality. At a simple level, we might perceive ourselves as a good or bad person, beautiful or ugly. Self-image has an effect on how a person thinks feels and behaves in the world.

- **Ideal self** – This is the person who we would like to be. It consists of our goals and ambitions in life, and is dynamic – i.e. forever changing. The ideal self in childhood is not the ideal self in our teens or late twenties etc.

Q.4 Discuss the steps in perceptual process?

Ans





Perception comprises of three basis stages:

Perceptual Inputs

Perceptual inputs encompass all stimuli that exist in our environment including people, events, information conversation, etc. These are received by the perceiver through our senses. Individuals are constantly bombarded by environment stimuli that impact their senses of sight, hearing, smell, taste, and touch.

Perceptual Mechanism or Throughputs

The received stimuli or inputs are processed through selection, organization and interpretation. Though all individuals go through this process, they differ in how they select, organize and interpret stimuli based on their personality, predisposition and biases.

Perceptual out puts

These include one's attitudes, opinions, feeling, values, and actions. Perceptual errors may adversely affect the outputs.

Behavior

It depends on perceived output. The perceivers behavior, in turn generates responses and these reaction give rise to a new set inputs.

Q.5 What is perception? Discuss its nature.

Ans. Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world.

Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue or skin.

Perception, on the other hand, better describes one's ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process.

The following ideas clarify the nature of perception:

1. Perception is the process by which an individual gives meaning to the environment.
2. People's actions, emotions, thoughts and feelings are triggered by their perceptions of their surroundings.
3. Perception has been defined in a variety of ways; it basically refers to the manner in which a person experiences the world.
4. Perception is an almost automatic process and works in the same way within each individual, yet it typically yields different perceptions.

CASE STUDY: SENSORY DATA AND PERCEPTION

In a factory, the male chief executive officer feels that women have an equal opportunity for advancement into top management, but the female assistant personnel manager feels there is no way she can break into top management's "good old boy" network.

In another factory, the head engineer who tours the factory floor once a week in an electric cart feels this is a pleasant place to work, but a punch press operator thinks this place ranks right next to the State prison.

Questions:

Q.1 Point out the reason for difference in perception in the first case?

Q.2 Why does the engineer feel 'a pleasant place to work' whereas the operator regards it 'next to prison'? Explain the reason.

Q.3 How do you visualize a relationship between sensory data and perception?

Motivation

Q1. What is motivation? Discuss type of motivational theories?

Ans. Motivation is an internal state or condition (sometimes described as a need, desire, or want) that serves to activate or energize behavior and give it direction.

It is a drive that compels one to act because human behavior is directed toward some goal. Motivation is intrinsic (internal); it comes from within based on personal interests, desires, and need for fulfillment. However, extrinsic (external) factors such as rewards, praise, and promotions also influence motivation.

It can also be refers to “the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action.”

People who are committed to achieving organizational objectives generally outperform those who are not committed. Those who are intrinsically rewarded by accomplishments in the workplace are satisfied with their jobs and are individuals with high self-esteem. Therefore, an important part of management is to help make work more satisfying and rewarding for employees and to keep employee motivation consistent with organizational objectives. With the diversity of contemporary workplaces, this is a complex task. Many factors, including the influences of different cultures, affect what people value and what is rewarding to them.

Classification of motivational theories:

1. Content theories

- Maslow’s Hierarchy of Needs
- Herzberg’s Two Factors
- Alderfers ERG

2. Process theories

- Vroom’s Expectancy
- Porter Lawler Model
- Equity theory

- Goal-Setting Theory

Q2. What do you mean by ‘process’ theories of motivation? Give one example

Ans. Process theories help to explain how individuals select particular behaviors and how individuals determine if these behaviors meet their needs. Because these theories involve rational selection, concepts of cognition are employed. Cognition according to Petri (1996). "Is generally used to describe those intellectual or perceptual processes occurring within us when we analyze and interpret both the world around us and our own thoughts and actions.

Equity Theory: The equity theory focuses on individuals perceptions of how fairly they are treated in comparison to others. It was developed by J.Stacy Adams, who found that equity exists when people consider their compensation equal to the compensation of others who perform similar work. People judge equity by comparing inputs (such as education, experience, effort, and ability) to outputs (such as pay, recognition, benefits, and promotion).

When the ratio is out of balance, inequity occurs. And inequitable pay can create an impossible situation when implementing salary and incentive systems.

Individuals will work to reduce perceived inequity by doing the following:

- Change inputs: Examples include increasing or reducing effort.
- Change outcomes: Examples include requesting a salary increase or improved working conditions.
- Distort perceptions: This occurs when individuals cannot change their inputs or outcomes; one example is artificially increasing the importance of awards.
- Leave the job: Individuals might do this rather than experience what they perceive to be continued inequity.

When administering compensation and incentive programs, managers must be careful to assure that the rewards are equitable; if programs are not perceived as equitable, then they will not contribute to employee motivation.

Q3 What do you mean by ‘content’ theories of motivation? Give an example?

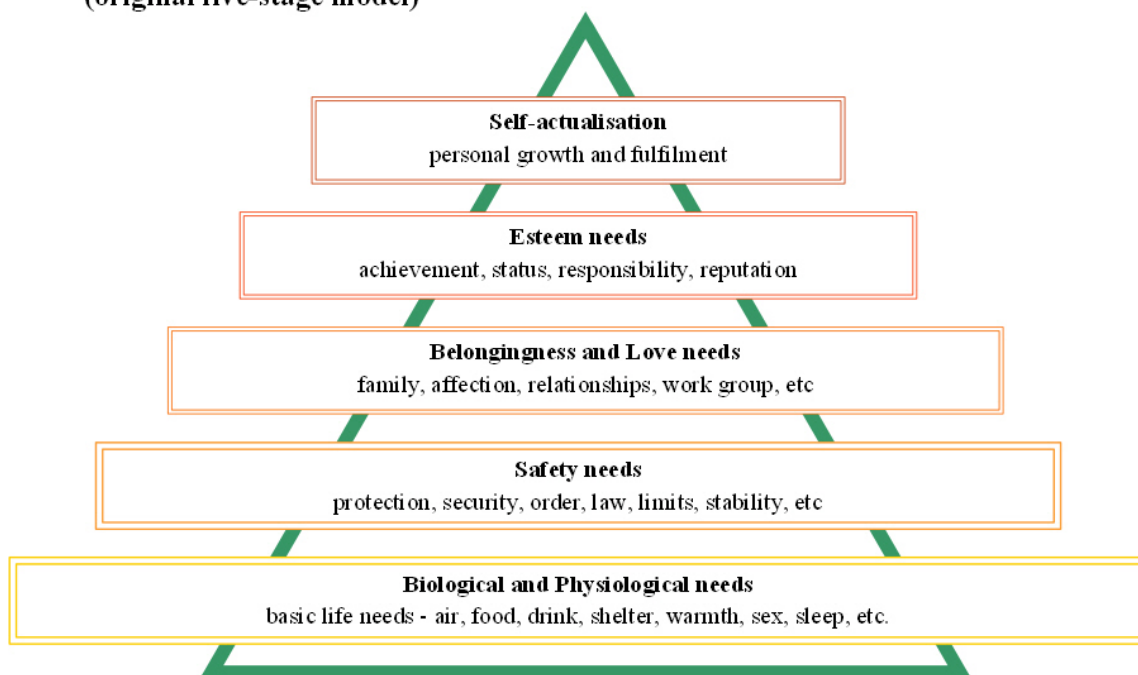
Ans. Need theories are based on some of the earliest research in the field of human relations. The premise behind need theories is that if managers can understand the

needs that motivate people, then reward systems can be implemented that fulfill those needs and reinforce the appropriate behavior.

Hierarchy of Needs: Abraham Maslow, a professor at Brandeis University and practicing psychologist, developed the hierarchy of needs theory. He identified a set of needs that he prioritized into a hierarchy based on two conclusions.

1. Human needs are either of an attraction/desire nature or of an avoidance nature.
2. Because humans “want” beings, when one desire is satisfied, another desire

Maslow’s Hierarchy of Needs
(original five-stage model)



The five levels of needs are the following:

Physiological: These are basic physical comfort or bodily needs: food, sex, drink, and sleep. In the workplace, these needs translate into a safe, ergonomically designed work environment with appropriate base salary compensation.

Security/safety: People want to feel safe, secure, and free from fear. They need stability, structure, and order. In the workplace, job security and fringe benefits, with an environment free of violence, fills these needs.

Belongingness and love: This is a need for friends, family and intimacy—for social acceptance and affection from one's peers. In the workplace, this need is satisfied by participation in work groups with good relationships among co-workers and between workers and managers.

Esteem: People want the esteem of others and they want to be regarded as useful, competent, and important. People also desire self-esteem and need a good self image. In the workplace, increased responsibility, high status, and recognition for contributions satisfy these needs.

Self-actualization: This highest motivation level involves people striving to actualize their full potential, to become more of what they are capable of being. They seek to attain self-fulfillment. In the workplace, people satisfy this need by being creative, receiving, or accepting challenging assignments. Focusing on the needs of retraining for growth and challenge as well as rewards and recognition is important to the quality of work life. Managers can affect the physical, social and psychological environment in the workplace, and they have a responsibility to help employees fulfill their needs.

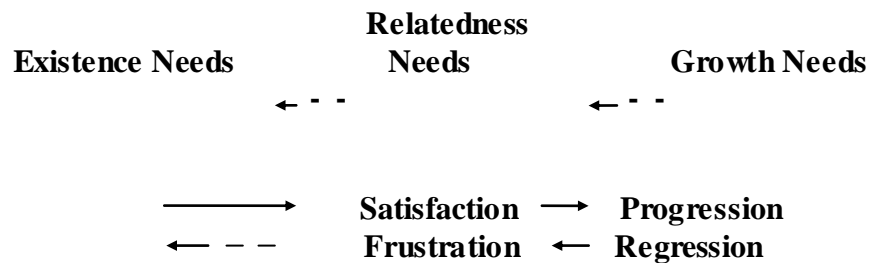
Q4 Discuss and evaluate Alderfer's ERG Theory of motivation?

Ans. ERG Theory In his work, Clayton Alderfer expanded on Maslow's hierarchical theory. He proposed three need categories and suggested that movement between the need levels is not necessarily straightforward. Failure to meet a higher-order need could cause an individual to regress to a lower-order. These ERG theory categories are:

- **Existence needs:** Needs for physical well-being.
- **Relatedness needs:** Needs for satisfactory relationships with others.
- **Growth needs:** These needs are concerned with the development of human potential, including the needs for self-esteem and self-actualization.

Clayton Alderfer's ERG Theory





Q5 What are the similarities and differences between Alderfer's ERG theory of motivation and Maslow's Needs Hierarchy?

Ans. Serious doubts have been expressed about the existence of the five distinct need categories, which Maslow hypothesized. There seems to be some overlapping between esteem, social, and physiological needs. Also, the lines between esteem, social, and self-actualization needs are not entirely clear. With these points in mind, Clayton Alderfer condensed Maslow's five need categories into three sets:

- (i) **Existence need:** these include all forms of material and physiological and safety needs. i.e., Maslow's first two level needs.
- (ii) **Relatedness need:** this includes all needs that involve relationships with other people we care about. Relatedness needs cover Maslow's social needs and that of esteem needs which are derived from other people.
- (iii) **Growth need:** these needs involve persons making creative efforts to achieve full potential in the existing environment. It is like Maslow's last level need of self-actualization.

There are some similarities as well as dissimilarities between Alderfer's ERG theory and Maslow's theory of Need Hierarchy, which are as follows:

a) **Similarities:** (i) both are content theories; (ii) the basic needs emphasized in both are the same; (iii) the overall structure of need categories is also the same; Alderfer has grouped further the five needs enunciated by Maslow; and (iv) both deal with upward movement of motivation according to the hierarchy.

(b) **Dissimilarities:** (i) Maslow's main contention is hierarchy of needs, whereas Alderfer focused more on a continuum of needs than their hierarchical levels; (ii) thus, ERG needs do not maintain sharp lines of demarcation; (iii) unlike Maslow Alderfer also envisaged downward movement in the hierarchy. In his opinion, there can be not only satisfaction progression but frustration regression as well; and (iv) Alderfer also recognized the influence of a man's personal background and his

natural environment. Accordingly, related needs may in some cases take precedence over existence needs.

The ERG theory acknowledges that if a higher-order need is frustrated, an individual may regress to increase the satisfaction of a lower-order need which appears easier to satisfy. This is known as the frustration-regression principle.

Q6 Explain goal setting theory and also state its various principles?

Ans. Goal setting Theory: In 1960's, Edwin Locke put forward the Goal-setting theory of motivation. This theory states that goal setting is essentially linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in. The important features of goal-setting theory are as follows:

- The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.
- Specific and clear goals lead to greater output and better performance. Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.
- Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.
- Better and appropriate feedback of results directs the employee behaviour and contributes to higher performance than absence of feedback. Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.
- Employees' participation in goal is not always desirable.
- Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

Five Principles of Goal Setting

To motivate goals must take into consideration the degree to which each of the following exists:

- Clarity
- Challenge
- Commitment
- Feedback
- Task complexity

1. Clarity

Clear goals are measurable, unambiguous, and behavioral. When a goal is clear and specific, with a definite time set for completion, there is less misunderstanding about what behaviors will be rewarded. We know what is expected, and we can use the specific result as a source of motivation. When a goal is vague – or when it's expressed as a general instruction, like "Take initiative" – it has limited motivational value.

To improve our or our team's performance, set clear goals that use specific and measurable standards. "Reduce job turnover by 15%" or "Respond to employee suggestions within 48 hours" are examples of clear goals.

When we use the SMART acronym in order to help us to set the goals, we ensure the clarity of the goal by making it Specific, Measurable and Time-bound.

2. Challenge

One of the most important characteristics of goal setting theory is the level of challenge. People are often motivated by achievement, and they'll judge a goal based on the significance of the anticipated accomplishment. When we know that what we will do would be well received, there's a natural motivation to do a good job.

Rewards typically increase for more difficult goals. If we believe we will be well compensated or otherwise rewarded for achieving a challenging goal that will boost our enthusiasm and our drive to get it done.

3. Commitment

Goals must be understood and agreed upon if they are to be effective. Employees are more likely to "buy into" a goal if they feel they were part of creating that goal. The notion of participative management rests on this idea of involving employees in setting goals and making decisions.

One version of SMART – for use when you are working with someone else to set their goals – has A and R stand for Agreed and Realistic instead of Attainable and relevant. Agreed goals lead to commitment.

This doesn't mean that every goal has to be negotiated with and approved by employees. It does mean that goals should be consistent and in line with previous expectations and organizational concerns.

As we use goal setting in your workplace, make an appropriate effort to include people in their own goal setting. Encourage employees to develop their own goals, and keep them informed about what's happening elsewhere in the organization. This way, they can be sure that their goals are consistent with the overall vision and purpose that the company seeks.

4. Feedback

In addition to selecting the right type of goal, an effective goal program must also include feedback. Feedback provides opportunities to clarify expectations, adjust goal difficulty, and gain recognition. It's important to provide benchmark opportunities or targets, so individuals can determine for themselves how they're doing.

These regular progress reports, which measure specific success along the way, are particularly important where it's going to take a long time to reach a goal. In these cases, break down the goals into smaller chunks, and link feedback to these intermediate milestones.

SMART goals are Measurable, and this ensures that clear feedback is possible.

5. Task Complexity

The last factor in goal setting theory introduces two more requirements for success. For goals or assignments that are highly complex, we should take special care to ensure that the work doesn't become too overwhelming.

People who work in complicated and demanding roles probably have a high level of motivation already. However, they can often push themselves too hard if measures aren't built into the goal expectations to account for the complexity of the task. It's therefore important to do the following:

- Give the person sufficient time to meet the goal or improve performance.
- Provide enough time for the person to practice or learn what is expected and required for success.

The whole point of goal setting is to facilitate success. Therefore, you want to make sure that the conditions surrounding the goals don't frustrate or inhibit people from accomplishing their objectives. This reinforces the "Attainable" part of SMART.

Q7. Write short note on vroom's expectancy model of motivation.

Ans. Expectancy Theory Victor Vroom developed the expectancy theory, which suggests that individual's expectations about their ability to accomplish something will affect their success in accomplishing it. Therefore, this theory is based on cognition – on thought processes that individuals use. The expectancy theory is based on an individual's effort and performance, as well as the desirability of outcomes associated with high performance. The value of or preference for a particular outcome is called valence. To determine valence, people will ask themselves whether or not they can accomplish a goal, how important is the goal to them (in the immediate as well as the long term), and what course of action will provide the greatest reward. An individual's expectation of actually achieving the outcome is crucial to success and many factors influence this.

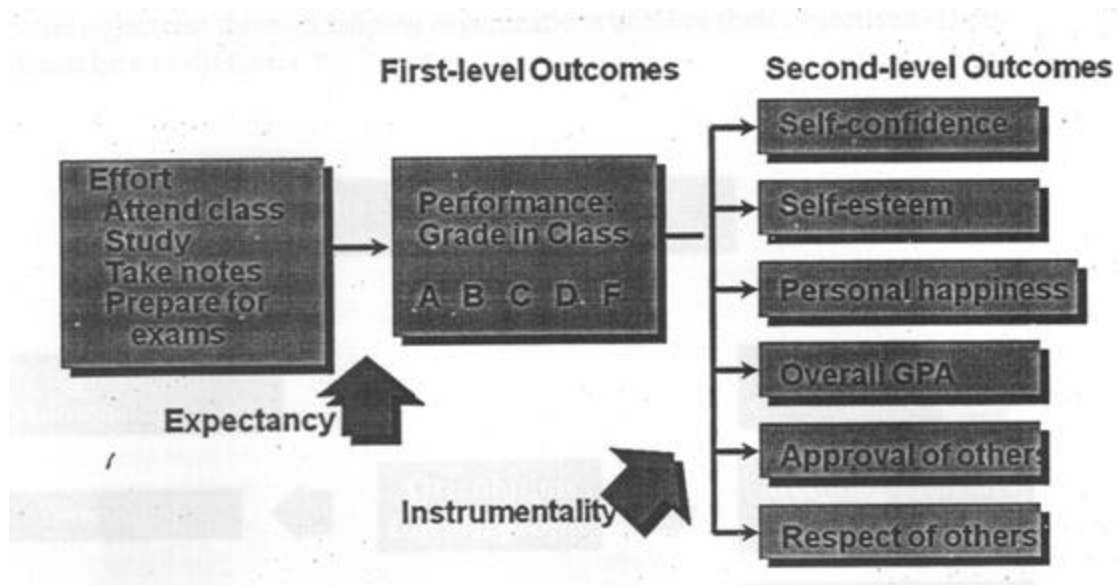
The expectancy theory can applied through incentive systems that identify desired outcomes and give all workers the same opportunities to achieve rewards, such as stock ownership or other recognition for achievement.

- A combination of forces determines behavior
- Individuals decide their own behaviors in organizations
- Different individuals have different needs and goals, and want different rewards
- Individuals decide among alternatives based on their perceptions.

Key variables

- First-level outcomes-results of doing the job.
- Second-level outcomes-positive or negative events produced by first-level outcomes
- Expectancy- effort-performance belief
- Instrumentality-relationship between first-level and second-level outcomes
- Valence-preference for a second-level outcome.

Expectancy Model in Action

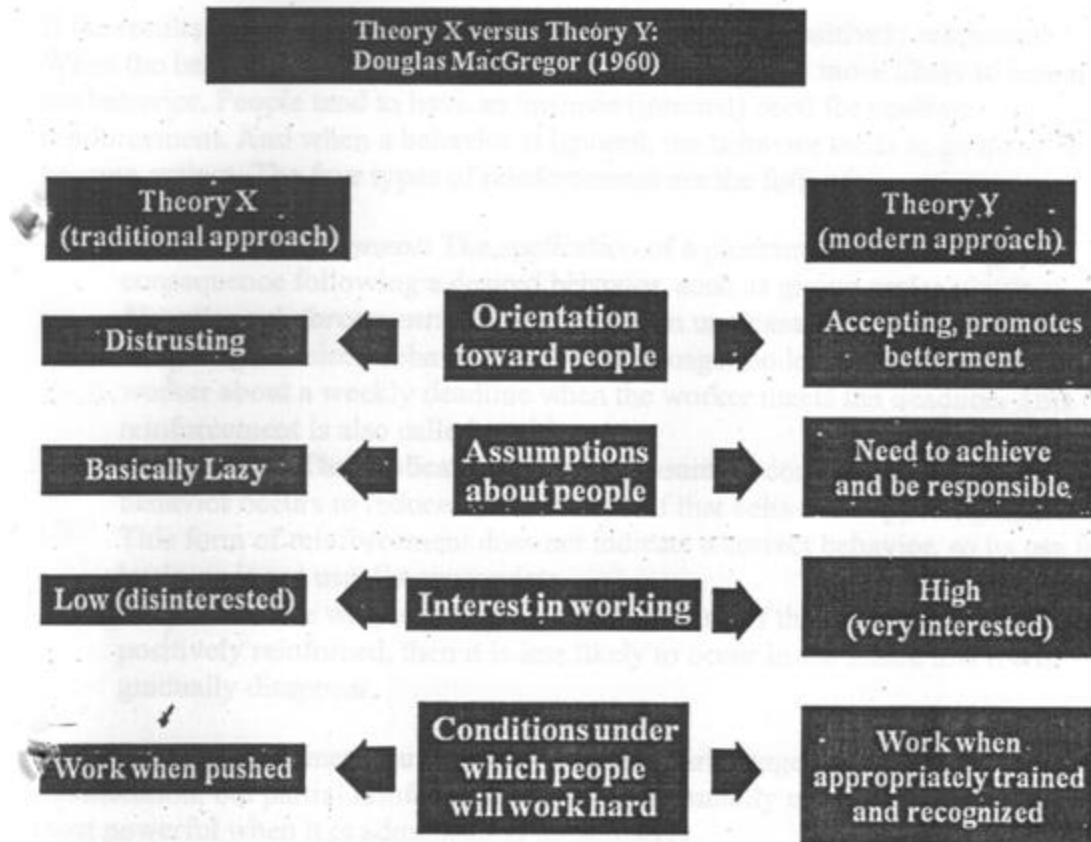


Q8. What do you mean by theory X and Theory Y?

Ans. Theory X and theory Y: Douglas McGregor, a professor at the Massachusetts institute of Technology and a social psychologist, was greatly influenced by the work of Maslow. McGregor recognized that people have needs and that those needs are satisfied at work. He described two sets of assumptions about people that he labeled Theory X and Theory Y.

The assumptions of Theory X are that most people will avoid work because they don't like it and must be threatened or persuaded to put forth adequate effort. People have little ambition and don't want responsibility. They want to be directed and are most interested in job security.

The assumptions of Theory Y are that work is very natural to people and that most people are self-directed to achieve objectives to which they are committed. People are ambitious and creative. They desire responsibility and derive sense of satisfaction from the work itself.



Q9. Explain reinforcement theories. What are their implications on motivation practices?

Ans. Theories of reinforcement are based not only on need but on the relationship between behavior and its consequences. In the workplace, these theories can be applied to change or modify on-the-job behavior through rewards and punishments.

B.F. Skinner, a professor at Harvard, was a highly controversial behavioral psychologist known for his work in operant conditioning and behavior

modification. His reinforcement theories take into consideration both motivation and the environment, focusing on stimulus will initiate behavior; thus, the stimulus is consequences of behavior.

If the results are considered positive, then the behavior is positively reinforced. When the behavior is positively reinforced, the individual is more likely to repeat the behavior. People tend to have an intrinsic (internal) need for positive reinforcement. And when a behavior is ignored, the behavior tends to go away or become extinct. The four types of reinforcement are the following

- **Positive reinforcement:** The application of a pleasant and rewarding consequence following a desired behavior, such as giving praise.
- **Negative reinforcement:** The removal of an unpleasant consequence following a desired behavior, such as a manager no longer reminding a worker about a weekly deadline when the worker meets the deadline. This reinforcement is also called avoidance.
- **Punishment:** The application of an unpleasant outcome when an undesirable behavior occurs to reduce the likelihood of that behavior happening again. This form of reinforcement does not indicate a correct behavior, so its use in business is not usually appropriate.
- **Extinction:** The withdrawal of positive reward. If the behavior is no longer positively reinforced, then it is less likely to occur in the future and it will gradually disappear

Continuous reinforcement can be effective in the early stages of behavior modification, but partial reinforcement is more commonly used. Reinforcement is most powerful when it is administered immediately.

The appropriateness of a reward depends on the situation. But for managers to apply rewards appropriate for work performance, it is necessary to understand what constitutes a reward. And no single reward will be perceived as positive by all employees. Rewards, however, are important in behavior-based incentive plans because they reward employee behavior that is desirable for the company. Both incentives and recognition provide a reward; however, incentives drive performance while recognition is an after-the-fact display of appreciation for contribution.

Financial rewards are certainly important in compensation programs. Social recognition provides employees with a sense of self-worth by acknowledging the contributions they have made. This recognition could be given in the form of a

ceremony that helps to validate and is an important compensation and one that probably costs a company very little in relationship to the benefit to employees.

Q10. What is equity theory of motivation?

Ans. Equity Theory The equity theory focuses on individual's perceptions of how fairly they are treated in comparison to other. It was developed by J. Stacy Adams, who found that equity exists when people consider their compensation equity by comparing inputs (such as education, experience).

It focuses upon a person's perceptions of fairness with respect to a relationship during a social exchange, an individual assesses the ratio of what the other person in the relationship outputs from the relationship to what is input into the relationship. When the ratio is out of balance, inequity occurs. And inequitable pay can create an impossible situation when implementing salary and incentive systems. Individuals will work to reduce perceived inequity by doing the following:

$$\frac{\text{Outcomes A}}{\text{Inputs A}} = \frac{\text{Outcomes B}}{\text{Inputs B}}$$

Inputs A Inputs B

- Change inputs: Examples include increasing or reducing effort.
- Change outcomes: Examples include requesting a salary increase or improved working conditions.
- Distort perceptions: This occurs when individuals cannot change their inputs or outcomes; one example is artificially increasing the importance of awards.
- Leave the job: Individuals might do this rather than experience what they perceive to be continued inequity.

When administering compensation and incentive programs, managers must be careful to assure that the rewards are equitable; if programs are not perceived as equitable, then they will not contribute to employee motivation.

Equity Theory posits that if the person perceives that there is inequality, where either their output/input ratio is less or greater than what they perceive as the output/input ratio of the other person in the relationship, then the person is likely to be distressed.

For example, consider two situations in which change is presented to two employees. If an employee was given a salary increase and a peer was seen as being given a larger increase in salary for the same amount of work, the first employee would evaluate this change, perceive an inequality, and be distressed. However, if the situation was such that the first employee perceived the other employee being given a larger increase in salary as well as being given more responsibility and therefore relatively more work, then the first employee may evaluate the change, conclude that there was no loss in equality status, and not resist the change.

CASE STUDY: APPLYING MOTIVATION THEORIES

You are in-charge of a small department and have three subordinates – Yogesh, Pawan and Kapil. The key to the success of your department is to keep these employees as motivated as possible. Here is a brief summary profile on each of these subordinates.

Yogesh is the type of employee who is hard to figure out. His absenteeism record is much higher than average. He greatly enjoys his family and thinks they should be central to his life. He believes in hippie culture. As a result, the things that the company can offer him really inspire him very little. He feels that the job is simply a means of financing his family's basic needs and little else. Overall, Yogesh does adequate job and is very conscientious, but all attempts to get him to do more have failed. He has charm and is friendly, but he meets the minimal standards of performance.

Pawan is in many aspects different from Yogesh. Like Yogesh, he is a likeable guy, but unlike Yogesh, Pawan responds well to the company's rules and compensation schemes and has a high degree of personal loyalty to the company. The problem with Pawan is that he will not do very much independently. He does

well with what is assigned to him, but he is not very creative. He is also a shy person who is not very assertive when dealing with people outside the department. This impacts his performance to certain extent because he cannot immediately sell himself to other departments of company as well to top management.

Kapil, on the other hand, is a very assertive person. He will work for money and would readily change jobs for more money. He really works hard for the company but expects the company also to work for him. In his present job, he feels no qualms about working a 60-hour week, if the money is there. Even though he has a family and is supporting his elder father, he once quit a job when his employer didn't give him a raise on the basis that he was already making too much. He is quite a driver. A manager at his last place of employment indicated that, although Kapil did do an excellent job for the company, his personality was so intense that they were glad to get rid of him. His former boss noted that Kapil just seemed to be pushing all the time. If it wasn't for more money, it was for better fringe benefits; he never seemed satisfied.

Questions

- Q.1 Explain Yogesh, Pawan & Kapil motivations by using one or more motivation theories?
- Q.2 Who does perceive money as being a direct reward and motivation for performance?
- Q.3 How does the equity theory applicable on the motivation levels of Yogesh, Pawan and Kapil?

Communication

Q1. Define communication. Describe its importance

Ans. Communication can be defined as a process by which information is exchanged between individuals. The process includes written messages, spoken words and gestures. Communication is the transmission of data or information from one actor to another. One can attempt to communicate by sending a message or a piece of information, or by sharing a thought with someone. Such an act satisfies the definition of 'communication' provided that there is reasonable assurance that the message has been received. All communication should have a purpose and the degree to which this purpose has been satisfied determines the success or failure of the communication.

Effective and efficient communication process: a multidirectional communication process involving dialogue, consultation and discussion is needed to attain awareness.

The best forms of communication are those that achieve interactivity, encourage feedback and maintain a two-way flow, so that the message is influenced and informed by the views of the recipient, thus allowing a dialogue to replace a monologue. The essence of dialogue is that there are two targets, and it is important that each target listen to the other.

Importance of communication

Communication is vital for the functioning of organization. In the absence of channels of communication, supervisors will not be able to give instructions to employees and employees will not be able to understand what the management expects of them.

Employees can perform well and be involved in their work only when they understand their job duties and responsibilities. The absence of communication can threaten the very survival organizations.

When software companies reduced the salaries of their employees to cope with the slowdown in the IT industry, their managements had to

communicate to employees that the reduction was temporary and that salary cuts had been made to avoid layoffs. If this had not been communicated to the employees, they would have become hostile towards management. In the absence of such communication, management would not have been able to carry out its basic functions of planning organizing directing and controlling.

In the early stages of the industrial evolution, information was controlled by top level managers in organization. However, the managers of modern organizations have realized that it is more beneficial to have open communication than restricted communication within organization. Unless the organization's key values and strategies are communicated to employees, they will not work in that direction. Some managers hold back negative feedback because they fear it will have a negative impact on employee morale. However, withholding such feedback prevents employee from improving themselves and harms their personal development as well as organizational development in the long run.

Q2. What are methods of communication?

Ans. METHODS OF COMMUNICATION

The proactive involvement of masses of citizens in coastal stewardship involves a step-by-step approach focused on the following elements:

- The message to be communicated.
- The targets of the messages.
- The medium to be used.
- The connection between new information and changed behavior.
- The evaluative mechanisms and the means by which interactive messages could be informed and influenced by feedback to increase level of understanding and ownership in the strategies to be employed.

The message and the targets of the message

The actual content of the message is very important, and this will also be determined by other factors, such as the medium to be used and the targets of the message. For instance, in ST Lucia, the Fisheries Department collects a large amount of information and data which is very relevant to decision-

making. However, the politicians, not the Fisheries Department, are the decision-makers. Thus there is a need to communicate information that is relevant and understandable to these decision-makers. Photographs showing a beach before and after a hurricane may be a much more effective means of communication than complicated graphs and tables or even geographical information system maps.

All too often research results are not communicated to stakeholders because the research is not in a form that can be easily understood. In such cases there is a need to present the material in a form such that all stakeholders can understand it.

Similarly, senior decision-makers rarely attend workshop technical session, because of time limitations and other commitments. Thus it is necessary to find alternative means to reach these individuals. For instance, they often attend opening ceremonies of workshops and training sessions, and this is an ideal time to get key messages across in a short, succinct manner.

It is therefore very important to define and focus on the nature of the message and the target of the message, particularly when planning and implementing information dissemination activities.

Q3. Explain the communication process

Ans. The Two Way Communication Process

The two ways communication process involves the transmission of a message from a sender to a receiver and back. Communication may take place through speech, hand signals of other form.

All communication involves eight steps, they are:

1. Developing an idea

The sender should perceive that he has some important message to be conveyed to the receiver. The should have clear idea of what he wants to communicate to the receiver.

2. Ending the message

The sender codifies the message. He selects appropriate words, charts or other symbols in this step, to convey his idea as clearly as possible. He also decides on the medium of transmission so that the words and

symbols constituting the message can be arranged in a suitable manner.

3. Transmitting the message

This step involves the transmission of the message using an appropriate medium of communication such as phone call, memo, or personal interaction. While transmitting the message, the sender tries to ensure that the timing of the message is right. The sender also takes care that the transmission of the message doesn't encounter any barriers or interference which may impede the flow of communication. Ensuring that the communication channel is free from barriers and holding its attention.

4. Reception of the message

In this step, the receiver, the person for whom the message is intended, receives the message. If the message is communicated orally, the receiver has to be a good listener to avoid loss of information during the transmission of the message.

5. Decoding of the message

In this step, the message is decoded and understood by the receiver. The receiver has to understand the message exactly as intended by the sender. The communicator of a message can make the receiver listen to him, but understanding has to be achieved by the receiver alone. This aspect of understanding is referred to as "getting through" to a person.

6. Acceptance or rejection of the message

The receiver is free to accept or reject a decoded message. The receiver can not only choose whether or accept a message, he can also choose whether to accept the message in toto or in part. The acceptance decision of the receiver is influenced by factors such as his perception regarding the accuracy of the message, the authority of the sender, and the implication of accepting the information.

7. Using the information

This step involves the use of information by the receiver. The receiver may use the information, discard it, or store it for future.

8. Giving feedback

Feedback occurs when the receiver send back some response to the sender or acknowledges the receipts of the message. The communication loop is complete only after feedback has been provided.

Feedback is essential for finding out whether the message has been properly received, decoded, accepted and used by the receiver. The two way communication process can be compared o the back-and-forth pattern of play in tennis and badminton. The players adjust their shots depending on the response of the opponent. Similarly, as communication progresses, the sender adjust his or her message according to the previous response of the receiver. Two –way communication leads to the accurate transmission of information and improves the quality of the decision and actions dependent on that information.

Q.4 What are various types of communication?

Ans. There are various types of communication,they are as follows:

Oral ,written and non verbal communication:

A message need not always be conveyed in the verbal form; it can be sometimes expressed without the help of words. According to Don Hellriegel, JhonSlocum, Jr. and Richard W.Woodman, nonverbal communication can be defined as “non-word human responses like facial expressions and gestures and the perceived characteristics of the environment through which the human verbal and nonverbal messages are transmitted. “Non verbal communication is also known as ‘silent language.’

Oral communication is the face to face communication between individuals. It may be in the form of direct talk when persons are physically present at one place. It may also include informal conversations, group discussions , meetings, telephone calls, intercom system or formal speeches.

It is most effective and most frequently used tool of the manager to get his job done. It provides opportunity for the exchange of information, points of view, and instruction between the superior and the subordinates.

It is the powerful means of exchange of ideas because the receiver not only hears the message but also observes the physical gestures of the speaker.

Formal and informal communication:

Formal communication refers to the flow of information through the formally established channels or chains of command. Formal channels of communication are planned and established by the organization. The formal lines of communication most often follow the reporting relationship in the organization. It is official communication and travels in three directions—downward, upward and laterally. It is associated with the superior and the subordinate relationships. It is generally in writing and takes the form of orders, instructions, policy manuals, handbooks, formal directives, reports. It is linked with the formal status and positions.

communication refers to communication among people through informal contacts. It is related to personal rather than positional matters. It does not follow the formal channels established by management. In fact informal communication arises due to informal relations. It is structure less, unofficial and unplanned; It is a spontaneous network of personal contacts. It often follows between friends and intimates. It does not follow formally delegated authority and responsibility.

Downward and upward communication

Downward communication is one of the important processes of organizational communication.

The downward communication process establishes linkages between people by facilitating the flow of information.

Purposes of Downward communication:

There are five purposes of downward or top-to-bottom communication in an organization.

- 1 To give instruction to employees regarding their jobs and specific tasks.
- 2 To provide information about the procedures and practices followed in an organization.
- 3 To explain the rationale for a job to a new employee.

- 4 To provide to subordinates about their performance on the job.
- 5 To give information required by different terms and departments for the achievement of goals.

Upward communication is also an interpersonal process like downward Communication. The classical organization provides for both upward and downward flow of information. The upward communication process is nondirective in nature , unlike the downward process which is directive. Effective upward communication is possible only where organizations empower there employees and allow them to participate freely in decision –making. In the past, when the bureaucratic approach was prevalent then the participative approach, upward communication was discouraged. Employees feared to communicate information to their superiors, especially unpleasant information.

Horizontal and diagonal communication

Horizontal and diagonal communications are known as cross-wise communication, Horizontal or lateral communication refers to the flow of information-(a)among the peers within the same group or (b) between and among departments on the organizational level. This kind of communication does not follow the Organizational hierarchy but cuts across the chain of command. It is used to speed up message, to improve understanding. And to coordinate efforts. It is used not only to inform but to request support. It is essentially coordinative in nature and is the result of specialization in organization.

Internal and external communication

Internal communication is that which take place within the organization, among different managers, among different departments, between a superior and his subordinates. It includes vertical as well as horizontal communication. It is meant for internal units of a concern.

External communication means communication with outsiders , including suppliers customers, professional bodies, the government and the public. As the external environment has become more dynamic and turbulent, organization are required to make a regular exchange of information with outside group and individuals.

Interpersonal communication

It is a communication that flows from individual to individual in face – to – face and group settings to instant messaging and video-conferencing. It can vary from direct orders to casual expressions.

Interpersonal behavior could not exist without interpersonal communication. In addition to providing needed information interpersonal communication also influences how people feel about the organization. With this communication, some problems arise which can be traced to perceptual differences and interpersonal style differences.

CASE STUDY: TROUBLE IN COMMUNICATING

Rakesh Parashar, a former group leader, was become a supervisor about four months ago when Darshan Singh left the company. He recently had some problems with two of his people. Their output has been declining steadily, and by now is well below standard. In addition, his department's overall performance has been slipping. You noticed that the output of his section has dropped off from the last two months. You made a survey personally and found that there are two-three trouble makers in Rakesh's section. But Rakesh was not able to control them and keep them in line. When Rakesh asked he explained "I talked with each one at least twice and tried to lay down the law. I even told them the consequences if they didn't do more and much better work. They've have both been with the company a long time, but I suppose in time I could build up a case against them and get them fired. But I'd probably wind up looking like an ass".

Questions:

- Q.1 What will you say to Rakesh who has a trouble in his section and who lacks communicating skill?
- Q.2 What action will you suggest against the trouble-maker employees?
- Q.3 What do you think about firing the trouble-creating employees?

Group Behaviour

Q.1 What is group dynamics?

Ans. Group dynamics is the study of groups, and also a general term for group processes.

Human beings exhibit some characteristic behavior patterns in groups. People involved in managing groups and group members themselves can benefit from studying theories and doing practical exercises which help them to better understand people's behavior in group dynamics.

When group patterns are combined with study of individual development, then Group dynamics can also be applied to education and therapy (as is often the case in experiential, outdoor and adventure education).

People may underestimate the importance of society and group memberships on their lives. The nature of these groups can be quite varied, from a family going for a walk, to the crowd at a football game, to an internet discussion group, to a group of fellow workers.

Given the diverse, yet common occurrence of groups, what is the nature and pattern of such *group* experiences? The social dynamics which occur within groups over time vary from group to group, but also illustrate some commonalities.

Relevant to the fields of psychology, sociology, and communication studies, a group is two or more individuals who are connected to each other by social relationships. Because they interact and influence each other, groups develop a number of dynamic processes that separate them from a random collection of individuals. These processes include norms, roles, relations, development, need to belong, social influence, and effects on behavior. The field of group dynamics is primarily concerned with small group behavior. Groups may be classified as aggregate, primary, secondary and category groups.

In organizational development(OD), or group dynamics, the phrase "group process" refers to the understanding of the behavior of people in groups, such as task groups, that are trying to solve a problem or make a decision. An individual with expertise in 'group process, such as a trained facilitator , can assist a group in accomplishing its objective by diagnosing how well the group is functioning

as a problem-solving or decision-making entity and intervening to alter the groups operating behavior.

Because people gather in groups for reasons other than task accomplishment, group process occurs in other types of groups such as personal growth groups (e.g. encounter groups, study groups, prayer groups), In such cases, an individual with expertise in group process can help in the role of facilitator.

Q.2 Why do groups form and important characteristics of groups?

Ans. Groups are formed because of various general tendencies within us such as:

- i. **The similarity-attraction effect:** we like people who are similar to us in some way.
- ii. **Exposure:** we like people whom we have been exposed to repeatedly.
- iii. **Reciprocity:** we like people who like us.
- iv. **Basking in reflected glory:** we seek to associate with successful, prestigious groups.

Furthermore, we also tend to avoid individuals who possess objectionable characteristics. Moreover, there are number of reasons why people join groups which are as follows;

1. Affiliation

Humans are by nature gregarious. Groups provide a natural way for people to gather in order to satisfy their social needs.

2. Goal achievement

Problems and tasks that require the utilization of knowledge tend to give groups an advantage over individuals. There is more information in a group than in any one of its members, and groups tend to provide a greater number of approaches to solving any particular problem

3. Power

Individuals gain power in their relationship with their employers by forming unions.

4. Status

Membership in a particular service clubs or a political body may be seen to confer status on members. So as to gain that status people join in such groups

5. Self-esteem

As suggested by Maslow, people have a basic desire for self-esteem. Group membership may nurture self-esteem. If one belongs to a successful group, the self-esteem of all members may be boosted.

6. Security

Sometimes individuals need protection from other groups or more powerful individuals — “there is safety in numbers”. These individuals may seek security in group membership. Neighbors may form a “Block Watch” group to ensure the security and protection of their neighborhood.

The **important characteristics of groups** are as follows:

- Social interaction. The members of a group affect each other and there is a definite pattern of interaction among them.
- Stability. Groups also must possess a stable structure. Although groups can change, which often they do, there must be some stable relationship that keeps the group members together and functioning as a unit.
- Common interests or goals. Members of a group must share some common interests or goals that bind the group together.
- Recognition as being a group. It is not just being together would ensure the formation of a proper group. The members of the group must also perceive themselves as a group. They must recognize each other as a member of their group and can distinguish them from nonmembers.

Q3 Explain types of group?

Ans. GROUP TYPES

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

groups, and functional groups. It is determined by the organizational chart depicting the approved formal connections between individuals in an organization. Examples of command group are Director and the faculty members in a business school, school principal and teachers, production manager and supervisors, etc.

COMMAND GROUPS

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

TASK GROUPS

Task groups consist of people who work together to achieve a common task. Members are brought together to accomplish a narrow range of goals within a specified time period. Task groups are also commonly referred to as task forces. The organization appoints members and assigns the goals and tasks to be accomplished. Examples of assigned tasks are the development of a new product, the improvement of a production process, or the proposal of a motivational contest.

FUNCTIONAL GROUPS

A functional group is created by the organization to accomplish specific goals within an unspecified time frame. Functional groups remain in existence after achievement of current goals and objectives. Examples of functional group would be a marketing department, a customer service department, or an accounting department.

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

INTEREST GROUPS.

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

FRIENDSHIP GROUPS

Friendship groups are formed by members who enjoy similar social activities, political beliefs, religious values, or other common bonds. Members enjoy each other's company and often meet after work to participate in these activities. For Example a group of employees who form a friendship group may have an exercise group, a softball team, or a potluck lunch once a month. Friendship groups develop among the organizational members when they share some common interest like participating in some sports activities or staging the office drama, etc.

REFERENCE GROUPS.

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

Q.4 Explain the stages of group development with the help of diagram?

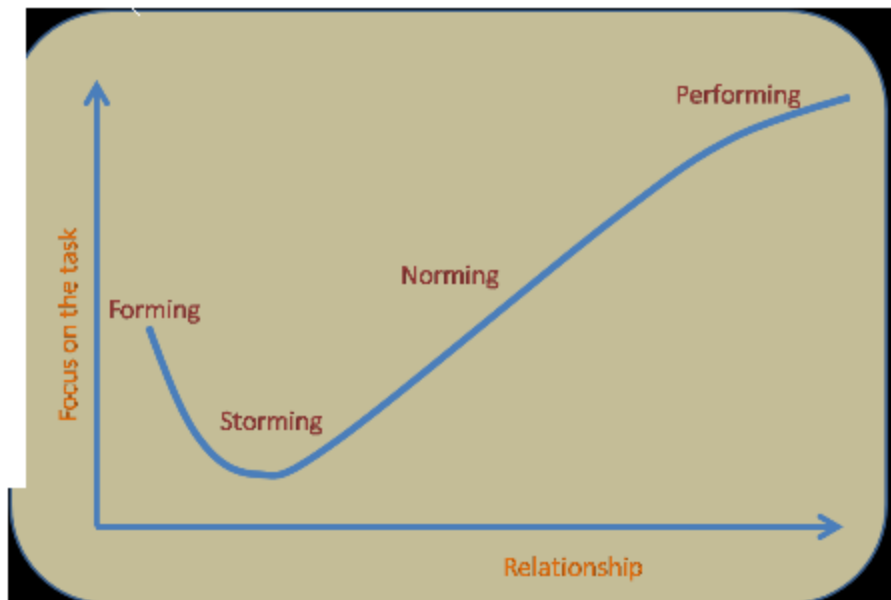
Ans. According to the Five-Stage Model of group development, groups go through five distinct stages during the process of its development. These are as follows:



- 1. Forming** is the initial stage of group development when the group members first come in contact with others and get acquainted with each other. This stage is characterized predominantly by a feeling of uncertainty among the group members as they now try to establish ground rules and pattern of relationship among themselves.
- 2. Storming** is the next stage that is characterized by a high degree of conflict among the members. Members often show hostility towards each other and resist the leader's control. If these conflicts are not adequately resolved, the group may even be disbanded.

But, usually the group eventually comes in terms with each other and accepts the leadership role at the end of this stage.

3. **Norming** is the third stage of the group development process during which the group members become closer to each other and the group starts functioning as a cohesive unit. The group members now identify themselves with the group and share responsibility for achieving the desired level of performance of the group. Norming stage is complete when the group members can set a common target and agree on the way of achieving this.
4. **Performing** is the fourth stage when the group is finally ready to start working. As the group is now fully formed after resolving their internal conflicts of acceptance and sharing responsibility, they can now devote energy to achieve its objectives.
5. **Adjourning** is the final stage when the group, after achieving the objectives for which it was created, starts to gradually dissolve itself.



Q.5 What is group structure and its important aspects?

Ans. Group Structure refers to the pattern of interrelationship that exists among the group members, and makes the group functioning orderly and predictable. Four important aspects of group's structure are:

Role or the typical part played by an individual group member in accordance with the expectations of other members from him. Role expectations refer to the behaviors that are expected from the person playing the role. The person holding the role is known as the role incumbent. Role ambiguity takes place when the person holding the role feels confused and does not know what is being expected from him. The role incumbent is said to suffer from the problem role identity when he faces difficulty in accepting the assigned role.

Norms are the rules and mutual expectations that develop within the group. This refers to the generally agreed upon rules that guide the group members' behavior. Norms have profound effect on members' behavior as it ensures conformity among them.

Status or the relative prestige or social position given to groups or individuals by others. People often join the core group or a renowned club because of the prestige associated with these groups.

Group Cohesiveness referring to the strength of group members' desires to remain a part of the group. This also refers to the degree of attraction of the group members for each other and the 'we-feeling' among the members. The degree of cohesiveness has been found to depend on external threats, the difficulty in getting included in the group, the amount of time spent by the group members with each other and the success of the group.

Q.6 What is group decision making? What are various methods of group decision making?

Ans. Group decision making is a type of participatory process in which multiple individuals acting collectively, analyze problems or situations, consider and evaluate alternative courses of action, and select from among the alternatives a solution or solutions. The number of people involved in group decision-making varies greatly, but often ranges from two to seven. The individuals in a group may be demographically similar or quite diverse. Decision-making groups may be relatively informal in nature, or formally designated and charged with a specific goal. The process used to arrive at decisions may be unstructured or

structured.

There-are many methods or procedures that can be used by groups. Each is designed to improve the decision-making process in some way. Some of the more common group decision-making methods are as follows:

1. BRAINSTORMING

Brainstorming involves group members verbally suggesting ideas or alternative courses of action. The "brainstorming session" is usually relatively unstructured, The situation at hand is described in as much detail as necessary so that' group members have a complete understanding of the issue or problem. The group leader or facilitator then solicits ideas from all members of the group. Usually, the group' leader or facilitator will record the ideas presented on a flip chart or marker board.

2. DIALECTICAL INQUIRY

Dialectical inquiry is a group decision-making technique that focuses on ensuring full consideration of alternatives. Essentially, it involves dividing the group into opposing sides, which debate the advantages and disadvantages of proposed solutions or decisions.

3. NOMINAL GROUP TECHNIQUE.

The nominal group technique is a structured decision making process in which group members are required to compose a comprehensive list of their ideas or proposed alternatives in writing. The group members usually record their ideas privately. Once finished, each group member is asked, in turn, to provide one item . from their list until all ideas or alternatives have been publicly recorded on a flip - chart or marker board.

4. DELPHI TECHNIQUE

The Delphi technique is a group decision-making process that can be used by decision-making groups when the individual members are in different physical locations. The technique was developed at the Rand Corporation. The individuals in the Delphi "group" are usually selected because of the specific knowledge or expertise of the problem they possess. In the Delphi technique, each group member is asked to independently provide ideas, input, and/or alternative solutions to the decision problem in successive stages.

Q.7 What are self-managed teams?

Ans. Self managed teams are closely associated with the concept of employee empowerment which entails the employee to have the requisite authority and

resources required by him to carry out his responsibilities. A self managed team, differs from a normal work team or group in one essential way that the processes or the means to achieve the team goal are designed and decided by the team itself. Given the stiff competition .at the global level" all organizations have been forced to focus on developing their human capital.

Q.8 List out important characteristics of a team?

Ans. Characteristics of a good team

- Everyone participates actively and positively in meetings and projects.
- Team goals are understood by everyone.
- Individual members have thought hard about creative solutions to the problem.
- Members are carefully listened to and receive thoughtful feedback.
- Everyone takes initiative to get things done.
- Each teammate trusts the judgment of the others.
- The team is willing to take risks.
- Everyone is supportive of the project and of others.
- There is plenty of communication between team members. -
- Team decisions are made using organized, logical methods.
- Full team acceptance is expected as decisions are made.
- Dissenting opinions are recorded, and may be revisited if future situations dictate.
- Team goals are given realistic time frames.
- Everyone is focused on the ultimate goal of the project, while also digging into the underlying details.

Q.9 What are various types of team?

Ans. Teams can do a variety of things. They can make products, provide services, negotiate deals, coordinate projects, offer advice, and make decisions. In this section we'll describe the four most common types of teams you're likely to find in an organization: problem-solving teams, self-managed work teams, cross-functional teams, and virtual teams.

1. Problem-Solving Teams

In problem-solving teams, members share ideas or offer suggestions on how work processes and methods can be improved. Rarely, however, are these teams given the authority to unilaterally implement any of their suggested actions.

One of the most widely practiced applications of problem-solving teams during the 1980s was quality circles these are work teams of eight to ten employees and supervisors who have a shared area of responsibility and meet regularly to discuss their quality problems, investigate causes of the problems, recommend solutions, and take corrective actions.

Self-Managed Work Teams Problem-solving teams were on the right track but they didn't go far enough in getting employees involved in work-related decisions and processes. This led to experimentation with truly autonomous teams that could not only solve problems but implement solutions and take full responsibility for outcomes.

2. Cross-Functional Teams

These are teams made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. The goal was to improve communication and tracking of work, which would lead to increased productivity and more satisfied clients.

3. Self-managed teams

Self-managed teams operate in many organizations to manage complex projects involving research, design, process improvement, and even systemic issue resolution, particularly for cross-department projects involving people of similar seniority levels. While the internal leadership style in a self-managed team is distinct from traditional leadership and operates to neutralize the issues often associated with traditional leadership models, a self-managed team still needs support from senior management to operate well.

Self-managed teams may be interdependent or independent. Of course, merely calling a group of people a self-managed team does not make them either a team or self-managed.

4. Project teams

A team used only for a defined period of time and for a separate, concretely definable purpose, often becomes known as a project team. Managers commonly label groups of people as a "team" based on having a common function. Members of these teams might belong to different groups, but receive assignment to activities for the same project, thereby allowing outsiders to view them as a single unit. In this way, setting up a team allegedly facilitates the creation, tracking and assignment of a group of people based on the project in hand.

CASE STUDY: INTERGROUP CONFLICT

In a large office an employee named Rozy may feel like a mere payroll number, but her informal group gives her personal attachment and status. With the members of her group she is somebody, even though in the formal structure she is only one of a thousand employees. She may not look forward to monitoring 750 accounts daily, but the informal group gives more meaning to her day. When she thinks of meeting her friends, sharing their interests, and eating with them, her day takes on a new dimension that makes easier any difficulty or tedious routine in her work. Suddenly Rozy developed some interpersonal and intergroup conflicts with some powerful members of the group. The group did not accept her. Her work became more disagreeable and compelled her to a transfer, to absenteeism and to a resignation.

Questions:

- Q.1 Although informal groups may lead to several benefits, can these groups prove harmful?
- Q.2 Suggest some measures for Rozy to check the dysfunctions of informal groups?

Conflict and Stress Management

Q1 Explain the concept of conflict? Also discuss its nature.

Ans. Conflict is an inevitable element of any organization. It is increasing in the workplace because of factors like increasing diversity; organizational complexity etc. Conflict is often destructive. Unresolved conflict can lead to increasing tension, fragmentation and absenteeism; and decreasing cooperation, morale, and, productivity. On the other hand, not all conflict is bad. 'Conflict is the oxygen of creativity' without creative contention, innovative solutions to new problems will not be found.

Many organizations view conflict as an embarrassing anomaly that is not talked about in polite society. This attitude forces conflict underground, where it festers and spreads. Instead, conflict should be accepted as a normal part of human interaction. In fact, there has not been a relationship since the dawn of humanity that has not included conflict. The embarrassment is not the presence of conflict, but our unwillingness or inability to deal with that conflict effectively.

Of course, not all conflict can be eliminated. Dysfunctional conflict must be surfaced and dealt with. People should be encouraged to identify areas of conflict and to deal with them constructively. · People should be rewarded for raising and resolving contentious issues. Organizations should introduce integrated Conflict Management Systems that anticipate the kinds of conflicts that may arise, and establish procedures and structures for dealing with them.

People that erroneously believe they have conflict management skills can cause serious damage within the organization. On the other hand, people who know they don't have the skills often avoid dealing with contentious issues until the problems grow persistent and very complex. Everyone in the organization should learn effective communication and conflict resolution skills.

Q. 2 What are functional and dysfunctional concepts of conflict?

Ans. Functional conflict contributes to the achievement of the goals of the group or the organization. Functional conflict should be nurtured, if not encouraged.

Dysfunctional conflict impedes the organization from accomplishing its goals. Dysfunctional conflict should be reduced or removed.

Conflict that is functional in one group or organization may be dysfunctional' in another group or organization. Or the nature of the conflict requirements of a group or organization may change with time.

Philosophies of Conflict Management:

Traditional Philosophy: All conflicts are negative and potentially destructive for the organization. Conflict should be eliminated.

Behavioral Philosophy: Conflict is inevitable in organizations and should be accepted as a part of organizational life.

Interactionist Philosophy: Conflict is essential to the survival of the organization. Conflict should not only be accepted but encouraged in organizations. Effective conflict management includes both stimulation and reduction of conflict.

Q3 What are the causes of stress?

Ans. Situations, circumstances or any stimulus that is perceived to be a threat is referred to as a stressor, or that which causes or promotes stress.

The causes of stress are known as *stressors* and there are literally hundreds of different types of stressors. Any event in life that a person finds threatening, difficult to cope with or causes excess pressure can be a potential cause of stress. It is important to bear in mind that stress is an individualistic, subjective experience and therefore what one person finds stressful another may not.

Causes of stress:**1. Extraorganisational stressors :**

- Social and Technological changes
- Family problems
- Relocation
- Economic and financial conditions

- Race and class
- Residentially and community problems

2. Organizational stressors:

- High job stress
- Job role
- Poor working conditions
- Organizational politics
- Poor work relationship

3. Group stressors

- Absence of group cohesiveness
- Absence of support from group members
- Conflicts related to the group

4. Individual stressors

- Role conflict and ambiguity
- Locus of control
- Learned helplessness
- Self efficacy

Q4 Discuss the various strategies for conflict management?

Ans. The various strategies for conflict management are as below:

1. Collaboration: This strategy is generally used when concerns for others are important. It is also generally the best strategy when society's interest is at stake. This approach helps build commitment and reduce bad feelings.

2. Compromise: This strategy results from a high concern for your group's own interests along with a moderate concern for the interests of other partners.

3. Competition: This strategy includes most attempts at bargaining. It is generally used when basic rights are at stake or to set a precedent.

4. Avoidance: This strategy is generally used when the issue is trivial or other issues are more pressing. It is also used when confrontation has a high potential for damage or more information is needed.

5. Accommodation: This strategy is generally used when the issue is more important to others than to us. It is a "goodwill gesture." It is also appropriate when we recognize that we are wrong.

CASE STUDY: MANAGING STRESS

- (1) Many organizations offer flex-time programmes that allow associates to choose when they come to work and when they depart. Such programmes can help alleviate work-family role conflict and thereby reduce stress.
- (2) A small manufacturing company held brainstorming sessions among its associates to uncover the cause of stress they were experiencing. The company used feedback from the meetings to change the nature of work rather than change how people responded. Changes included creating more realistic deadlines, generating more supervisory support and giving associates more involvement in making decisions related to matters affecting them.

Questions:

- Q.1 Do you agree with flex-time programme? Do you see any disruptive effects of such strategy?
- Q.2 To remove stress, which policy will you prefer – change the employee or change the workplace. Why?
- Q.3 On what grounds do you justify the company's strategy in the second case?

Management of change

Q.1 Discuss Lewin's three-step model of change?

Ans. One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1940s, and still holds true today. His model is known as Unfreeze – Change – Refreeze, refers to the three-stage process of change he describes. Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice.

1. **Unfreeze :** This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating. Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when we can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike: These show that things have to change in a way that everyone can understand. To prepare the organization successfully, we need to start at its core – we need to challenge the beliefs, values, attitudes, and behaviors that currently define it.
2. **Change:** After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction. The transition from unfreezes to change does not happen overnight. People take time to embrace the new direction and participate proactively in the change.
In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided.
3. **Refreeze:** When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

Q.2 Explain the concept of organizational change?

Ans. Organizational change management (OCM) is a framework for managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise. Simply put, OCM addresses the people side of change management.

A systematic approach to OCM is beneficial when change requires people throughout an organization to learn new behaviors and skills. By formally setting expectations, employing tools to improve communication and proactively seeking ways to reduce misinformation, stakeholders are more likely to buy into a change initially and remain committed to the change throughout any discomfort associated with it.

Successful OCM strategies include:

- Agreement on a common vision for change -- no competing initiatives.
- Strong executive leadership to communicate the vision and sell the business case for change.
- A strategy for educating employees about how their day-to-day work will change.
- A concrete plan for how to measure whether or not the change is a success -- and follow-up plans for both successful and unsuccessful results.
- Rewards, both monetary and social, that encourage individuals and groups to take ownership for their new roles and responsibilities.

CASE STUDY: RESISTING CHANGE

Management of your company has decided that a computerized control system is needed to make the company more competitive. It is now scheduled for plant wide installation in a few months. The purpose of the system is to facilitate planning and scheduling, improve material control, reduce inventories, evaluate labor utilization and better control maintenance operations among others. The introduction of the system will take a considerable amount of effort and work on the part of many people. However, resistance of some employees to accept it has arisen. Even without understanding the system, a few of the people seem to feel that in some way they will be hurt by it. Ashutosh Pandey, Manger of the Engineering and Maintenance Department, comes to you to discuss the problem. "Well, Ashutosh, we should have the new system running in a couple of months if we don't run into some major delays".

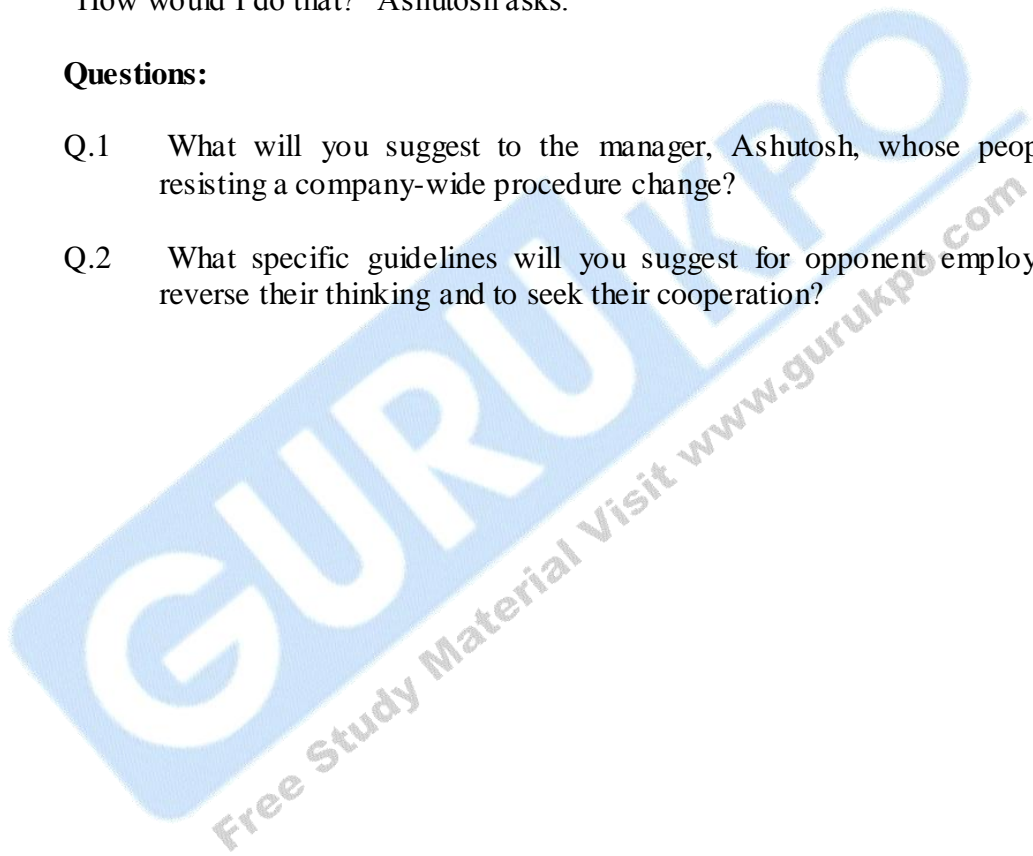
“May be, but I have already got some problems in my department. Two guys in the maintenance are really against it. Rajesh and Tarun never seem to miss an opportunity to badmouth it. What worries me is that they they will talk about the computerized system so much that others will begin to feel the same way about it. Is there anything we can do to counteract that?”

“While you can't stop them from griping and complaining, you may be able to reverse their thinking if you handle them right”.

“How would I do that?” Ashutosh asks.

Questions:

- Q.1 What will you suggest to the manager, Ashutosh, whose people are resisting a company-wide procedure change?
- Q.2 What specific guidelines will you suggest for opponent employees to reverse their thinking and to seek their cooperation?



Key Terminologies

1. **Organization:** A social unit of people, systematically structured and managed to meet a need or to pursue collective goals on a continuing basis.
2. **Organizational Behavior:** Organizational Behavior (OB) is the study and application of knowledge about how people, individuals, and groups act within the organizations.
3. **Globalization:** is the system of interaction among the countries of the world in order to develop the global economy.
4. **Knowledge Management:** is the name of a concept in which an enterprise consciously and comprehensively gathers, organizes, shares, and analyzes its knowledge in terms of resources, documents, and people skills.
5. **Behavior:** is the action or reaction of something (as a machine or substance) under specified circumstances. In other words we can say that behavior is the way a person behaves toward other people or manner of acting or controlling ourselves.
6. **Diversity:** is a commitment to recognizing and appreciating the variety of characteristics that make individuals unique in an atmosphere that promotes and celebrates individual and collective achievement.
7. **Demography:** The study of the characteristics of human populations, such as size, growth, density, distribution, and vital statistics.
8. **Competitive Advantage:** An advantage that a firm has over its competitors, allowing it to generate greater sales or margins and to retain more customers than its competitors.

9. **Personality:** The combination of characteristics or qualities that form an individual's distinctive character.
10. **Perception:** is the process of becoming aware of the world around us through our senses.
11. **Motivation:** is defined as the process that initiates, guides and maintains goal-oriented behaviors.
12. **Cognition:** is pertaining to the mental processes of perception, memory, judgment, and reasoning, as contrasted with emotional and volitional processes.
13. **Communication:** Two-way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information but also create and share meaning.
14. **Conflict:** Friction or opposition resulting from actual or perceived differences or incompatibilities.
15. **Stress:** is the body's reaction to a change that requires a physical, mental or emotional adjustment or response. Stress can come from any situation or thought that makes us feel frustrated, angry, nervous, or anxious. Stress is caused by an existing stress-causing factor or "stressor."
16. **Dysfunctional Conflict:** Dysfunctional conflict is conflict that leads to a decline in communication or the performance of a group.

Roll No. : _____

1M6102

M.B.A. (Sem. I) (Main & Back) Examination, January-2011
M-102: Organization Behaviour

Time: 3 Hours

Total Marks: 70
Min. Passing Marks: 28

The question paper is divided in **two** sections. There are sections A and B. Section A contains 6 questions out of which The candidate is required to attempt any 4 questions. Section B contains short case study/application base 1 question which is **compulsory**. All questions are carrying **equal** marks.

Use of following supporting material is permitted during examination.
(Mentioned in form No. 205)

1. _____ Nil

2. _____ Nil

SECTION-A

Q.1 Maslow's model of hierarchical needs lists the needs in order of priority so that first level needs must be satisfied before the second level needs become motivators and so on. How rigid in this order of priority? Explain as to what circumstances would justify a different order of priority.

Ans. Maslow's hierarchy identifies the following five different types of needs arranged in a hierarchical order.

1. Physiological needs
2. Safety needs

3. Social needs
4. Esteem or ego needs
5. Self-actualization needs

As explained by Maslow, people are initially motivated by the needs at the lowest level of need hierarchy. Unless this need is satisfied to a reasonable degree, they are not very much concerned with satisfaction of higher level need but when a lower level need is satisfied then they want to satisfy the needs at the next higher levels. Thus, unless physiological level needs are met a person will not be very much interested in higher level needs. When the physiological needs are met then the person will move to the higher level of need seeking security. At this stage the person is no longer motivated by Psychological need. In this way the person may pass serially through the stages of being motivated by safety, social and esteem needs to the self-actualization need.

Dr. Abraham Maslow formulated a widely accepted theory of human motivation. Maslow's theory identifies five basic levels of human needs, which rank in order of importance from low-level (biogenic) needs to higher-level (psychogenic) needs.

Maslow's hierarchy of needs theory suggests that individuals seek to satisfy lower-level needs before higher-level needs emerge.

Physiological Needs

1. In the hierarchy-of-needs theory, physiological needs are the first and most basic level of human needs.
2. Physiological needs are those things that are required to sustain biological life: food, water, air, shelter, clothing, and sex.
3. Physiological needs are dominant when chronically unsatisfied.

Safety Needs

1. Safety needs are concerned with much more than physical safety. They include order, stability, routine, familiarity, control over one's life and environment. Health and the availability of health care are important safety concerns.

Social Needs

1. Social needs relate to such things as love, affection, belonging, and acceptance. Because of the importance of social motives in our society, advertisers of many product categories emphasize this appeal in their advertisements.

Egoistic Needs

1. Egoistic needs can take an inward or outward orientation, or both.
2. Inwardly-directed ego needs reflect an individual's need for self-acceptance, for self-esteem, for success, for independence, and for personal satisfaction with a job well done.
3. Outwardly-directed ego needs include the needs for prestige, for reputation, for status, and for recognition from others.

Need for Self-Actualization

1. Need for self-actualization refers to an individual's desire to fulfill his or her potential to become everything he or she is capable of becoming.
2. According to Maslow, most people do not satisfy their ego needs sufficiently to ever reach this level.

Q.2 Describe in detail the psychoanalytical theory of personality. Is this theory empirically verifiable? Support your reasons.

Ans. **The Psychoanalytic Theory:** The Psychoanalytic Theory of personality has held the interest of psychologists and psychiatrists for a long time. Sigmund Freud, its formulator, was quite an influence. It attends to emphasizes three main issues i.e. the id, the ego and the superego. Psychoanalysts say that all human personality is comprised of these closely integrated functions.

The id is considered as mostly biological or physical in function -- unfettered, compelling and lacking morality, selfish and intolerant of tension. It functions on the principle of pleasure before anything else. The ego is the rationally functioning element of human personality. It exerts conscious control, trying always to be the mediator between the id and the superego. Though the id seeks pleasure blindly, based on the pleasure principle, the ego seeks pleasure using rationality instead of irrationality. Its main quirk is rationality, and is always conscious. The superego represents our moral system. It strives to put a right or wrong tag on our behavior, often triggering conflict among the three divisions. Its main quirk is morality. The ego is that aspect we present to the "outside" -- it is our persona our celebrity.

Q.3 What is a group? Why do individuals join groups? Discuss with example the characteristics of effective work group.

Ans. Groups are formed because of various general tendencies within us such as:

- i. **The similarity-attraction effect:** we like people who are similar to us in some way.
- ii. **Exposure:** we like people whom we have been exposed to repeatedly.
- iii. **Reciprocity:** we like people who like us.
- iv. **Basking in reflected glory:** we seek to associate with successful, prestigious groups.

Furthermore, we also tend to avoid individuals who possess objectionable characteristics. Moreover, there are number of reasons why people join groups which are as follows;

1. Affiliation

Humans are by nature gregarious. Groups provide a natural way for people to gather in order to satisfy their social needs.

2. Goal achievement

Problems and tasks that require the utilization of knowledge tend to give groups an advantage over individuals. There is more information in a group than in any one of its members, and groups tend to provide a greater number of approaches to solving any particular problem

3. Power

Individuals gain power in their relationship with their employers by forming unions.

4. Status

Membership in a particular service clubs or a political body may be seen to confer status on members. So as to gain that status people join in such groups

5. Self-esteem

As suggested by Maslow, people have a basic desire for self-esteem. Group membership may nurture self-esteem. If one belongs to a successful group, the self-esteem of all members may be boosted.

6. Security

Sometimes individuals need protection from other groups or more powerful

individuals — “there is safety in numbers”. These individuals may seek security in group membership. Neighbors may form a “Block Watch” group to ensure the security and protection of their neighborhood.

The **important characteristics of groups** are as follows:

- Social interaction. The members of a group affect each other and there is a definite pattern of interaction among them.
- Stability. Groups also must possess a stable structure. Although groups can change, which often they do, there must be some stable relationship that keeps the group members together and functioning as a unit.
- Common interests or goals. Members of a group must share some common interests or goals that bind the group together.
- Recognition as being a group. It is not just being together would ensure the formation of a proper group. The members of the group must also perceive themselves as a group. They must recognize each other as a member of their group and can distinguish them from nonmembers.

Q.4 (a) “Participation is an excellent method for identifying differences and resolving conflicts”. Do you agree or disagree?

Ans. Participation is a method clearly favored and spoken of by businesses and governing bodies as the optimum tactic to be used in bringing about resolution and dealing with issues of conflict in the workplace for example. Relationships are strengthened when two groups can discuss and work through a problem in order to come to an agreement about an issue which is even better than a compromise.

Participation forces the two parties to work through the issues that separate their own ideas and often results in the best of both becoming part of the finished product, if in a business scenario. It is this very tension within a team that is essential for creative thinking and provokes individuals to see alternative solutions. Participation is only the best strategy and is not always necessarily the strategy that brings about resolve in a situation. The ideal of collaborating to produce the best result and also improve moral within the team can sometimes take up time and resources that are just not a luxury.

(b) What is perception, and what factors influence our perception?

Ans. Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world.

Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue or skin. Perception, on the other hand, better describes one's ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process.

The following ideas clarify the nature of perception:

- a. Perception is the process by which an individual gives meaning to the environment.
- b. People's actions, emotions, thoughts and feelings are triggered by their perceptions of their surroundings.
- c. Perception has been defined in a variety of ways; it basically refers to the manner in which a person experiences the world.
- d. Perception is an almost automatic process and works in the same way within each individual, yet it typically yields different perceptions.

Q.5 How does responsibility for people become a source of stress? Would this stress be reduced if employees were made more responsible for their own activities? Support your reasons.

Ans. Stress is defined as a state of emotional strain brought on by physical, emotional or mental factors. It has physical consequences, such as muscular tension and increased blood pressure. A small amount of stress can give us a healthy push toward our goals, but a high amount of stress negatively impacts the body and mind, lowering our efficiency. It can cause anxiety and depression and contribute to heart disease and other serious health problems. It is helpful to be aware of the causes of stress in your life so you can make necessary changes to lower your stress level.

Job and parental responsibilities are at the top of many American's stress list. We often go out and find other responsibilities to saddle ourselves with as well, including community and social responsibilities. For some, these responsibilities amount to recreation, but for others, generalized stress ensues. The most effective approach in order to manage work place stress is by means of time and task management. This means the great need to prioritize and organize tasks

depending on the schedule of deadline. It also means providing enough time for ourselves, our family, and our work responsibilities. Make it a point to spend quality time for ourselves and also a separate time for our family and then our work. This variability will provide us with enough breathing space and not mainly concentrate on pure work, which is easy to cause boredom and exhaustion.

Q.6 (a) “Change for the sake of change is no change at all”. Comment on this statement and show why change for the sake of change could be detrimental to the health of the organization.

Ans. Despite the potential positive outcomes, **change is nearly always resisted**. A degree of resistance is normal since change is:

- Disruptive, and
- Stressful

Management trying to implement change will often come across other people in the business responding with phrases such as:

- “My needs are already being met”
- “We don’t need to do this”
- “This sounds like bad news”
- “The risks outweigh the benefits”
- “What does this mean for me?”

Of course a degree of skepticism can be healthy especially where there are weaknesses in the proposed changes.

Change is also resisted because of the poor way in which change is managed! For example, a failure by management responsible for the change to:

- Explain the need for change
- Provide information
- Consult, negotiate and offer support and training
- Involve people in the process
- Build trust and sense of security
- Build employee relations

As a result of change resistance and poorly managed change projects, many of them ultimately fail to achieve their objectives. Amongst the reasons commonly associated with failed change programmes are:

- Employees do not understand the purpose or even the need for change
- Lack of planning and preparation
- Poor communication

- Employees lack the necessary skills and/ or there is insufficient training and development offered
- Lack of necessary resources
- Inadequate/inappropriate rewards

(b) Describe the various channels of communication in an organization.

Ans. Communication is the process by which information is transmitted between individuals and or organization so that an understanding response results. Organizational communication establishes a pattern of formal communication channels to carry information vertically and horizontally. To ensure efficient and effective accomplishment of objectives, information is exchanged. Information is passed upward from employees to supervisors and laterally to adjacent departments.

Organizational communication is really the flow of information through the networks of interrelated human role relationships.

Types of networks

Formal network - Systematically established for the transmission of messages through defined relationships.

- Follows organizational structure defined by organization chart etc.

Informal network

- No permanent structure. Employees join/disband as a function of particular issue or situation, an emergent structure.
- Suggests how communication networks actually work

The channel of communication under the formal network is narrow, but it allows for flow of essential information. Moreover, it is easy to maintain, orderly in nature, supports the authority of the superiors and provides for closeness of contact thereby reducing channels of miscommunication.

The informal channel is the result of the operation of the social forces at workplace. Formal communication exists to meet the utilitarian needs of the organization, informal communication is the method by which people carry on social, non-programmed activities within the formal boundaries of the system.

The informal channel operates at much greater speed. This channel also satisfies the communication needs of the various persons in the organization.

SECTION-B

Dr. Alok Banarjee is the Chief Executive of a medium sized pharmaceutical firm in Kolkata. He holds a Ph.D. in pharmacy. However, he has not been involved in research and development of new products for two decades. Though turnover is not a problem for the company, Dr. Banarjee and his senior colleagues noticed that the workers on hourly basis are not working upto their full potential. It is a well-known fact that they filled their days with unnecessary and unproductive activities and worked only for the sake of a pay cheque. In the recent past the situation has become quite alarming as the organisation began to crumble under the weight of uneconomical effort. The situation demanded immediate managerial attention and prompt remedial measures. Dr. Banarjee knew very well that the only way to progress and prosper is to motivate workers to peak performance through various incentive plans.

One fine morning, Dr. Banarjee contacted the Personnel Manager and enquired: "What is the problem with the workers on hourly basis? The wage bill shows that we pay them the highest in the industry. Our working conditions are fine. Our fringe benefits are excellent. Still these workers are not motivated. What do they require really? The Personnel Manager gave the following reply: "I have already informed you a number of times, that money, working conditions and benefits are not enough. Other things are equally important. One of the workers in that group recently gave me a clue as to why more and more workers are rejoining the bandwagon of 'non-performers'. He felt bad that hard work and efficiency go unnoticed and unrewarded in our organisation. Our promotions and benefits plans are tied to length of service. Even the lazy workers, accordingly, enjoy all the benefits in the organisation, which infact, according to the workers, should go only to those who work hard". Dr. Banarjee then wanted the personnel manager to look into the problem more closely and find out a solution to the problems of workers on hourly basis.

Questions:

- (i) Explain the motivational problem in this case. If you were the manager, how would you motivate the employees so that they work better?

- (ii) What would be your response to Banarjee's statement (In the last para of the case), if you were the Personnel Manager in the company.



MBA SEM. I (Main/Back)
Examination, January/February
(1M6102)
ORGANIZAITONAL BEHAVIOR

Year-2010

Time : 3 Hours

Min. Passing Marks :28

Max. Marks.:70

Instruction to candidates:

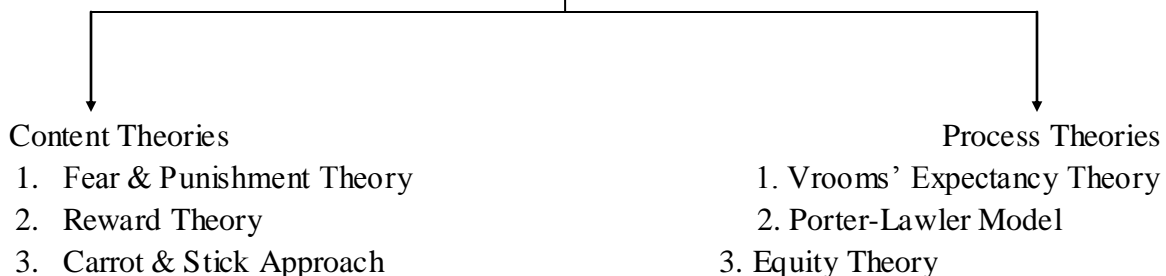
The question paper is divided into two sections. Section A, contains 6 questions out of which the candidates is required to attempt any four questions. Section B contains short case study/application based one question which is compulsory. All questions carry **equal** marks.

Section-A

1. (a) Draw a diagram (Chart) showing all the content and Process. Theories of Motivation. Differentiate between content and process theories.

Ans.

Motivation Theories



- | | |
|------------------------------------|---------------------------------|
| 4. McGregor's Theory "X" & "Y" | 4. Attribution Theory |
| 5. Needs-Goal Theory | 5. Goal Setting Theory |
| 6. Maslow's Needs Hierarchy Theory | 6. Reinforcement Theory |
| 7. Herzberg's two Factor Theory | 7. Behaviour Modification Prog. |
| 8. William Ouchi's Theory "Z" | 8. Social Cognitive Theory |
| 9. Alderfer's ERG Theory | |
| 10. McClelland's Achievement | |

Content Versus Process Theories

The content theories of motivation attempt to identify "**what it is**" that motivates people at work e.g. money, responsibility, self-actualization or growth. The content theorists are concerned with identifying the needs and drives that people have and how needs are prioritized.

The process theories on the other hand focus on the "**dynamics, or process aspects**" of work motivation. Process theories revolve primarily around how people behave as they do. These focus on how behaviour originates and operates.

- (b) **"Vroom's expectancy theory has its roots in the cognitive and utility concepts. It relates to choice behaviour". Explain this statement while discussing the key variables in Vroom's theory. Also discuss its managerial implications.**

Ans. Expectancy Theory: Victor Vroom developed the expectancy theory, which suggests that individual's expectations about their ability to accomplish something will affect their success in accomplishing it. Therefore, this theory is based on cognition – on thought processes that individuals use. The expectancy theory is based on an individual's effort and performance, as well as the desirability of outcomes associated with high performance. The value of or preference for a particular outcome is called valence. To determine valence, people will ask themselves whether or not they can accomplish a goal, how important is the goal to them (in the immediate as well as the long term), and what course of action will provide the greatest reward. An individual's expectation of actually achieving the outcome is crucial to success and many factors influence this.

The expectancy theory can be applied through incentive systems that identify desired outcomes and give all workers the same opportunities to achieve rewards, such as stock ownership or other recognition for achievement.

- A combination of forces determines behavior

- Individuals decide their own behaviors in organizations
- Different individuals have different needs and goals, and want different rewards
- Individuals decide among alternatives based on their perceptions.

Key variables

- First-level outcomes-results of doing the job.
- Second-level outcomes-positive or negative events produced by first-level outcomes
- Expectancy- effort-performance belief
- Instrumentality-relationship between first-level and second-level outcomes
- Valence-preference for a second-level outcome.

2. a) **“The first and foremost management problem today is communication. Hence, every manager must be a good communicator”, Explain and discuss the importance of communication. Also explain the problem related to grapevine.**

Ans. Importance of communication

Communication is vital for the functioning of organization. In the absence of channels of communication, supervisors will not be able to give instructions to employees and employees will not be able to understand what the management expects of them.

Employees can perform well and be involved in their work only when they understand their job duties and responsibilities. The absence of communication can threaten the very survival organizations.

When software companies reduced the salaries of their employees to cope with the slowdown in the IT industry, their managements had to communicate to employees that the reduction was temporary and that salary cuts had been made to avoid layoffs. If this had not been communicated to the employees, they would have become hostile towards management. In the absence of such communication, management would not have been able to carry out its basic functions of planning organizing directing and controlling.

In the early stages of the industrial revolution, information was controlled by top level managers in organization. However, the managers of modern

organizations have realized that it is more beneficial to have open communication than restricted communication within organization. Unless the organization's key values and strategies are communicated to employees, they will not work in that direction. Some managers hold back negative feedback because they fear it will have a negative impact on employee morale. However, withholding such feedback prevents employee from improving themselves and harms their personal development as well as organizational development in the long run.

(c) **Explain 4 major dimensions of Myers-Briggs type indicator.**

Ans. The **Myers-Briggs Type Indicator (MBTI)** assessment is a psychometric questionnaire designed to measure psychological preferences in how people perceive the world and make decisions. Following are the major dimensions of human personality:

1. **Introversion & Extroversion** : those who prefer **Introversion** draw their primary energy from the inner world of information, thoughts, ideas, and other reflections. In contrast, those who prefer **Extroversion** are drawn to the outside world as their elemental source of energy.
2. **Sensing & Intuition**: Those who prefer **Sensing** Perception favor clear, tangible data and information that fits in well with their direct here-and-now experience. In contrast, those who prefer **Intuition** Perception are drawn to information that is more abstract, conceptual, big-picture, and represents imaginative possibilities for the future.
3. **Thinking & Feeling**: Those who prefer **Thinking** Judgment have a natural preference for making decisions in an objective, logical, and analytical manner with an emphasis on tasks and results to be accomplished. Those whose preference is for **Feeling** Judgment make their decisions in a somewhat global, visceral, harmony and value-oriented way, paying particular attention to the impact of decisions and actions on other people.
4. **Judging & Perceiving**: Those who prefer **Judging** rely upon either their **T** or **F** preference to manage their outer life. This typically leads to a style oriented towards closure, organization, planning, or in some fashion managing the things and or people found in the external environment. The drive is to order the outside world. While some people employ an assertive manner, others "ordering touch" - with respect to people - may be light. Those who prefer **Perceiving** rely upon either their **S** or **N** preference to run their outer life. This typically results in an open, adaptable, flexible style of relating to the

things and people found in the outside world. The drive is to experience the outside world rather than order it; in general lack of closure is easily tolerated.

3. (a) **“Coping strategies for stress can be adopted at individual level as well as organizational level”. Explain stress coping strategies.**

Ans. Individual Coping Strategies: Stress management starts with identifying the sources of stress in our life. This isn't as easy as it sounds. Our true sources of stress aren't always obvious, and it's all too easy to overlook our own stress-inducing thoughts, feelings, and behaviors.

- Avoid unnecessary stress
- Alter the situation
- Adapt to the stressor
- Accept the things we can't change
- Make time for fun and relaxation
- Adopt a healthy lifestyle

Organizational Coping Strategies: There are a variety of steps we can take to reduce both our overall stress levels and the stress we find on the job and in the workplace. These include:

- **Taking responsibility** for improving your physical and emotional well-being.
- **Avoiding pitfalls** by identifying knee jerk habits and negative attitudes that add to the stress you experience at work.
- **Learning better communication skills** to ease and improve your relationships with management and coworkers.
- Recognize warning signs of excessive stress at work
- Reduce job stress by taking care of yourself
- Reduce job stress by prioritizing and organizing
- Reduce job stress by improving emotional intelligence
- Reduce job stress by breaking bad habits
- Learn how managers or employers can reduce job stress.

(b) **“Learning organization is a strategic weapon to gain competitive advantage” Explain.**

Ans. Learning organization : Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

According to Sandra Kerka (1995) most conceptualizations of the learning organizations seem to work on the assumption that 'learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn'. Learning organizations:

- Provide continuous learning opportunities.
- Use learning to reach their goals.
- Link individual performance with organizational performance.

Benefits

The main benefits are:

- Maintaining levels of innovation and remaining competitive
- Being better placed to respond to external pressures
- Having the knowledge to better link resources to customer needs
- Improving quality of outputs at all levels
- Improving Corporate image by becoming more people oriented
- Increasing the pace of change within the organization.

4. Explain Kurt Lewin's three step model of change. What are the reasons for resistance to change? Describe the methods to overcome the resistance.

Ans. One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1940s, and still holds true today. His model is known as Unfreeze – Change – Refreeze, refers to the three-stage process of change he describes Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice.

1. **Unfreeze** : This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating. Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when we can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike: These show that things have to change in a way that everyone can understand. To prepare the organization successfully, we need to start at its core – we need to challenge the beliefs, values, attitudes, and behaviors that currently define it.
2. **Change**: After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction. The transition from unfreezes to change does not happen overnight. People take time to embrace the new direction and participate proactively in the change.

In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided.

3. **Refreeze:** When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

5. (a) **What do you mean by “Managing diversity” Describe the various methods to manage diversity in an organization?**

Ans. Managing diversity is defined as "planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized," according to Taylor Cox in "Cultural Diversity in Organizations."

Following are the strategies of successfully managing diversity in an organization:

- Providing Vision
- Commitment of Leaders
- Integration with the strategic Plan
- Involvement of all Associates
- Organizational Assessment
- Other Strategic Actions

- (b) **“Conflicts are inevitable”, Comment. Explain a few strategies to resolve conflicts.**

Ans. Conflict is a reality of life. Be it with students, parents, administrators, or colleagues, it is unavoidable. Improving our understanding of conflict can help us deal with it more effectively. The three most useful tools to resolve conflict are intellect, maturity, and confidence. The three most destructive tools to deal with conflict are unsubstantiated information, emotion, and defensiveness.

To deal with conflict constructively one must

- rationalize and internalize a commitment to the issue and to resolving it,
- be ready to educate the other party, and
- acknowledge that resolving conflict is often a necessary process to achieve positive or desired outcomes.

Strategies for Resolving Conflict

Once the conditions to constructively address conflict are established, several strategies can be employed to reach a resolution.

Avoidance is a viable option when:

- the issue is insignificant;
- you need to gather more information to deal with the issue; or
- time is needed to avoid emotion becoming a barrier to a solution.

Accommodation

- should not be used for major issues.
- is appropriate for immediately addressing issues where re-evaluation of the situation may be required later.
- can be an interim step towards building trust and a resolution through collaboration.
- accommodation/smoothing can lead to escalation of a conflict if used inappropriately or if it is seen as an easy alternative to avoidance.

Compromising

- is an acknowledgement that a resolution addressing both parties' issues is essential; and
- works where both parties are willing to accept a middle position and modify some expectations.

Competition

- will have someone win and someone lose;
- requires one person to have the authority to follow through and be prepared to have little or no co-operation from the other party; and
- should only be used after you evaluate whether such a resolution is ultimately beneficial to both parties.

Collaboration

- generally provides the most sustainable resolution supported by all parties;
- requires trust and co-operation, but not necessarily compromise; and
- focuses on information and consideration of alternatives.

Using these options can be very helpful in facilitating a balanced outcome to conflict when supported by effective communication skills. There are two primary factors - assertiveness and co-operation - inherent in these strategies. Our assessment of the issue itself and the response of the party with whom you are dealing will determine the proportion of assertiveness and co-operation that you choose to use in addressing the issue. However there are no magical solutions when we are dealing with conflict. However, having the skills and a good understanding of the nature of conflict will help us to deal with it confidently. As professionals our role is to bring the best knowledge and strategies to issues to address them in a productive, respectful and positive matter.

6. (a) **“Organizational Behaviour is the study of what people think, feel and do in and around organization”. Explain it and discuss and important features of OB.**

Ans. Organizational behavior is concerned with the study of what people do in an organization and how their behavior affects the performance of the organizations. Organizational behavior is a scientific discipline in which a large number of researches are conducted which improve its knowledge base.

Organizational behaviour offers several ideas to management as to how human factor should be properly emphasized to achieve organizational objectives. Organizational behaviour provides opportunity to management to analyze human behaviour and prescribe means for shaping it to a particular direction.

Organizational behaviour helps to analyze 'why' and 'how' an individual behaves in a particular way. Human behaviour is a complex phenomenon and is affected by a large number of factors including the psychological, social and cultural implications. Organizational behaviour integrates these factors to provide simplicity in understanding the human behaviour.

- **Interpersonal Level:** Human behaviour can be understood at the level of interpersonal interaction. Organizational behaviour provides means for understanding the interpersonal relationships in an organization.
- **Group Level:** Though people interpret anything at their individual level, they are often modified by group pressures, which then become a force in shaping human behaviour. Thus individuals should be studied in groups also.
- **Inter-group Level:** The organization is made up of many groups that develop complex relationships to build their process and substance. Understanding the effect of group relationships is important for managers in today's organization. Inter-group relationship may be in the form of co-operation or competition.
- **Controlling and Directing Behaviour:** After understanding the mechanism of human behaviour, managers are required to control and direct the behaviour

so that it conforms to the standards required for achieving the organizational objectives. Thus, managers are required to control and direct the behaviour at all levels of individual interaction.

- **Use of Power and Sanction:** The behaviors can be controlled and directed by the use of power and sanction, which are formally defined by the organization. Power is referred to as the capacity of an individual to take certain action and may be utilized in many ways. Organizational behaviour explains how various means of power and sanction can be utilized so that both organizational and individual objectives are achieved simultaneously.
- **Leadership:** Organizational behaviour brings new insights and understanding to the practice and theory of leadership. Thus, managers can adopt styles keeping in view the various dimensions of organizations, individuals and situations.
- **Communication:** Communication helps people to come in contact with each other. To achieve organizational objectives, the communication must be effective.
- **Organizational Climate:** Organizational climate refers to the total organizational situations affecting human behaviour. Organizational climate takes a system perspective that affect human behaviour. Besides improving the satisfactory working conditions and adequate compensation, organizational climate includes creation of an atmosphere of effective supervision; the opportunity for the realization of personal goals, congenial relations with others at the work place and a sense of accomplishment.

Organizational Adaptation: Organizations, as dynamic entities are characterized by pervasive changes. Organizations have to adapt themselves to the environmental changes by making suitable, internal arrangements such as convincing employees who normally have the tendency of resisting any changes.

(b) **Write short notes on : (any 2)**

- Attribution theory**
- Delphi technique**

Ans. The Delphi technique is a group decision-making process that can be used by decision-making groups when the individual members are in different physical locations. The technique was developed at the Rand Corporation. The individuals in the Delphi "group" are usually selected because of the specific knowledge or expertise of the problem they possess. In the Delphi technique, each group member is asked to independently provide ideas, input, and/or alternative

solutions to the decision problem in successive stages.

(iii) Knowledge Management

Ans. Knowledge management (KM) comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Knowledge management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization.

Section-B

Case Study

7.

Donnelly Mirrors, a small company employing about 750 workers, manufactures practically all of the rear-view mirrors for all of the automobiles produced in America. Even though, it is a privately held corporation, it has developed a participative management style where the workers are actively and genuinely involved in the government of the company. This may be one of the reasons why the company has been enjoying continuous success over the years.

The participative system started in 1952 and initially, the employees simply participated in cost saving efforts and they shared those savings among themselves and with the company. The cost savings resulted from efficient use of labor, materials and machines. Employees were assured that they would not lose jobs because of introduction of technologically advanced machinery or change in production methods. The resulted in reduced resistance for change on the part of employees.

The employees became so involved in cost reduction efforts and activities that they started to volunteer various ways of improving operational efficiency including selection of equipment and machines. Various problem solving groups were formed for various operational areas and in order to achieve efficient coordination amount all the groups and activities, a linking-pin organizational structure was adopted, whereby, members of various groups made decisions relative to their own tasks and these decisions are presented to the next higher level of management for consideration.

There are no time clocks and even though workers get paid on a salary basis, their working times are not closely watched or scrutinized. There is sufficient group cohesion so that the workers do not take undue advantage of these relaxed rules. If a member is late or absent for a good reason, other workers in the group will cover his work. If someone misses work frequently, he becomes answerable to other group members. The group selects its own leader and together the members set their own production goals within the general framework of the objectives of the organization and are responsible for meeting such goals.

The company has formed a committee comprised of representatives both from employees as well as management and the committee handles all personnel matters such as pay policies, fringe benefits and employee grievances. Since the workers are represented in this committee, all decisions made by this committee are easily accepted by all. Pay scales are also recommended to the management by this committee and these are consistent with the industry practices. As per pay policies, the company is guaranteed a return of 5.2% on its investment and the balance of the profits is shared with the employees. If a 5.2% return is not achieved in a given year, the deficit is compensated from the earnings of the following year before any additional bonuses are given to the employees.

Because of its reputation for employee treatment, it attracts a large number of applicants for jobs, but because the turnover rate is very low, the company can select the best from this pool of applicants. The company is like a close knit family and enjoys a reputation for productivity, quality and employee loyalty and dedication.

Questions:

1. Does the success of the company reflect a general statement that profit sharing and employee involvement in company affairs is highly motivating for employees? Explain your reasons in detail.
2. How do you think that the group dynamics is at work in this organization? How are the group integrated with the organization goals?

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Year-2009

Time : 3 Hours

Max. Marks.:70

Min. Passing Marks :28

Instruction to candidates:

Section-A

1. (a) **"Personality involves both common and unique characteristics. It is partially inborn and partially acquired." Comment. Also explain models of personality.**

Ans. Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior (thoughts, feeling, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment. Following are the models of personality proposed by Salvatore R. Maddi:

1. The conflict model assumes that each person is involved in a continuous opposition between two unchanging forces, and that life is at best a compromise in which these forces are dynamically balanced, and at worst an unsuccessful attempt to deny one of them.
2. The fulfillment model assumes that there is only one fundamental force and that it is located within the individual. Ideally, this force manifests itself in greater ways as a person matures. In the actualization version of this model, represented by Maslow and Rogers, the great force is the tendency to express more and more fully the capabilities or potentialities of one's genetic constitution.
3. Maddi's third broad category is the consistency model in which the emphasis is not on basic forces, but on the attempt to maintain

consistency between expectation and feedback from the external world.

(b) "Organizational behavior represents interaction among individuals, groups and organizations. Explain this statement with diagram.

Ans. Organizational Behavior (OB) is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach. That is, it interprets people-organization relationships in terms of the whole person, whole group, whole organization, and whole social system. Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives. As we can see from the definition above, organizational behavior encompasses a wide range of topics, such as human behavior, change, leadership, teams, etc.

(c) Define "Group Think" and "Social Loafing".

Ans. Group Think: The practice of thinking or making decisions as a group in a way that discourages creativity or individual responsibility.

Social Loafing: Social loafing describes the phenomenon that occurs when individuals exert less effort when working as a group than when working independently.

2. (a) 'Communication is often cited as being at the root of practically all the problems of the business world'. Explain this statement while elucidating the importance of communication.

Ans. Communication is vital for the functioning of organization. In the absence of channels of communication, supervisors will not be able to give instructions to employees and employees will not be able to understand what the management expects of them.

Employees can perform well and be involved in their work only when they understand their job duties and responsibilities. The absence of communication can threaten the very survival organizations.

When software companies reduced the salaries of their employees to cope with the slowdown in the IT industry, their managements had to communicate to employees that the reduction was temporary and that salary cuts had been made to avoid layoffs. If this had not been communicated to the employees, they would have become hostile towards management. In the absence of such communication, management would not have been able to carry out its basic functions of planning organizing directing and controlling.

In the early stages of the industrial revolution, information was controlled by top level managers in organization. However, the managers of modern organizations have realized that it is more beneficial to have open communication than restricted communication within organization. Unless the organization's key values and strategies are communicated to employees, they will not work in that direction. Some managers hold back negative feedback because they fear it will have a negative impact on employee morale. However, withholding such feedback prevents employee from improving themselves and harms their personal development as well as organizational development in the long run.

(b) Explain general adaption syndrome.

Ans. General adaptation syndrome, or GAS, is a term used to describe the body's short-term and long-term reactions to stress. Scientist Hans Selye (1907-1982) introduced the General Adaptation Syndrome model in 1936 showing in three phases what the alleged effects of stress has on the body. In his work, Selye - '*the father of stress research*,' developed the theory that stress is a major cause of disease because chronic stress causes long-term chemical changes.

(c) Define 'Knowledge' and 'Knowledge Management'.

Ans. Knowledge management (KM) comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Knowledge management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization.

3. (a) 'Conflicts are Beneficial for Organization'. Comment. Explain various techniques for resolving conflicts in organizations.

Ans. The various strategies for conflict management are as below:

1. Collaboration: This strategy is generally used when concerns for others are important. It is also generally the best strategy when society's interest is at stake. This approach helps build commitment and reduce bad feelings.

2. **Compromise:** This strategy results from a high concern for your group's own interests along with a moderate concern for the interests of other partners.
3. **Competition:** This strategy includes most attempts at bargaining. It is generally used when basic rights are at stake or to set a precedent.
4. **Avoidance:** This strategy is generally used when the issue is trivial or other issues are more pressing. It is also used when confrontation has a high potential for damage or more information is needed.
5. **Accommodation:** This strategy is generally used when the issue is more important to others than to us. It is a "goodwill gesture." It is also appropriate when we recognize that we are wrong.

(b) Diversity can be a powerful tool for building competitive advantage'. Explain. Describe various methods or devices to manage diversity in an organization.

Ans. Managing diversity is defined as "planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized," according to Taylor Cox in "Cultural Diversity in Organizations."

Following are the strategies of successfully managing diversity in an organization:

- Providing Vision
- Commitment of Leaders
- Integration with the strategic Plan
- Involvement of all Associates
- Organizational Assessment
- Other Strategic Actions

(c) What is simulation?

Ans. Simulation: the act of imitating the behavior of some situation or some process by means of something suitably analogous (especially for the purpose of study or personnel training). Simulation is the imitation of some real thing, state of affairs, or process. The act of simulating something generally entails representing certain key characteristics or behaviors of a selected physical or abstract system.

Acting out or mimicking an actual or probable real life condition, event, or situation to find a cause of a past occurrence (such as an accident), or to forecast future effects (outcomes) of assumed circumstances or factors.

4. (a) 'Change is one of the facts of life in Organizational Behavior'. Change is necessary. Comment. Write down a few strategies to overcome resistance to change.

Ans. Change is an inevitable factor in any organization. The most effective leaders and managers know that managing change, adopting new technology, and implementing innovation are therefore integral components to running a successful organization.

Yet, as inevitable as change may be, it is just as inevitable that there will also be individuals within these organizations who reject any major changes or innovations to their workplace. What follows then, are some strategies which can be used to overcome this resistance to change.

1. To get buy-in from unwilling employees, it will serve us well to begin by explaining to them the reasons behind the change. This step is important if we *motivate* any unwilling staff members.
2. Secondly, try and involve a variety of employees in the planning, decision-making, and monitoring stages of the change strategy. By including members across the organizational hierarchy, we are: a) more likely to gain their support/buy-in; and b) less likely to surprise anyone.
3. This relates to the last point about surprising people -- it is important that we *communicate* our change program (as much of it as is possible) on a regular and timely basis. No one likes to be surprised.
4. Finally, find individuals throughout the organization who can serve as "champions" of our change program. These individuals carry influence among other staff members; their ability to convince others of the merits of the desired change strategies make them strong proponents of the program.

With globalization, the aging population/demographic shifts, and the emergence of new global markets, it will be plainly apparent that the organizations with the greatest ability to quickly adapt to change will be the ones that will reap the greatest rewards.

(b) 'Learning organization has become a necessity in chaotic world'. Explain.

Ans. **Learning organization :** Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

According to Sandra Kerka (1995) most conceptualizations of the learning organizations seem to work on the assumption that 'learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn'. Learning organizations:

- Provide continuous learning opportunities.
- Use learning to reach their goals.
- Link individual performance with organizational performance.

Benefits

The main benefits are:

- Maintaining levels of innovation and remaining competitive
- Being better placed to respond to external pressures
- Having the knowledge to better link resources to customer needs
- Improving quality of outputs at all levels
- Improving Corporate image by becoming more people oriented
- Increasing the pace of change within the organization.

(c) **What is Halo Effect?**

Ans. Halo Effect: The halo effect or halo error is a cognitive bias in which our judgments of a person's character can be influenced by our overall impression of him or her. It can be found in a range of situations—from the courtroom to the classroom and in everyday interactions. An effect whereby the perception of positive qualities in one thing or part gives rise to the perception of similar qualities in related things or in the whole.

5. (a) **Explain and elaborate managerial implications of perception with regard to leadership, performance appraisal and communication.**

Ans. Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world.

Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue or skin.

Perception, on the other hand, better describes one's ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process.

The following ideas clarify the nature of perception:

- Perception is the process by which an individual gives meaning to the environment.
- People's actions, emotions, thoughts and feelings are triggered by their perceptions of their surroundings.
- Perception has been defined in a variety of ways; it basically refers to the manner in which a person experiences the world.
- Perception is an almost automatic process and works in the same way within each individual, yet it typically yields different perceptions.

(b) **"Stress is a silent killer but it can be managed. Discuss. Explain a few stress coping strategies.**

Ans. Individual Coping Strategies: Stress management starts with identifying the sources of stress in our life. This isn't as easy as it sounds. Our true sources of stress aren't always obvious, and it's all too easy to overlook our own stress-inducing thoughts, feelings, and behaviors.

- Avoid unnecessary stress
- Alter the situation
- Adapt to the stressor
- Accept the things we can't change
- Make time for fun and relaxation
- Adopt a healthy lifestyle

Organizational Coping Strategies: There are a variety of steps we can take to reduce both our overall stress levels and the stress we find on the job and in the workplace. These include:

- **Taking responsibility** for improving your physical and emotional well-being.
- **Avoiding pitfalls** by identifying knee jerk habits and negative attitudes that add to the stress you experience at work.
- **Learning better communication skills** to ease and improve your relationships with management and coworkers.
 - Recognize warning signs of excessive stress at work

- Reduce job stress by taking care of yourself
- Reduce job stress by prioritizing and organizing
- Reduce job stress by improving emotional intelligence
- Reduce job stress by breaking bad habits
- Learn how managers or employers can reduce job stress.

6. (a) Self managed teams operate with participative decision making, shared tasks, collective responsibility and cross functionalism. Explain.

Ans. Self-directed work teams consist of employees from various departments who collaborate on a specific project. These employees bring their expertise to the group to develop a product, design a process or initiate a product launch. Self-directed work teams meet regularly to discuss the progress of their project. Each team member shares her knowledge with the team and learns from her colleagues. Self-directed teams require several characteristics to succeed.

Joint Responsibility

Successful self-directed teams assign responsibility to all members of the group. This joint responsibility allows each member to feel fully invested in the success of the project. This creates a sense of ownership for each team member. As the team members feel more fully invested, they work harder to see the project succeed. These team members invest more time and resources outside of the team meetings to analyze different actions and research potential ideas. This investment increases the success of the project.

Interdependence

A sense of interdependence among team members increases the success of self-directed teams. Team members who rely on each other for information trust their colleagues to deliver. The team members work together, allowing each one to focus on his own responsibilities and to trust the other members to deliver on their responsibilities. The team members do not need to worry about others completing their work. When team members are unable to depend on the other members, the success of the team erodes.

Empowerment

Self-directed teams need to feel empowered to proceed with their project. A team with a successful plan for completing its project needs the ability to proceed with its plan. The company needs to provide the team with the authority to move ahead

with the plan without seeking additional approval. Self-directed teams empowered to proceed maintain the momentum for seeing the project succeed.

Common Goal

All members of the self-directed team need to work toward a common goal. When each member works toward a different goal, the project faces failure. This occurs when the goal of the team is not clearly identified at the beginning. However, when the group defines the goal at the first meeting, the team's potential for success increases. Each member takes action to move the project forward and the team tracks its progress toward the ultimate goal.

(b) Describe Delphi Technique.

Ans. The Delphi technique is a group decision-making process that can be used by decision-making groups when the individual members are in different physical locations. The technique was developed at the Rand Corporation. The individuals in the Delphi "group" are usually selected because of the specific knowledge or expertise of the problem they possess. In the Delphi technique, each group member is asked to independently provide ideas, input, and/or alternative solutions to the decision problem in successive stages.

(c) What is the different between Job enrichment and Job enlargement?

Ans. Job enrichment could refer to "Job Satisfaction", which is the perceived reward an employee feels they receive with respect to their position, their role and personal growth potential. If one is not enriched by their job, it is easy to become bored, disinterested and unproductive.

Job enlargement means adding duties and responsibilities to a current job description. You may be familiar with the expression used on JD's that note "performs other duties and responsibilities as required". This is a vehicle used by employers to be able to have a reduced staff shoulder more workload and additional duties during employee cut backs perhaps due to economic downturn. Faced with this situation, most employees will accept the additional workload but will not necessarily find it enriching, mainly being grateful to still have a job at all.

Section-B (Compulsory)**Case Study**

Gulu's Snack Company is a family owned company located in Himalya Mountains. Gulu started the business in 195 Is, by selling homemade chips. Nowadays, Gulu's is Rs.58 million snack Food Company" that is struggling to regain market share lost to fierce competitors. In the early 180, Gulu passed the business on to his son, Gulu Jr., who is currently grooming his son, Gulshan to succeed himself as head of the company.

Six month ago, Gulshan joined Gulu's Snacks as a salesperson and after four months, he was quickly promoted to sales manager. Gulshan recently graduated from a local university with an M.B.A. in marketing, and Gulu Jr. was hoping that Gulshan would be able to implement strategies that could help turn the company around. One of Gulshan's initial strategies was to introduce a new sales performance management system. As part of this approach, any sales person who receives a below average performance rating would be required to attend a mandatory coaching session with his/her supervisor. Gulshan is hoping that these coaching sessions will motivate his employees in increase their sales. Here is the description of the reaction of three salespeople who have been required to attend a coaching session because of their low performance over the previous quarter. Nishant.

Nishant is a hard worker. He takes pride in his work. He has learned selling techniques. He has accompanied top salesman. He has no problem asking for advice and doing whatever needs to be done to learn the business. He has cheery attitude and is a real "team player and giving the company 150 percent at all times. It has been a tough quarter for Nishant, but he is doing his best to achieve his sales targets. He feels that failure to make quota during this past quarter results not from lack of effort but just bad luck in the economy. But he is now hopeful in the next quarter.

Nishant is upset with Gulshan for having him attend the coaching session because this is the first time in three years that his sales quota haws not been met. He exceeded the sales quota this year yet had not received a "thank you" or "good job" for those efforts. The entire experience has left Nishant unmotivated the questioning his future with the company.

Navin is happy to have his job at Gulu's Snack company although he really doesn't like sales work that much. Navin accepted this position because he felt that he wouldn't have to work hard and would have a lot of free time during the day. Navin was sent to coaching mainly because his customer satisfaction reports were low; in fact they were the lowest in the company. Navin tends to give

'canned presentations and does not listen closely to customers' needs. Consequently, Navin makes numerous errors in new sales orders, which delays shipments and loses business and goodwill for Gulu's Snack Company. He thinks that the coaching session is a waste of time. He doesn't socialize with others in the office. He attributes other's success and promotions to "who they know" in the company rather than their hard work. He feels that no matter how much effort is put into the job, he will never be adequately rewarded.

For three of the last five years Nikhil was the number one salesperson in the division and had hopes of being promoted to sales manager. When Gulshan joined the company, Nikhil worked closely with Gulu Jr. to help Gulshan learn all facets of the business. Nikhil thought this close relationship with Gulu Jr. would ensure his upcoming promotion to the coveted position of sales manager.

He goes late for appointment or misses them entirely. His sales performance declined dramatically, which resulted in a drastic loss of income. Although Nikhil had been dedicated and fiercely loyal to Gulu Jr. and the company for many years, he is now looking for other employment. Nikhil is bitter and resentful of his current situation and now faces a mandatory coaching session that will be conducted by Gulshan.

Questions:

1. You have met three employees of Gulu's Snacks. Explain how each employee's situation relates to equity theory.
2. How three needs identified by McClelland are related to worker behaviour in each situation?
3. How is expectancy theory related with the 3 employees? Explain.

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