

MBA
SEMESTER - 3
MBA03EH310

Organization Behaviour



Message for the Students

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On the occasion of the birth anniversary of Babasaheb Ambedkar, the Gujarat government secured a quiet place with the latest convenience for University, and created a building with all the modern amenities named 'Jyotirmay' Parisar. The Board of Management of the University has greatly contributed to the making of the University and will continue to this by all the means.

Education is the perceived capital investment. Education can contribute more to improving the quality of the people. Here I remember the educational philosophy laid down by Shri Swami Vivekananda:

“We want the education by which the character is formed, strength of mind is Increased, the intellect is expand and by which one can stand on one’s own feet”.

In order to provide students with qualitative, skill and life oriented education at their threshold. Dr. Babaasaheb Ambedkar Open University is dedicated to this very manifestation of education. The university is incessantly working to provide higher education to the wider mass across the state of Gujarat and prepare them to face day to day challenges and lead their lives with all the capacity for the upliftment of the society in general and the nation in particular.

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With all these efforts, Dr. Babasaheb Ambedkar Open University is in the process of being core centre of Knowledge and Education and we invite you to join hands to this pious *Yajna* and bring the dreams of Dr. Babasaheb Ambedkar of Harmonious Society come true.



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Ahmedabad.

ORGANIZATION BEHAVIOUR
MBA03EH310
SEMESTER-3

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PART - 1

**MBA
SEMESTER-3 HR
ORGANIZATION BEHAVIOUR
BLOCK: 1**

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1.1. Introduction**1.2. OUR Approach to Management and Organization****1.3 Functions of Management****1.4 Features of Modern Organization****1.5 Types of Organization****1.6 Ten Key Challenges of Management and Organization****❖ Exercise**

1.1 Introduction

An organisation is a group of people working together to achieve the specified goal. A manager plays a central role in grouping people and activities, establishing authority and responsibility and interacting with people to achieve the organisational goal. He performs the functions of planning, organising, directing and controlling for the smooth functioning of the organisation. Moreover, the continuous influence of the dynamic environment on the organisation requires new managerial techniques to manage these changes. The detailed study of various aspects of organisation and management may provide proper techniques for managing them effectively. In this unit, you will learn the concepts of organisation and management. You will further understand the functions and roles of managers. You will be acquainted with the types of organisation and the features of the modern organisation.

1.2 OUR Approach to Management and Organization

Concept of Organization:

To understand the basic concept of organisation, let us learn it through the following dimensions of enquiry:

- What? What do we mean by an organisation?
- Why? - Why is the study of organisation needed?
- When? - When can organisations serve their purpose (or otherwise fail)?
- How? - How are organisations formed?
- Where? - Where can you find people who can manage organisations well?
- Who? - Who are the people having the ability to create an excellent organisation?

What do we mean by an organisation? Stoner, Freeman, and Gilbert describe that in an organisation, two or more people work together in a structured way to achieve a specific goal or set of goals. Through this description, certain salient features of an organisation emerge.

These are:

- Organisation is a conglomerate of multiple numbers of persons;
- Relationship among people working together is defined through a structure. Through structure, communications take place among persons working in the organisation.

Such structure may be relatively rigid, as in the case of formal structure, or the structure may be relatively loose, as in the case of informal structure;

- The organisation strives to achieve planned goals. The goal(s) may be singular or plural. Goal is one of the fundamental elements of an organisation. Robbins describes an organisation as a consciously coordinated social entity with a relatively identifiable boundary that functions continuously to achieve a common goal or set of goals. The additional salient features of this description of organisation are the following:
- The activities at an organisation are consciously coordinated. It means affairs at the organisation are appropriately managed. It implies the importance of management in an organisation;
- The term relatively identifiable boundary implies that an organisation works within a flexible yet definable boundary. Any organisation with a significant size has three layers of boundaries. The innermost boundary contains the internal stakeholders, i.e. employees, shareholders, and the board of directors. The next layer consists of external stakeholders, i.e. customers, competitors, financial institutions, suppliers, government, labour unions, media, and special-interest groups. The outermost boundary consists of significant macro variables like economic, technological, political, legal, and social variables.

Brown and Moburg describe organisations as relatively permanent social entities with goal-oriented behaviour, specialisation, and structure. This description of the organisation suggests that organisations have four primary features:

- Organisations are relatively permanent social entities, though many changes might be taking place within the organisation- thus, continuity is at the core of the existence of any organisation;
- Goals remain an integral part of any organisation;
- Organisations need highly specialised skills to attain goals,
- Organisations need to have structures to bring together various work activities. Hicks describes an organisation as a structured process in which persons interact for objectives. This description indicates five facts that are common to all organisations:
- An organisation always includes persons;
- These persons are involved with one another in some way;
- The interactions among persons can always be ordered or described by some structure;
- Each person in the organisation tries to meet personal objectives also through organisational activities;
- These interactions can also help to achieve compatible joint objectives, i.e. organisational objectives and personal objectives

Why is a study of organisation needed?

In favour of the rationale for creating organisations, Chris Argyris states: Organisations are usually made to achieve objectives that can best be met collectively. This means that the sequences of activity necessary to reach goals are too much for one individual, and they must be cut up into sequential units that are manageable by human beings. At the individual level, the units are roles; at the group level, the units are departments. These units are integrated or organised in a particular sequence or pattern designed to achieve the objectives, and the resulting pattern constitutes the organisation structure. Organisations have become a cornerstone of our basic

existence. Organisations pursue goals and objectives that the concerted actions of individuals can more efficiently and effectively achieve. Hospitals, educational institutions, production units, and service centres are nothing but organisations. Our civilised life would perhaps collapse without various organisations around us. Therefore, we need to know how an organisation works. Further, it is more critical to make organisations around us healthier and more effective for a better future. When can organisations serve their purpose (or otherwise fail)? Organisations can serve their purpose when they are well managed. The study of organisation and organisation's management go hand in hand. A well-managed organisation can utilise human input and resources like money, materials, machines, motivation of employees, market, etc., in an integrated manner. Organisations can survive and excel if they utilise all their resources in tune with the market needs. Successful organisations also orient themselves towards external factors like the economic environment, political environment, legal environment, social environment, environment of the international market, etc.

How are organisations structured?

There are various approaches to structuring and designing organisations. At this point, it would be desirable for you to comprehend that organisational structure or its design is appropriately chosen to facilitate various factors like the flow of communication, decision-making, decision execution, control, and integration of all organisational activities.

Where do you find people who can manage organisations well?`

People who manage an organisation well may be found within the existing organisation. Otherwise, in the case of a newly established organisation or even an old organisation, appropriate people can be identified from outside. People who are already with the organisation can be further developed for higher responsibilities through developmental programmes, on-the-job training, and career planning. Appropriate people from outside can be identified for positions at various levels through proper recruitment and selection policies and procedures.

Who are the people having the ability to create an excellent organisation?

Employees are the greatest assets of an organisation. In modern organisations, employees are expected to possess multiple skills. To perform various activities in an organisation, different persons are expected to possess other skills so that the organisation has an appropriate skills basket. Usually, people who can create excellent organisations have many desirable skills and traits. Some important skills and traits are • Integrative values, i.e., the ability to generate faith and trust; • Organising ability; • Ability to see further, i.e., the ability to perceive future trends; • Ability to put adequate effort; • Up-to-date skills to perform every changing nature of the task; • Skills to establish effective human relations with insiders and outsiders; • Ability to generate adequate resources.

Meaning of Management:

Many experts call management a process. Some others call it an activity directed towards the coordination of resources. Let us take the following descriptions of the term 'management'. Stoner, Freeman, and Gilbert describe management as the process of planning, organising, leading, and controlling the work of organisation members and using all available organisational resources to reach stated organisational goals. Kimball states that management may be broadly defined as the

art of applying the economic principles that underlie the control of men and materials in the enterprise under consideration. Koontz defines management as the art of getting things done through and with people in a formally organised group. According to Henry L. Sisk, management is the coordination of all resources through planning, organising, directing, and controlling to attain stated objectives. Yet another view on management calls management as a body of personnel. The management plans the work and organises and obtains the production. Emphasising the importance of management for an organisation, Urwick states that no ideology, no ism, and no political theory can win greater output with less effort from a given complex of human and material resources: only sound management. And it is on such greater output that a higher standard of life, leisure, and amenities must be founded.

In the recent era, management has emerged as a prominent profession, as management fulfils the following characteristics of a profession:

- Management is a body of knowledge;
- There is the formal teaching of that knowledge;
- There are representative associations and bodies of members in the field of management;
- There are ethical standards of conduct enforced by the profession;
- There is the provision of suitable remuneration to the members in the service of management

1.3 Functions of Management

It may be interesting to note that the three terms, organisation, management, and manager, are pretty different, yet they are inseparable for practical purposes. We need organisations for various purposes, as they fulfil different needs of society. Once an organisation exists, it is necessary to establish sound management principles for its efficient and effective functioning. Then, to develop sound principles of management, we need managers who have the ability, required skills, proper motivation and satisfaction, and never-ending zeal to achieve new heights. Managers perform certain functions and particular roles. Though function and role are used interchangeably, there is a technical difference between these two terms. The functions of a manager include the assigned tasks according to the authority level and the job description of the manager's position. On the other hand, roles indicate what a manager is expected to do as a person of conscientiousness. Let us learn some essential functions of managers.

The main functions of managers include the following activities:

- Planning (including creating the vision, mission, goal setting, setting objectives);
- Organising;
- Staffing
- Directing;
- Communicating;
- Decision making;
- Controlling. Let us describe them briefly

1. Planning:

The planning function includes those activities that lead to the definition of ends and the determination of appropriate means to achieve the defined ends. Planning is when a manager anticipates the future and discovers alternative courses of action. Vision refers to creating and articulating a realistic, credible, attractive position of the future

of an organisation or organisational unit that grows out of and improves upon the present situation. Mission refers to the broad purpose that the society expects the organisation to serve. Mission statements are broad and value-driven. Goals refer to a future state or condition that fulfils the organisation's mission when realised. The goal is relatively more concrete than the mission yet less concrete than the objectives. Objectives are derived from goals and are ordinary short-run, specific milestones towards goals

2. Organising:

Organising is the process by which the structure and allocation of jobs are determined. The organising function includes all managerial activities, which translate the required activities of plans into a structure of tasks and authority. The organising function involves four sub-functions:

- Defining the nature and content of each job in the organisation;
 - Determining the bases for grouping the jobs together;
 - Deciding the size of the group;
 - Delegating authority to the assigned manager.
- 3. Staffing:** Staffing is the process by which managers select, train, promote, and retire subordinates. It concerns all human resource planning activities done by managers.
- 4. Directing:** Directing is the process of guiding subordinates' performance toward common goals. Supervising is one aspect of this function at lower management levels.
- 5. Communicating:** It is the process by which ideas are transmitted to others to achieve a desired result.
- 6. Decision-making:** It is the process by which a course of action is consciously chosen from available alternatives to achieve a desired result.
- 7. Controlling:** It is the process that measures current performance and guides it toward some predetermined goal. The controlling function includes activities that managers undertake to ensure that actual outcomes are consistent with planned outcomes. Three primary conditions must exist to undertake control:
- Standards;
 - Information;
 - Corrective action. As explained earlier, the functions of a manager directly emerge from the authority of his position and the job description of the position held by the manager. Now let us analyse some important roles of managers

1.4 Features of Modern Organisation

The changing economic environment has always had a significant impact on organisations. Hence, before understanding the features of a modern organisation, let us first review the rapid changes in the economic environment, particularly during the last decade. The following are the significant changes in the economic environment:

- The economy has become more competitive. Hence, organisations are facing stiffer competition for their survival and growth;
- Various economies are joining hands together to enjoy higher economy of scale. This has further created more challenges for organisations in developing countries;

- Giant organisations are joining hands through mergers, acquisitions, and takeovers, thus enjoying the economic benefits of being big. In this situation, domestic organisations, big or small, are finding it tough to survive and grow;
- International norms, domestic laws, and policymakers' moods are getting tilted towards letting organisations survive through excellence. The era of protectionism is disappearing;
- Technology is becoming a substitute for human power in a larger domain of activities;
- The contribution of the service sector in the national economy is continuously increasing in most of the developing countries, including in India;
- The advent of computers has revolutionised the workplace in organisations. It has also created an impact on the interaction pattern of people working in the organisation;
- Continuous product innovation and product differentiation are becoming rules of the game in business;
- With fast-growing competition among producers and service providers, it is time for consumers to dictate the terms in the game of demand and supply;
- Producers are facing stiff competition for reaching their consumers through a speedy supply chain;
- It appears that we have entered the era of obsolescence (or an era of continuous innovation). Not only a particular technology is subjected to obsolescence very fast, but any idea (managerial innovation) is also replaced soon by newer ideas;
- The world has become a global village, and organisations like multinationals are like one roof beneath which multicultural society gets nurtured.

1.5 Types of Organization

Hicks has identified various types of organisations along multiple parameters. They are:

- Organisations classified according to their structure, Formal and Informal Organisations. Their characteristics can be understood through the following continuum:

Formal	Informal
Structured	Loose
Rigid	Flexible
Defined	Undefined
Durable	Spontaneous

Formal and informal define the extremes of a continuum of organisational types. As shown above, formal organisations are structured more rigidly, and processes are more or less restricted to the maximum extent. On the other hand, informal organisations are characterised by more flexible structures, and processes are more spontaneous than rigid. You may appreciate that, arguably, a formal structure may be required in a repetitive production organisation. In contrast, in service organisations, which require more spontaneous decisions, the informal structure may be more suitable. In actual practice, it would probably be impossible to find a completely formal or informal organisation.

- Organisations classified according to the emotional involvement of members:

Primary and Secondary Organisations Their characteristics can be understood through the following continuum:

Primary = Complete emotional involvement

Secondary = Contractual involvement

Again, in actual practice, it would probably be impossible to find a completely pure form of organisation.

- Organisations classified according to their principal objectives. On this basis, we can broadly identify the following types of organisations:
- Service organisations (e.g., charities, public schools, parks, zoos, roads etc.);
- Economic organisation (e.g., cooperations, proprietorships, partnerships etc.);
- Religious organisations (e.g., sects, orders, temple trusts, churches etc.);
- Protective organisations (e.g., police, military, fire department etc.);
- Government organisations (e.g., central and state government departments, courts, cities etc.);
- Social organisations (e.g., fraternities, clubs, teams etc.).

1.6. Ten Key Challenges of Management and Organization

1. Globalisation:

Almost all home companies face the challenge of competition with their international counterparts. Small retailers and big manufacturers are all competing with international products. This has resulted in more significant complexities, greater economic and political risk, and uncertainty. The problems of internationalisation are faced in the fields of goods and services, finance, human resources, and advertising. An important question that managers have to answer, therefore, is, “Should we focus on globalisation or regionalism?”

“Globalisation means that activities be managed from an overall global perspective as part of an integrated system. Regionalism involves managing within each region with less regard for the overall organisation”. It is observed that most companies manage their finance and manufacturing activities at the global level, and human resources and advertising are at the regional level.

2. Quality and Productivity:

Companies compete with international competitors with respect to the quality and productivity of goods and services. Successful companies have been able to maintain and enhance the quality of goods and services with fewer resources (productivity). Managers must, therefore, focus on producing more and better with fewer resources. Quality is “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Productivity is “an economic measure of efficiency that summarises the value of outputs relative to the value of the inputs used to create them”. Quality and productivity are essential determinants of a business and affect its success.

3. Ownership:

Another area that concerns managers is ownership. Large foreign investors are buying stocks of home companies, and ownership can be transferred to them. Thus, profitability and productivity may suffer.

4. Environment:

The environment is changing rapidly. Organisations must change with the competitive environment to maintain their customers. Managers should develop a deep understanding of internal and external environmental factors and their application to business operations.

5. Strategy Formulation:

Just as everything around them is constantly changing, business firms must watch their strategies and strategic management. Strategies keep changing according to environmental changes. “Strategic management is a way of approaching business opportunities and challenges—it is a comprehensive and ongoing management process aimed at formulating and implementing effective strategies. It keeps managers constantly involved and promotes healthy interaction between the organisation and the environment. Managers who frame effective strategies will remain in the market, and those who fail to do so will leave the market. Strategy formulation, therefore, requires constant attention of contemporary managers

6. Ethics and Social Responsibility:

Society does not accept firms that do not adhere to ethical standards and social responsibilities. Therefore, it is a challenge for managers to define relationships with the social environment. Organisations that violate social expectations risk legal interference, loss of goodwill, and even loss of business.

7. Workforce Diversity:

Diversity in the workforce exists when members differ in dimensions like race, colour, caste, creed, nationality, gender, etc. Traditionally, organisations were managed by a workforce with no or very little diversity, like all men, all whites or all Indians. Still, today, almost all organisations experience a tremendous change in the composition of the workforce. Firms employ people from diverse cultural, social, economic, and ethical backgrounds at virtually every organisational level. Though diversity offers a competitive advantage in terms of cost, resource acquisition, marketing, creativity, problem-solving, and systems flexibility, it also becomes a source of conflict in many organisations. People native to the organisation may not readily accept working with people of other cultural backgrounds.

Even if they agree to do so, fear, distrust, or individual prejudices may arise in the work environment. If the Indian manager praises the U.S. worker publically, it may create unhappiness amongst the Indian workers. The organisations, therefore, face the challenge of addressing a variety of issues, opportunities and problems created by the diverse workforce. In the globalised world, diversity cannot be avoided. Managers have to devise means to overcome the difficulties of diversity radically. Though primarily it has been done, problems, if any, have to be overcome.

8. Change:

Change is a continuous process. Suppose firms want to compete in the complex, dynamic, and diverse environment they face today, where expectations from managers and their organisations are on the increase. In that case, they must accept the changes that confront their daily lives.

Firms that do not change their operations with the changing environment (internal and external) may have to close their operations. Managers have to continuously respond to change and look to the future with hope and optimism.

9. Empowerment:

Though management is 'the art of getting things done through others,' others/subordinates will not do things if they have to carry out the orders and instructions of managers merely. Workers want more information about the organisation to perform and control their jobs. Participative decision-making and the formation of groups and work teams help fulfil individual, group, and organisational goals.

Therefore, the essential requirement is to communicate with the external environment and their workforce. Communication is a significant task of managers today. They must convey organisational goals to individuals and understand their individual goals. Failure to do so will result in loss of empowerment, which will affect organisational goals.

10. Information Technology:

Information technology "refers to the resources used by an organisation to manage information that it needs to carry out its mission". Information is an essential part of communication, and managers have to be careful in selecting the amount and type of information (out of the large quantity of information available) they need to carry out business operations. Lack of control over the use of information can result in a lack of control over business operations.

Managers have to carefully collect the correct information, use it effectively, and ensure that the correct information leaves the organisation to enter the environment. Management Information Systems (MIS) have primarily taken care of this.

Keyword

Formal Organisation: An organisation that has a more rigid structure and where processes are more or less defined to the maximum extent.

Functions of Manager: Assigned tasks according to the authority level as well as according to the job description of the position of the manager.

Informal Organisation: Informal organisations are characterised by a more flexible structure, and processes are more spontaneous than rigid.

Levels of Management: Generally speaking, there are three levels of management-top, middle, and junior.

Management: Process of planning, organising, leading, and controlling the work of organisation members and of using all available organisational resources to reach

stated organisational goals. Organisation: A place where two or more people work together in a structured way to achieve a specific goal or set of goals.

Organisational Structure: A formal way to relate various persons working in the organisation to facilitate multiple factors like flow of communication, decision making, execution of decisions, controlling, and integration of all activities of the organisation.

Principles of Management: Basic philosophy and guidelines around which managerial functions are woven together for effective management in an organisation.

❖ **Exercise**

1. Explain the primary purpose of the existence of various organisations in society.
2. Describe the basic features of an organisation.
3. What are the various responsibilities of various levels of management in an organisation?
4. What are the various principles of management? How are modern organisations different from typical classical organisations in terms of practices and various principles of management?
5. Explain the various functions and roles of managers. How are they helpful in enhancing the efficiency of the organisation?
6. Describe various types of organisations. Why do organisations differ from one another?
7. Write a note on the Challenges of management and organisation.

• **MCQ**

1. The word “management” derives its origin from a word –
 - a) Monos
 - b) Konos
 - c) Nomos
 - d) Lomos
2. _____ need highly specialised skills to attain goals
 - a) **Organisation**
 - b) management
 - c) control
 - d) none
3. Many experts call as..... a process.
 - a) Organisation
 - b) **management**
 - c) control
 - d) none
4. Main functions of managers include _____
 - a) Planning
 - b) b.Organising;
 - c) c.Staffing
 - d) **d. all of the above**
5. Main functions of managers include _____
 - a) Directing;

- b) Communicating;
 - c) Decision making
 - d) **all of the above**
6. _____function includes those activities that lead to the definition of ends and the determination of appropriate means to achieve the defined ends
- a) **Planning**
 - b) Organising;
 - c) Staffing
 - d) Decision making
7. _____ is the process by which the structure and allocation of jobs are determined
- a) Planning
 - b) **Organising;**
 - c) Staffing
 - d) Decision making
8. _____ is the process by which managers select, train, promote, and retire subordinates
- a) Planning
 - b) Organising;
 - c) **Staffing**
 - d) Decision making
9. _____is the process by which actual performance of subordinates is guided toward common goals.
- a) **Directing;**
 - b) Communicating;
 - c) Decision making
 - d) d.Organising
10. _____ is the process by which a course of action is consciously chosen from available alternatives for the purpose of achieving a desired result.
- a) Communicating;
 - b) **Decision making**
 - c) Decision making
 - d) Organising
11. _____ is the process that measures current performance and guides it toward some predetermined goal.
- a) Planning
 - b) Organising;
 - c) Staffing
 - d) **Controlling**
12. According to their structure _____ types of Organisations.
- a) a.1
 - b) **b.2**
 - c) c.3
 - d) d. 4

2.1 Introduction**2.2 Meaning****2.3 Centralized and Decentralized Organisation Structure****2.4 Organisation design and elements****2.5 Types of Organisation Structure****❖ Exercise**

2.1 Introduction

Every organisation has a structure, but only some have a design. The way tasks, duties, and authority are assigned in your business is the organisational structure. This can happen without deliberate implementation just by doing "whatever works." Organisational design is a conscious choice.

Organisational structure refers to how power and responsibility are distributed around the company. Organisational design is an intentional effort to rearrange that distribution to improve the structure.

Design requires decisions about centralisation, Departmentalisation and the chain of command. Simply by existing, an organisation acquires a structure. It doesn't require any deliberate decisions or someone making organisational structure and design notes. It only requires day-to-day business operations.

2.2 Meaning

- Organisational structure (OS) is the systematic arrangement of human resources in an organisation to achieve common business objectives. It outlines the roles and responsibilities of every member of the organisation so that work and information flow seamlessly, ensuring the smooth functioning of an organisation.
- An organisational structure is a system that outlines how specific activities are handled to fulfil a strategic mission. Rules, roles, and obligations are all part of these activities. The organisational structure determines the flow of information between divisions within the corporation.
- Organisational Design is defined as the process of identifying and designing the organisational structure. It reflects a company's efforts to integrate new and modern elements, respond to various changes, enable flexibility, and ensure collaboration.
- Organisational Design refers to the way a business organisation achieves the right combination of integration and differentiation of operations in response to the uncertainties it faces in its external surroundings.

2.3 Centralized and Decentralized Organisation Structure

2.3.1 Centralized Organisation Structure

In this system, all the powers of decision-making rest at the topmost level of management. They take the shape of a pyramid, with the leader or executive team at the top responsible for making all decisions. Below them are departmental managers overseeing supervisors. These supervisors lead the workers at the lowest level in the hierarchy. A centralised OS structure gives uniformity of policy when the operational units face a conflict of objectives and strategic goals. Also, it speeds up the decision-making process. The issues of centralisation and decentralisation involve the principle of delegation of authority.

When a limited amount of authority is delegated in an organisation, it is usually characterised as centralised. When a significant amount of authority is delegated to lower levels in the organisation, the business is characterised as decentralised. Centralisation and decentralisation are opposites, and there are different degrees of each. In a highly centralised organisation, employees at lower levels have a limited range of decision-making authority. The scope of authority to make decisions in decentralised organisations, by contrast, is very broad for lower-level employees.

2.3.2 Decentralisation or Decentralized Organisational Structure

In this system of OS, an organisation's middle- and lower-level managers make decisions as per the local culture or laws. This leaves the top management to direct its attention to significant decisions. This type of OS flattens the hierarchy and empowers employees. It is widely prevalent in the hotel sector. The hotel sector has to comply with local laws to function properly in areas of food and beverages, human resources (HR), and operations. Therefore, decentralisation is required because handling the guests, food, staff, and processes with a centralised structure is impossible. One cannot classify all forms of centralisation as effective or ineffective. The same applies to decentralisation. Each form has its advantages and disadvantages and is affected by a number of factors.

For example, the size and complexity of the enterprise can affect the delegation of authority. If an organisation is vast and diversified, the limitations of expertise will generally lead to the decentralisation of authority to the heads of these different businesses. If speed and adaptability to change are characteristics of the company, it tends toward decentralisation. Geographic dispersion also favours decentralisation of authority. On the other hand, some organisations have excellent and speedy communication systems that tend to favour the centralisation of authority. In situations in which adequate personnel are unavailable, the organisation tends to centralise authority.

Advantages of Centralisation

1. Closer control of operations
2. Uniformity of policies, practices, and procedures
3. Better use of centralised, specialised experts

Advantages of Decentralisation

1. Faster decision-making without resorting to higher-level consultation.
2. Excellent training experience for promotion to higher-level management.

3. Decisions better adapted to local conditions.

The issues of centralisation and decentralisation involve the principle of delegation of authority. In centralisation, a limited amount of authority is delegated; in decentralisation, a significant amount of authority is delegated to lower levels. Each form has its advantages and disadvantages and is affected by a number of factors, such as the size of the organisation and the amount of geographic dispersion.

2.4 Organisation design and elements

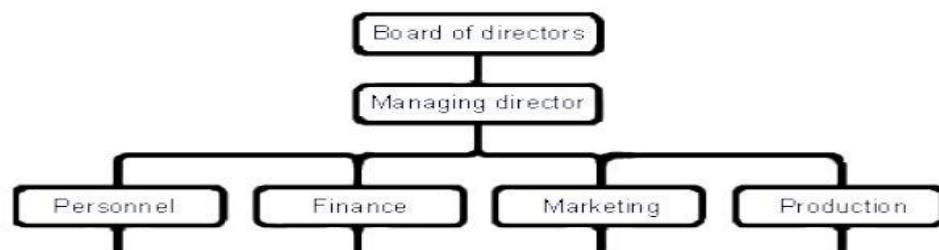
A well-designed organisational structure defines not only functions, hierarchy, roles, and responsibilities but also the alignment of organisational goals of staff/teams. Poor organisational design or structure may result in severe downfalls in organisations, i.e. ambiguity of roles, lack of trust in team and superiors, rigid work environment, slow and

Some factors, such as ineffective decision-making, are responsible for low productivity and turnover. So, it is essential to look for organisational design and structure according to a company's requirements. Specific segments of organisational design are known as the key elements. There are generally six elements of organisational design and structure.

1. Line Organisation/ Chain of Command/Line of Command

In this, the authority and power are delegated from top to bottom, i.e. in an organisation, top management gives instructions to the bottom team and all the employees at each level. Further, the accountability of an employee's job flows upward to the management. It gives clarity to the reporting structure in an organisation. It is explained below with a diagram. The line organisation is the simplest organisational structure. It is the "doing" organisation in that the work of all organisational units is directly involved in producing and marketing the organisation's goods and services. There are direct vertical links between the different levels of the scalar chain. Since there is a clear authority structure, this form of organisation promotes excellent decision-making and is simple to understand. On the other hand, managers may be overburdened when they have too many duties.

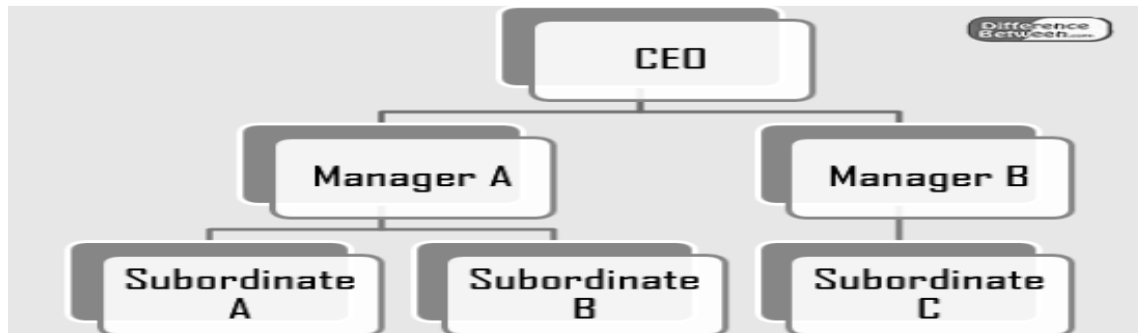
Chain Of Command



The chain of command is the formal line of communication that starts with the Board of Directors and the Managing Director, who make the firm's decisions. Below them are the department managers, then the section heads and finally to the shop floor or office staff. This is a **hierarchical** structure.

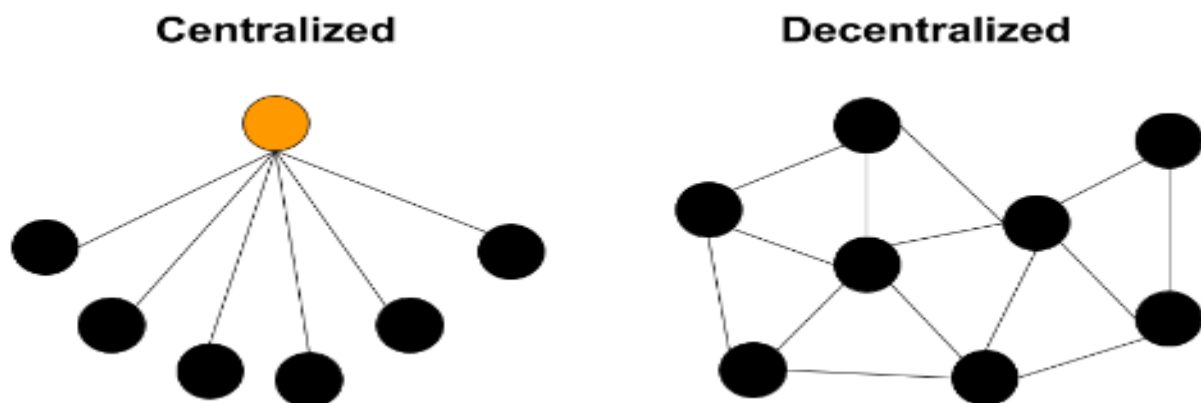
2. Span of Control

“Span of Control” demonstrates how wide the area of the direct control of supervisors over their subordinates, which is directly related to how many subordinates (in numbers) report to a senior or supervisor, which, in turn, depends on the number of tasks performed at different levels. In the case of more tasks, the span of control will be more comprehensive. It also depends on other aspects like geographical location, the ability of the team and superior, the complexity of tasks, etc.



3. Centralisation and Decentralisation

Centralisation refers to centralising an organisational system where planning and decision-making authority is allotted either to a single person or the top management. A decentralised organisation is one where planning and decision-making are handed over to middle or low levels.



➤ Differences Between Centralisation and Decentralisation

1. Centralisation is the unification of powers and authorities in the hands of high-level management. Decentralisation means the dispersal of powers and authorities from the top level to the functional level of management.
2. Centralisation is the systematic and consistent concentration of authority at central points. Unlike decentralisation, which is the systematic delegation of authority in an organisation,
3. Centralisation is best for a small-sized organisation, but a large-sized organisation should practice decentralisation.
4. Formal communication exists in the centralised organisation. Conversely, in decentralisation, communication stretches in all directions.
5. In centralisation, decisions take time due to the concentration of powers in the hands of a single person. On the contrary, decentralisation proves better regarding decision-making as decisions are taken much closer to the actions.

6. There are entire leadership and coordination in Centralisation. Decentralisation shares the burden of the top-level managers.
7. When the organisation has inadequate control over the management, then centralisation is implemented, whereas when the organisation has complete control over its management, decentralisation is implemented.

4. Specialization

Large organisations divide some of their functions based on the specialised areas, and so subtasks are defined in different tasks. These subtasks are distributed among individual job roles.

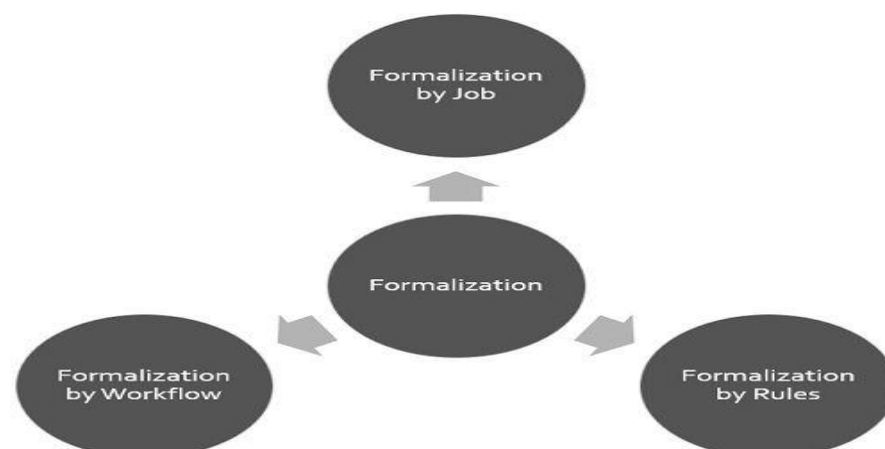


5. Formalization

Formalisation refers to the process of managers specifying or mentioning rules, procedures, and duties in written form to employees as individuals, teams, departments, units, and the whole organisation. Formalisation indicates an organisation's goals and vision, tasks, hierarchy and relationships, authority and responsibilities, different processes, and work methods.

A formal organisation emphasises job roles and responsibilities and assigns work to individuals according to the requirements of roles. Rules and procedures control these.

An informal organisation emphasises that individual and job responsibilities are designed based on individual employee skills and preferences, irrespective of the department in which they are working. An individual can also be assigned the role of different departments based on self-interest, skills, etc.



6. Departmentalisation

“Departmentalisation” is the process of dividing organisational functions into different departments based on specialisations of jobs or responsibilities so that specialised

teams can handle everyday tasks. In rigid Departmentalisation, there is almost no interaction between various teams, and each team works according to their area of specialisation. In contrast, in loose departmentalisation, the teams are free to interact with each other and can work together for everyday tasks.



2.5 Types of Organisation Structure

1. Functional structure
2. Multi-divisional structure
3. Flat structure
4. Matrix structure
5. Circular structure
6. Team-based structure
7. Network structure
8. Hierarchical structure
9. Line and staff structure
10. Project structure
11. Virtual Structure

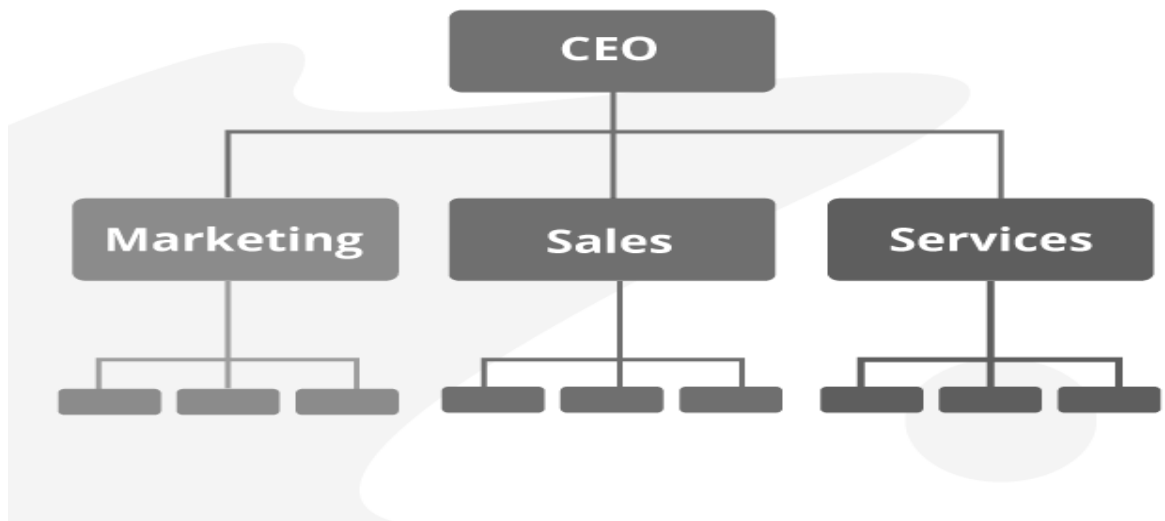
1. Functional Structure

The first and most common is a functional structure, also known as a bureaucratic organisational structure. This structure breaks up a company based on the specialisation of its workforce. Most small—to medium-sized businesses implement a functional structure. Dividing the firm into departments consisting of marketing, sales, and operations is the act of using a bureaucratic organisational structure.

A functional structure is defined as a system where employees are grouped into different departments based on expertise, each having a functional head. Unlike a hierarchical chart, employees are organised by function rather than by authority. These departments are referred to as “silos”. This term comes from the metaphor of grain silos that are tall, slim, and isolated to each store different types of grain. Similarly, employees in a functional organisational structure are isolated from other departments. There are three main areas where a functional organisational structure is distinctive in its design. The First is Departmental specialisation.

In a functional organisation, every department is specialised in a particular field, such as sales, marketing, engineering, or finance. Second is the clear hierarchy, which means that employees within the department report to the department head, who reports to the executives. Third is Limited cross-collaboration which means that as employees work in silos, they are entirely focused on their work and do not work cross-functionally.

FUNCTIONAL



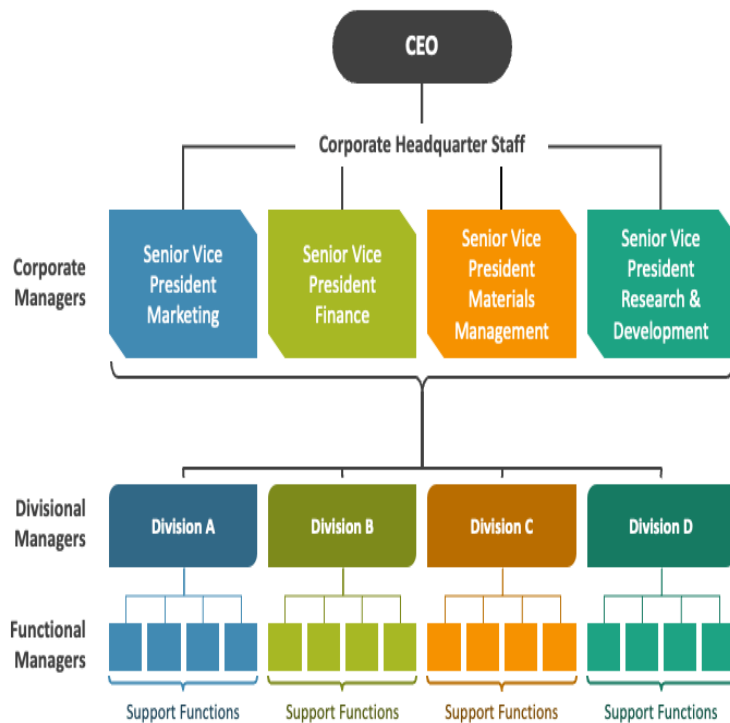
2. Divisional or Multidivisional Structure

The divisional or multidivisional (M-Form) structure is typical among large firms with several business divisions. A corporation that adopts this strategy structures its leadership team based on the products, projects, or subsidiaries it operates. Johnson & Johnson is a good illustration of this arrangement. With thousands of goods and business lines, the corporation is structured so that each business unit runs as its own company with its president. In addition to expertise, divisions can be geographically defined.

The multidivisional structure is essential because it allows companies to grow through diversification. Diversification will enable them to achieve greater profitability. At the same time, they can also minimise the risk due to being concentrated in one business. So, when one business loses, they expect to profit from another company. Overall, their profitability is manageable. However, if those businesses are operated by a single entity, operations and organisation are more complex.

As workload increases, management may focus less on making decisions and developing strategies for different businesses, each of which requires a different approach. Designing the organisation as a multidivisional structure helps companies overcome these problems. The company gives autonomy to each unit to pursue the strategy and operate their business. Thus, they can focus on their respective markets and adapt to different business environments.

MULTI-DIVISIONAL STRUCTURE



3. Flat (Flatarchy) Structure

Flatarchy, also known as a horizontal structure, is relatively newer and is used among many startups. It flattens the hierarchy and chain of command and gives its employees much autonomy. Companies that use this type of structure have a high speed of implementation.

A flat organisational structure is a method of organising staff so that senior and junior management have direct communication.

A flat organisation eliminates several levels of administration, allowing for greater involvement in decision-making and problem-solving while requiring less effort. Reducing management layers enhances collaboration and communication, boosting a company's efficiency. It also makes the best use of available resources, lowering expenditures.



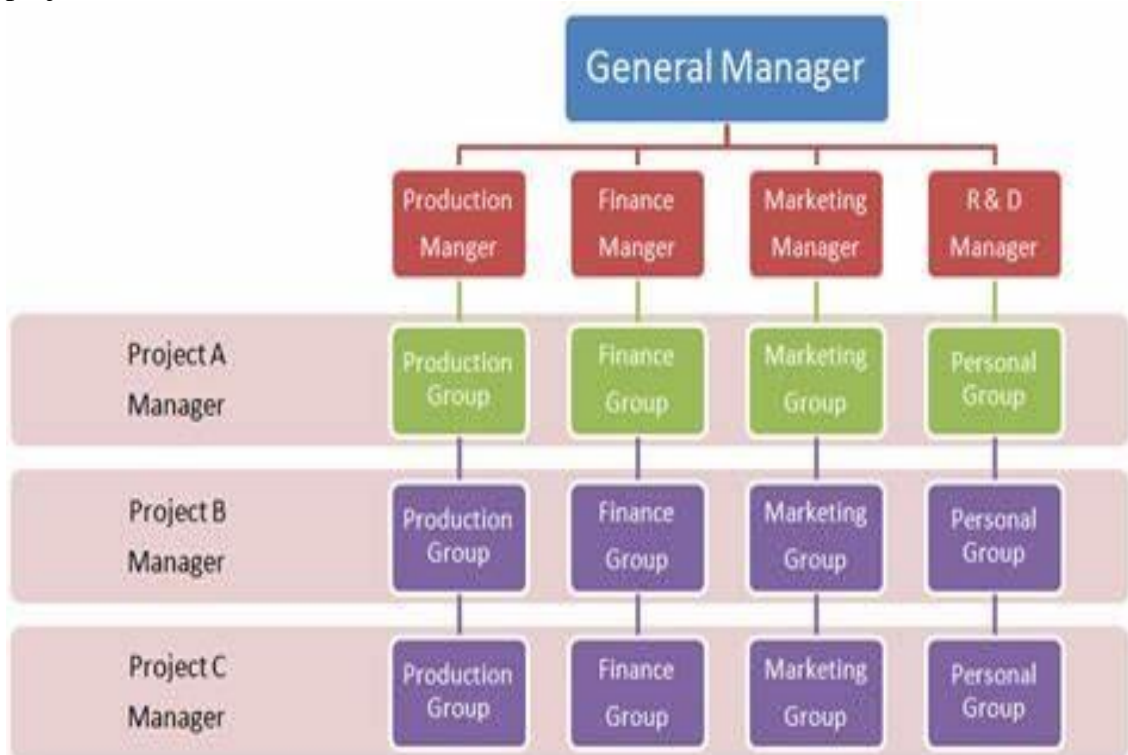
4. Matrix Structure

Firms can also have a matrix structure, which is also the most confusing and the least used. This structure divides employees into different superiors, divisions, or departments. A matrix organisation is a work structure where team members report to multiple leaders.

In a matrix organisation, team members (whether remote or in-house) report to a project manager and their department head. This management structure can help your company create new products and services without realigning teams.

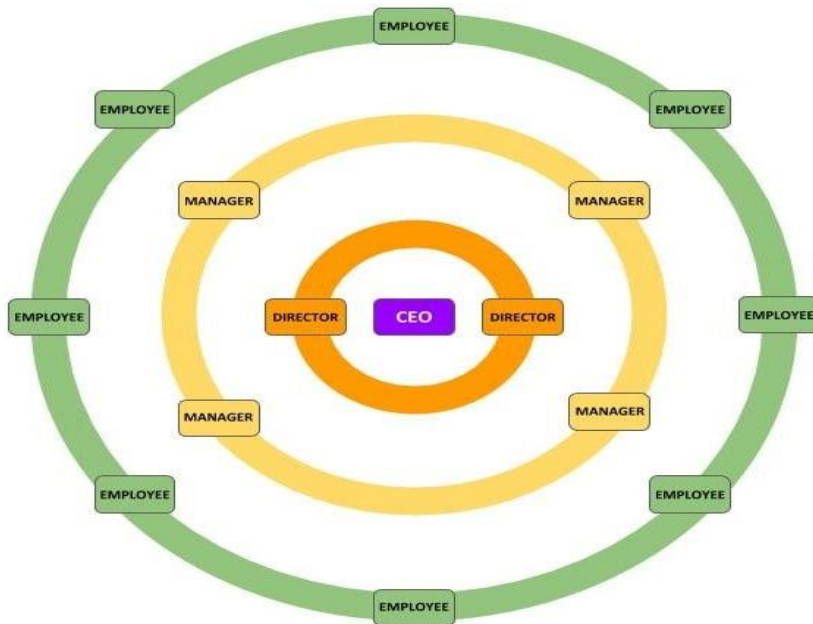
Matrix organisations have two or more management reporting structures. While this may seem confusing at first, team members typically have a primary manager for their department. Reporting to a department manager functions similarly to a traditional work structure. For example, team members working in IT report to the IT department head, who reports to the vice president of their division. Eventually, all reporting relationships lead to the CEO or Top Authority.

The difference in a matrix structure is that team members also report to project managers. Projects often require work from members of various departments, such as IT, marketing, and finance, which is why having a separate manager for individual projects makes sense.



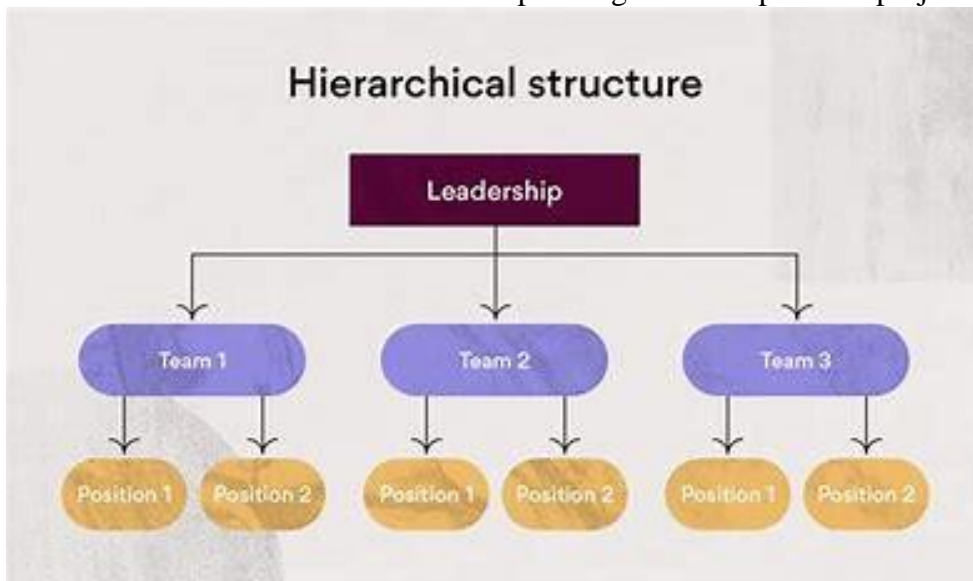
5. Circular Structure

Circular structures are hierarchical, but they are said to be circular because they place higher-level employees and managers at the centre of the organisation, with concentric rings expanding outward, which contain lower-level employees and staff. This way of organising is intended to encourage open communication and collaboration among the different ranks.



6. Team-Based

Similar to divisional or functional structures, team-based organisations segregate into close-knit teams of employees that serve particular goals and functions, but where each team is a unit that contains both leaders and workers. A team-based organisational structure is a business structure where team members are the focus of achieving an organisation's goals. The structure supports reduced adherence to the organisation's hierarchy, giving team members enough freedom and authority to perform their responsibilities. A team-based structure includes the positions of a chief executive officer (CEO), multiple team leaders, and team members. The duties of the executive stakeholder and team leaders are to supervise team members, set deadlines, and establish organisational goals and performance standards. Team members determine how to achieve these goals and improve the company's productivity. Team members in a team-based structure enjoy autonomy in the workplace. For example, in a marketing company, team leaders share the project details and client's expectations with team members and let them develop strategies to complete the project.



7. Hierarchical structure

A hierarchical structure comprises layers of management, each with its own set of duties and responsibilities. At the top of the hierarchy is typically the CEO or president, who is responsible for setting the company's overall direction and strategy. Below this level are senior executives, who are responsible for overseeing large groups of employees and departments. As we move down the hierarchy, we come to middle managers, who are responsible for managing smaller teams and ensuring that the company's goals are being met.

Finally, at the bottom of the hierarchy are front-line employees, who are responsible for carrying out the day-to-day tasks that keep the company running. One of the critical characteristics of a hierarchical organisation is that there is a transparent chain of command, with each level of management reporting to the level above it. This allows for efficient decision-making processes and ensures that everyone within the company knows who they should be reporting to and where they fit within the overall structure.

8. Network Structure

A network organisation is a decentralised company structure that operates as a network of autonomous businesses or business units rather than a traditional centralised, hierarchical structure. Each unit is responsible for its profit and loss, and all units share a common goal of maximising the value of the network as a whole.

Units can share resources and collaborate where it makes sense to do so commercially. Units can be under the same consumer brand or operate under independent brands. Network organisations can be described as a structure in which individuals are connected through a series of relationships. These relationships can be categorised into various types:

- Vertical: Refers to status relationships (Example: Boss and employee relationship)
- Horizontal: Refers to task relationships (Example: Colleague and co-worker)
- Initiative/assignment-based: This refers to forming and adjourning teams that exist only for a specific purpose and then disbanding.
- 3rd party relationships: Relationships with vendors or sub-contractors that are not permanent members of the organisation.
- Partnerships: Collaborating with other organisations or sharing resources to the benefit of both parties.

This type of structure offers several benefits, including improved communication, decreased bureaucracy, and increased creativity and innovation. Networks are also better able to respond to change, which is becoming an increasingly important factor in the modern business landscape.

9. Line and staff structure

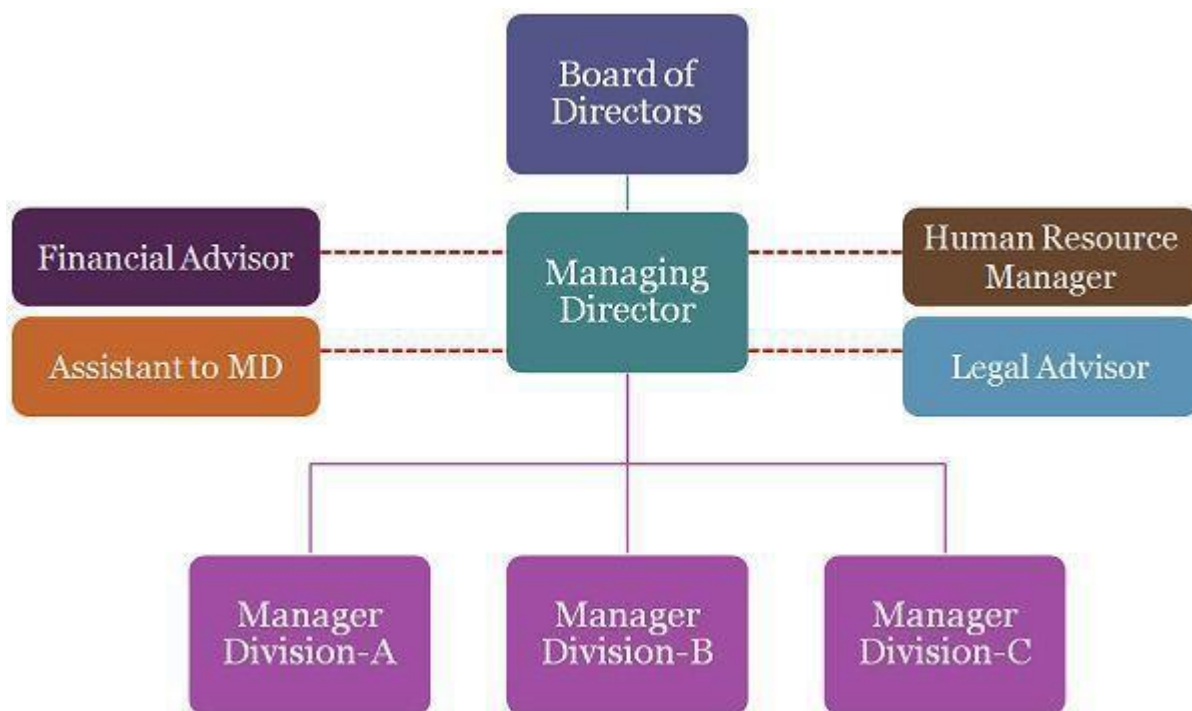
Line and staff organisation is a combination of functional and line structure. Line authority flows from top to bottom, and the line executive is directly concerned with the accomplishment of primary objectives. They are actual doers and generally need to possess specialised knowledge to solve complex problems.

Line structure

Line positions are filled by employees who make direct contributions to the company's mission and handle responsibilities to help the business run smoothly. Line positions can either include managers or entry-level employees. The line manager may design objectives for improving the quality of the work and create milestones for the department or the organisation as a whole. The line personnel member completes the tasks the line manager designates, which may include building a product to sell to consumers or fulfilling a client request.

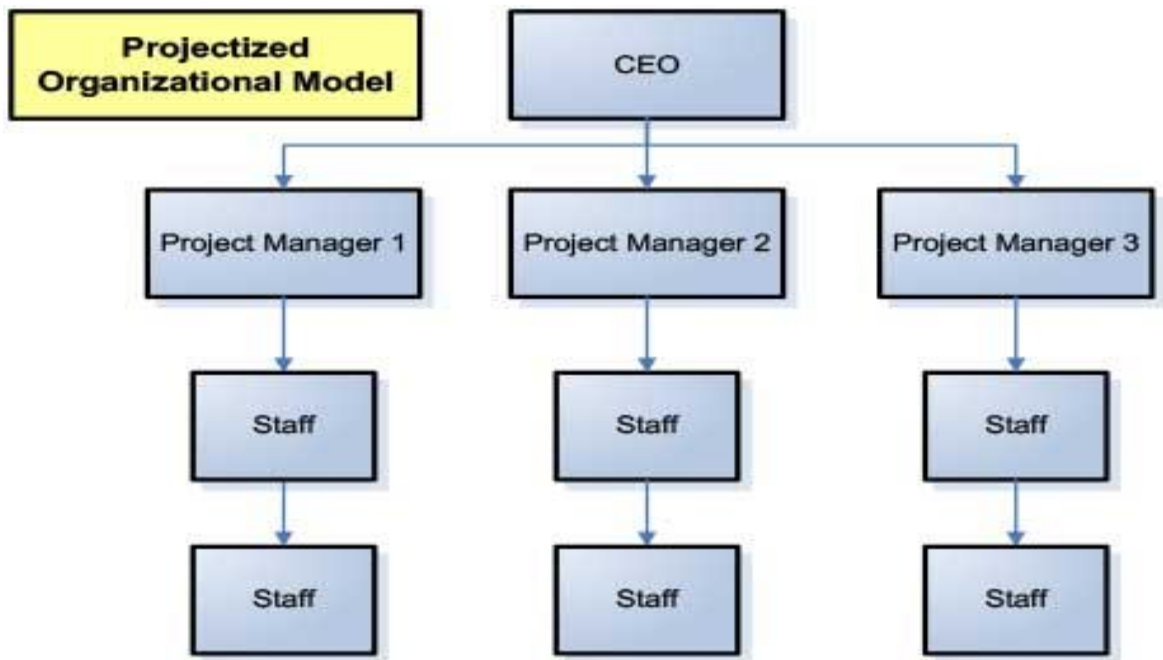
Staff positions

Staff employees assist the line professionals in achieving organisational goals. There are also managerial and lower-level employees who hold staff positions. The staff managers are experts in the industry, providing recommendations to line managers on how to lead their departments to success. They also have a higher rank over all personnel, including lower-level line members and staff members. The staff employees support their line counterparts in handling their occupational responsibilities.



10. Project structure

The project organisation is the structure of the project. It's created separately, with specialists and workers from various departments. These personnel work under the project manager. Project organisation is a process. It provides the arrangement for decisions on how to realise a project. It decides the project's process: planning how its costs, deadlines, personnel, and tools will be implemented. The project organisation is then presented to the project stakeholders. There are three areas of competence and responsibility in a project organisational structure: project leadership, the project team and the project board. The project leadership is responsible for the management of the project, and the project team implements the project. The project board is the decision-making body that defines project success.



11. Virtual Organisation

A virtual organisation is an operation in which all company members work in different geographic locations while appearing as a single unit. It uses computers, software, phones, and other technology to work together and converse in real-time despite any physical distance.

Components of Virtual Organisation

Each virtual organisation is unique, although they often include many of the same components for optimal operations, like a remote workforce and company-specific technology networks. Other components of a virtual organisation may consist of:

A flat organisation structure with less middle management

- Virtual teams
- Loose organisational structure
- Boundaries and expectations
- Power flexibility
- Informal communication

Characteristics of Virtual Organisation

- Virtual organisations can be large or small, long or short-lived.
- Virtual organisation exists for a specific purpose.
- Virtual organisations quickly deliver products/services that are innovative and customised.
- Membership and structure of a Virtual organisation evolve.
- Virtual organisation members can switch from one project to another.
- Dynamic Virtual organisations can unite quickly.
- Resources, services and people that comprise a Virtual organisation can be single or multi-institutional, homogeneous or heterogeneous.

Benefits of a virtual organisation

1) Lower overhead cost:

Virtual organisations often have lower overhead costs because they don't need to pay monthly fees for renting office spaces. Companies also save money by not having to pay supplemental fees involved with renting a space, like utilities and maintenance costs. Some organisations also ask employees to use their equipment, such as personal computers and web cameras, reducing equipment costs.

2) Improved employee satisfaction:

Many virtual organisations have higher levels of employee satisfaction, presumably from the increased freedom employees have to work in their own space. Some employees feel less stressed, and the flexibility of working remotely often reduces absences. This helps improve overall company morale and can encourage individuals to present quality work on behalf of their employer.

3) Improved efficiency:

Virtual organisations don't have the same distractions as traditional office settings, such as the urge to chat with people surrounding you. With fewer distractions, efficiency may improve, resulting in higher levels of productivity and better-quality work. Employees can establish their work environment, allowing them to determine what helps them best achieve more work in less time.

4) Larger hiring market

Virtual organisations can hire employees from anywhere in the world. This removes geographic restrictions, expanding the talent pool for hiring and allowing companies to hire individuals with varying backgrounds and perspectives. This will enable organisations to find, recruit and hire the best talent without physical locations getting in the way.

5) Flexible hours

Virtual organisations often have flexible hours, with many employers allowing employees to determine their schedules within specific parameters. For example, some companies establish core hours, such as 10 a.m. to 2 p.m., within a particular zone of time each day and allow employees to work whenever they want outside of those hours. This level of flexibility often will enable organisations to accommodate a variety of different employees and their lifestyles.

Demerits of Virtual Organisation

1) Lack of Camaraderie:

Remote workers rarely speak face-to-face. Even companies that make full use of video chat solutions often find that it isn't enough to fully simulate the camaraderie that you build when you work together in an office environment. There is less opportunity for impromptu conversations. You learn less about the people that you work with. Companies with remote teams need to take steps to bring their teams together and facilitate that togetherness.

2) A need for increased focus on Communication.

Because teams will not be able to pass information between themselves like they would in an office environment, you need to give them the tools and policies that ensure that they actively communicate. Whether that means setting up a Slack channel, getting on daily calls, or simply encouraging them to email each other new information, communication often plays a vital role in the success of virtual organisations.

3) Reputational Risks:

A poorly run virtual team can damage your reputation. Some potential customers may be wary of working with a company that has a virtual office with remote employees and may not take your start-up as seriously.

4) Security and Compliance Issues. Working remotely means passing a lot of data back and forth. In some industries (health, financial, etc.), it may be too risky for a start-up to opt for a virtual organizational design.

Types of Virtual Organisation

There are various types of approaches to implementing virtual organisation, which are as follows:

1) Mobile Working:

This type of virtual organisation specifies the mobile employees working in an environment in which mobile devices such as cell phones, laptops, e-mail wireless devices, pagers and laptops are required.

2) Virtual Teams:

Employees of the same organisation usually develop virtual teams and may include employees from an external organisation. Employees cooperate through e-mails, groupware, the intranet, and video conferencing from geographically dispersed locations. They perform parallel responsibilities along with their fundamental responsibilities in the organisation.

3) Telecommuting:

Employees in this type of organisation work from a place other than their usual workplace, which could either be their home or another place. To manage and contact the head office, telecommuters use tools such as computers and telecommunications equipment.

4) Hot Desking:

In these types of virtual organisations, fixed desks assigned to all or a few employees are removed. When they arrive, they have accredited a computer workstation through which they can access their documents, files, applications and e-mails. This type of arrangement is suitable for companies in which members spend a considerable amount of time in the customer workplaces.

5) Hoteling:

This type of organisation is similar to hotdesking. In this system, the client or customers provide hot desks to the virtual organisation employees.

6) Telecentres:

These types of virtual organisations are placed for employees who are generally not available in the telecommuter's home. They are primarily located in associations outside of the major cities and provide space and equipment there.

Conclusion:

Organisations may operate under many kinds of different structures, each of which has specific benefits and drawbacks. Some organisational forms are better suited to particular surroundings and jobs, yet any poorly managed system will be OK with problems. Change within the organisation functioning in that environment is frequently necessary when the environment changes. Resistance to change can be encountered in practically any part of a company's operations, and various cultures may react differently to the change and the methods used to implement it. Jobs are frequently lost as a result of certain sorts of change, such as mergers. In these cases, it's crucial to terminate employees fairly and morally. Once a change has been made, it is vital to perform all essential actions to support the new system. Even after an organisational shift, employees may still need help.

Numerous actions can be performed that have been shown to reduce employee anxiety and smooth the transformation process so that critical adjustments can be better allowed. Employee participation in the change process can frequently significantly lessen resistance to novel approaches. In some businesses, this level of inclusion is not possible, so organisations might instead choose a few opinion leaders to help them spread the word about the advantages of impending changes.

❖ Exercise:

Q-1 Answer the following Questions:

- 1) Give Meaning to organisational structure and Design.
- 2) Find out the differences between centralised and decentralised Organisational structures.
- 3) Explain Organisation design and elements.
- 4) Explain the mentioned types of Organisational structure using diagrams.
 1. Functional structure
 2. Multi-divisional structure
 3. Flat structure
 4. Matrix structure
 5. Circular structure
 6. Team-based structure
 7. Network structure
 8. Hierarchical structure
 9. Line and staff structure
 10. Project structure
- 5) Differentiate Between Centralisation and Decentralisation.
- 6) Describe the advantages and disadvantages of Centralisation and Decentralisation.

Q-2 Short Note:

- 1) Span of control

- 2) Decentralisation
- 3) Formalization

Q-3 Answer in one word:

- 1) What is organisational structure?
- 2) What is Organisational Design?
- 3) Give meaning to Decentralisation or Decentralized Organisational Structure.
- 4) Give the meaning of Centralisation or Centralized Organisational Structure.
- 5) What is the Chain of Command?
- 6) Define the Span of control.
- 7) Any two Differences between Centralisation and Decentralisation.
- 8) What are 3rd party relationships?
- 9) State the types of Organisational structure.
- 10) Write two to three sentences on
 - i. Functional structure
 - ii. Multi-divisional structure
 - iii. Flat structure
 - iv. Matrix structure
 - v. Circular structure
 - vi. Team-based structure
 - vii. Network structure
 - viii. Hierarchical structure
 - ix. Line and staff structure
 - x. Project structure
- 11) What is Formalization?
- 12) What is the Virtual Organisation structure?
- 13) Explain the Characteristics of a Virtual Organisation.
- 14) What are the advantages and disadvantages of Virtual Organisation?

Q-4 True or False:

- 1) Organisational structure refers to the way power and responsibility are distributed around the company.
- 2) A hierarchical structure has a hierarchy made up of layers of management, each with its own set of duties and responsibilities.
- 3) Organisations cannot operate under many kinds of different structures.
- 4) Line and staff organisation is a combination of functional and line structure.
- 5) The executive stakeholders and team leaders supervise team members, set deadlines, and establish organisational goals and performance standards.
- 6) Flatarchy, also known as a horizontal structure.
- 7) In rigid Departmentalisation, there is almost no interaction between different teams, and each team works according to its area of specialisation.
- 8) In an in-line organisation, authority and power are delegated from top to bottom.
- 9) In Matrix organisations, there are three or more management reporting structures.
- 10) The multidivisional structure is essential because it allows companies to grow through diversification.

Answers:

1) True 2) True 3) False 4) True 5) True 6) True 7) True 8) True 9) False 10) True

3.1 Introduction**3.2 Meaning****3.3 Definition****3.4 Detailed Description****3.5 Examples****3.6 Importance, Purposes and Objectives****3.7 Terminologies****3.8 Model****3.9 Perceptual Errors****3.10 Conclusion****❖ Exercise**

3.1 Introduction

“We do not see things as they are; we see them as we are,” said Anis Nin. What it means is that our worldview depends not on what reality is the reality, but instead on our understanding of what reality is. Our motives, behaviours, attitudes, etc., depend a lot on this “perceived reality”. The same affects the behaviour of employers and employees. So, a sound perception understanding would help managers manage their employees better.

The other tendency is to attribute the outcome of an event to a particular type of behaviour of an individual. This is called attribution. It allows us to understand the way we perceive and judge our behaviour. It is a very important theory in psychology that helps us understand behaviour, particularly perception.

3.2 Meaning

Perception refers to how individuals interpret and make sense of sensory information from the environment. It involves organising, analysing, and giving meaning to sensory inputs such as sight, sound, touch, taste, and smell. Perception is not simply a passive reception of sensory stimuli; it involves complex cognitive processes that integrate sensory information with past experiences, expectations, beliefs, and cultural influences.

Attribution theory is a psychological framework that focuses on how individuals explain the causes of events and behaviours, both their own and those of others. Developed primarily by social psychologists Fritz Heider, Harold Kelley, and Bernard Weiner, attribution theory seeks to understand how people make sense of the world and make attributions about the causes of behaviour.

3.3 Definition

3.1.1 “Perception is an important meditative cognitive process through which persons make interpretations of the stimulus or situation they are faced with”. **Fred Luthans.**

3.1.2 According to **Robbins (2004)**, perception can be defined as a process by which individuals organise and interpret their sensory impressions to give meaning to their environment' based on their perception of what reality is, not on reality itself; the world as it is perceived is the behaviourally important world'.

3.4 Detailed Description

3.4.1 Perceptual Process:

Sensory processing: The physical reception of sensory stimuli by our sensory organs (e.g., eyes, ears, skin).

Attention: The selective focusing of mental resources on particular stimuli or aspects of the environment.

Interpretation: The process of assigning meaning to sensory inputs based on past experiences, knowledge, and expectations.

Context: The surrounding environment and situational factors that shape how sensory information is perceived.

Individual differences: Variations in perception among individuals due to age, culture, personality, and cognitive abilities.

Perception plays a crucial role in navigating and interacting with the world around us, influencing our thoughts, emotions, and behaviours.

3.4.2 Key concepts within attribution theory include:

Internal versus External Attribution: Attribution theory distinguishes between internal (dispositional) and external (situational) attributions. Internal attributions involve explaining behaviour based on the individual's characteristics, such as personality traits, abilities, or motives. External attributions, on the other hand, attribute behaviour to situational factors or external circumstances.

Stability: Attributions can also vary in terms of stability. Stable attributions are those perceived as enduring over time, while unstable attributions are perceived as temporary or changeable.

Controllability: This dimension refers to whether the cause of the behaviour is perceived as within the individual's control. Attributions may be made to factors that individuals can control (internal and controllable) or factors outside their control (external and uncontrollable).

Attributional Biases: Attribution theory also highlights various biases that can influence individuals' attributions. These biases include the fundamental attribution error (the tendency to overemphasise dispositional factors and underestimate situational factors when explaining others' behaviour), actor-observer bias (the tendency to attribute others' behaviour to internal factors and one's behaviour to external factors), and self-serving bias (the tendency to attribute personal successes to internal factors and failures to external factors).

Overall, attribution theory provides insights into how individuals understand and interpret the causes of behaviour, which has implications for social judgments, interpersonal relationships, and how people perceive themselves and others.

3.5 Examples

Imagine you're observing a coworker's behaviour during a team meeting:

Situation:

During the meeting, your coworker, Sarah, arrives late, seems disengaged, and doesn't contribute much to the discussion.

Now, let's explore how different attributions might be made based on internal and external factors:

Internal Attribution:

You might attribute Sarah's behaviour to her personality traits or characteristics. For example, you might think she's lazy, unmotivated, or uninterested in the project. This would be an internal attribution, as you're explaining her behaviour regarding her personal qualities.

External Attribution:

Alternatively, situational factors could have influenced Sarah's behaviour. For instance, perhaps Sarah had a family emergency or encountered transportation issues that caused her to be late and distracted during the meeting. You might attribute her behaviour to these external circumstances rather than personality traits.

Stability:

If you attribute Sarah's behaviour to her personality traits (e.g., laziness), you might perceive the cause as stable over time. In other words, you might believe Sarah is always like this and will continue behaving similarly in future meetings.

Conversely, suppose you attribute her behaviour to situational factors (e.g., a family emergency). In that case, you might see the cause as unstable and temporary, assuming that Sarah's behaviour will improve once the situation changes.

Controllability:

If you attribute Sarah's behaviour to her personality traits, you might perceive it as something within her control. You might think she could have tried to prioritise the meeting or be more engaged.

However, suppose you attribute her behaviour to external factors like a family emergency. In that case, you might view it as something beyond her control, understanding that she couldn't have predicted or prevented the situation.

This example demonstrates how attribution theory can help explain and understand how individuals interpret and explain behaviour based on internal and external factors, stability, and controllability.

3.6 Importance, Purposes and Objectives:

Perception plays a significant role in influencing various aspects of individual and group dynamics within an organisation. Some of the key reasons why perception is vital in organisational behaviour include:

3.6.1 Decision Making: Perception shapes how individuals interpret information and make organisational decisions. The way employees perceive situations, people, and events can influence their choices regarding tasks, problem-solving, and resource allocation.

3.6.2 Leadership and Management: Perception influences how leaders are perceived by their subordinates and how managers perceive their employees. Influential leaders understand the importance of managing perceptions to inspire trust, motivate employees, and foster a positive organisational culture.

3.6.3 Organizational Culture: Perception shapes employees' perceptions of organisational culture, including values, norms, and expectations. How employees perceive the organisational culture influences their attitudes, behaviours, and level of commitment to the organisation.

3.6.4 Conflict Resolution: Perception affects how conflicts are perceived, managed, and resolved within the organisation. Different perceptions of the underlying causes of conflict can impact the effectiveness of conflict resolution strategies and outcomes.

3.6.5 Performance Evaluation and Feedback: Perception influences how employees perceive performance evaluations and supervisor feedback. Biases in perception can affect the fairness and accuracy of performance evaluations, potentially leading to demotivation or dissatisfaction among employees.

3.6.6 Organizational Change: Perception is crucial in how employees perceive and respond to organisational change initiatives. Effective change management requires understanding employees' perceptions, addressing concerns, and managing resistance to change.

3.6.7 Team Dynamics: Perception affects how team members perceive each other's contributions, capabilities, and behaviours. Differences in perception can influence team cohesion, collaboration, and effectiveness.

Attribution theory is essential in understanding human behaviour for several reasons:

3.6.8 Understanding Causal Explanations: Attribution theory helps individuals understand how they and others attribute causes to behaviours and events. By examining the reasons people provide for behaviour, psychologists can gain insight into underlying cognitive processes and motivations.

3.6.9 Understanding Predicting Behavior: Attribution theory allows predictions about how individuals will respond to situations based on their attributions. For example, if someone consistently attributes their successes to internal factors (e.g., ability or effort), they may be more likely to persist in challenging tasks. Conversely, if they attribute

failures to external factors (e.g., luck or unfairness), they may be less motivated to try again.

3.6.10 Understanding Managing Interpersonal Relationships: Understanding attribution processes can help individuals navigate interpersonal relationships more effectively. By recognising the influence of internal and external attributions on behaviour, people can develop empathy, communicate more clearly, and avoid misunderstandings.

3.6.11 Understanding and Addressing Bias and Stereotypes: Attribution theory illuminates biases and stereotypes that influence how people perceive and judge others. Awareness of these biases can help individuals challenge stereotypes, reduce prejudice, and promote fairness in interpersonal interactions.

3.6.12 Understanding Enhancing Self-Understanding: Attribution theory can facilitate self-reflection and self-awareness by helping individuals recognise their attributional tendencies. By understanding how they explain their behaviour, individuals can gain insight into their beliefs, values, and self-concept.

3.6.13 Understanding Improving Performance and Achievement: Attribution theory is relevant in educational and organisational settings to enhance performance and achievement. By promoting a growth mindset and attributing success to effort and learning, individuals can cultivate resilience and a willingness to pursue challenging goals.

3.6.14 Understanding Resolving Conflicts: Attribution theory provides a framework for understanding the origins of conflicts and developing strategies for resolution. By addressing misattributions and clarifying intentions, individuals can reduce hostility and promote reconciliation.

3.7 Terminologies

3.7.1 The Fundamental Attribution Error refers to the tendency to overemphasise the role of internal factors (such as personality or disposition) and underestimate the influence of external factors (such as situational context) when explaining others' behaviour. People often attribute others' actions to inherent qualities rather than considering the impact of external circumstances.

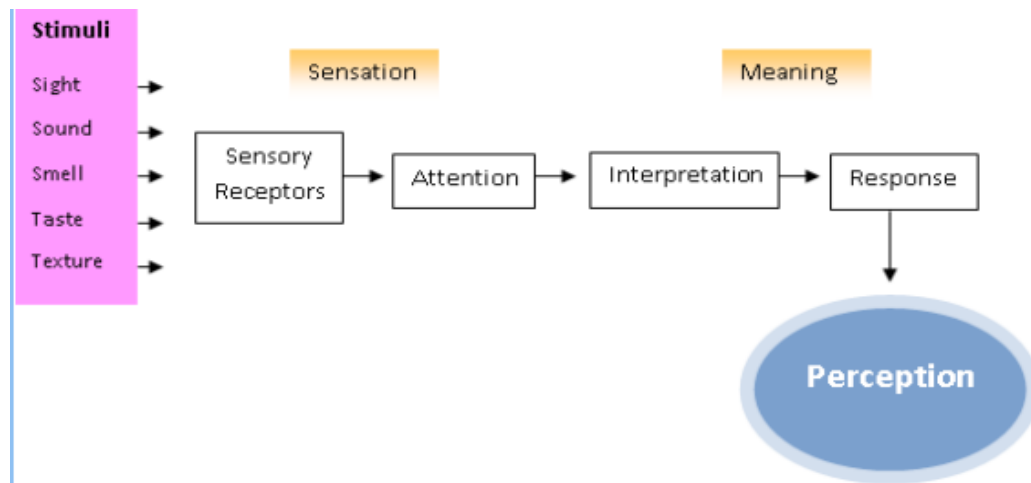
3.7.2 The self-serving bias is a cognitive bias whereby individuals attribute their successes to internal factors (such as ability or effort) while attributing their failures to external factors (such as bad luck or situational constraints). People take credit for their successes but deflect responsibility for their failures. This bias serves to protect self-esteem and maintain a positive self-image. It can influence various aspects of behaviour, including decision-making, interpersonal relationships, and performance evaluations. Overall, the self-serving bias reflects the tendency for individuals to interpret information in a way that enhances their self-esteem and preserves their self-concept.

3.7.3 Comparison of Fundamental Attribution Error and Self-Serving Bias

Aspect	Fundamental Attribution Error	Self-Serving Bias
Definition	They are overemphasising internal factors and underestimating external factors when explaining others' behaviour.	When explaining one's behaviour, you are attributing successes to internal factors and failures to external factors.
Focus	Primarily concerns perceptions of others' behaviour.	Primarily concerns perceptions of one's behaviour.
Explanation Mechanism	Tends to occur when observing others' actions due to a focus on personality traits rather than situational factors.	Occurs when interpreting one's actions, often to maintain self-esteem and protect self-image.
Examples	You blame someone for tardiness or laziness rather than considering traffic or other external factors.	A high test score is attributed to intelligence, but a low score is attributed to a poorly worded question or lack of sleep.
Impact on Judgments	It can lead to unfair assessments of others and contribute to stereotypes or prejudice.	It may affect decision-making, interpersonal relationships, and evaluations, potentially influencing self-improvement efforts.
Psychological Implications	Reflects cognitive biases in attributing causality, influencing social perceptions and interactions.	It protects self-esteem by preserving a positive self-image but may hinder self-awareness and personal growth.
Cultural Differences	It can vary across cultures based on individualistic or collectivistic norms regarding attribution.	It is prevalent across various cultures, though the degree of emphasis on self-enhancement may differ.
Intervention Strategies	We are encouraging perspective-taking and considering situational factors when evaluating others' behaviour.	We promote self-awareness, accountability, and a growth mindset to mitigate biased attributions.

3.8 Model

3.8.1 The Perceptual Process:



3.8.1.1 The Perceptual Process: Sensation: Sensory receptors detect environmental stimuli through sight, hearing, touch, taste, and smell. These stimuli are converted into neural signals and transmitted to the brain.

3.8.1.2 Selection: The brain filters and selects relevant sensory information from the vast array of stimuli received. Attention, intensity, contrast, and novelty influence this selection process.

3.8.1.3 Organization: Selected sensory information is organised and interpreted based on perceptual principles such as grouping, figure-ground relationships, closure, and similarity. This organisation helps create meaningful patterns and structures from sensory inputs.

3.8.1.4 Interpretation: The brain assigns meaning to organised sensory information by drawing on past experiences, knowledge, expectations, and cultural influences. Interpretation involves making inferences, attributions, and judgments about stimuli's nature, significance, and causes.

3.8.1.5 Perception: Perception refers to the conscious awareness and understanding of the interpreted sensory information. It involves forming mental representations or perceptions of objects, events, and situations based on the processed sensory inputs and interpretations.

3.8.1.6 Integration: Finally, perceptions are integrated with other cognitive processes, emotions, motivations, and goals to guide behaviour and decision-making. Perceptions influence attitudes, beliefs, preferences, and actions, shaping how individuals interact with their environment.

3.9 Perceptual Errors:

3.9.1 Perceptual errors, also known as perceptual shortcuts or cognitive biases, refer to the systematic deviations from rational judgment or perception due to mental heuristics or

shortcuts the brain uses to process information efficiently. These shortcuts often lead to inaccuracies or distortions in perception and decision-making. Some common perceptual errors include:

3.9.1.1 Stereotyping: This involves categorising individuals or groups based on preconceived beliefs or stereotypes rather than considering their unique characteristics. Stereotypes can lead to biased perceptions and unfair judgments.

3.9.1.2 Halo Effect: The effect occurs when an individual's overall impression of a person influences their perceptions of specific traits or characteristics associated with that person. For example, perceiving someone as attractive may lead to the assumption that they are also intelligent or kind.

3.9.1.3 Confirmation Bias: Confirmation bias involves seeking out or interpreting information in a way that confirms preexisting beliefs or hypotheses while ignoring or discounting contradictory evidence. This bias can lead to selective perception and reinforce existing biases.

3.9.1.4 Availability Heuristic: This involves making judgments or decisions based on the ease with which relevant examples or instances come to mind. People tend to overestimate the likelihood of events that are easily recalled from memory, leading to biases in risk assessment and decision-making.

3.9.1.5 Anchoring and Adjustment: Anchoring refers to the tendency to rely too heavily on initial information or "anchors" when making judgments or estimates. Subsequent adjustments are often insufficient, leading to errors in judgment.

3.10 Conclusion

In conclusion, perceptions and attributions are starting points for understanding human behaviour. Attitudes, Emotions, and many other psychological dimensions of one's psychological system depend on perception. Hence, a strong understanding of the same is a must for every manager who wants to get the best out of their employees.

❖ EXERCISE

Q-1 Theoretical Questions:

- 1 Write a note on the perceptual shortcuts
- 2 Write on the fundamental attribution error
- 3 Write a detailed note on the process perception
- 4 Compare and contrast the fundamental attribution error vis-a-vis self-serving bias
- 5 Write on the importance of perception in understanding behaviour.

Q-2 Short Note:

- 1 Write a short note on the model of perception.

Q-3 MCQs:

- 1 _____ reality is the ultimate reality that matters.

- [A] Factual
- [B] Real
- [C] Perceived**
- [D] None of the Above

2 During the salary negotiation, if one party refers to a figure of salary, generally _____perceptual shortcut affects the process

- [A] Confirmation
- [B] Anchor**
- [C] Halo
- [D] Availability

3 Perceptual process starts with _____

- [A] Sensation**
- [B] Emotions
- [C] Attitudes
- [D] None of the above

4 Experience required to perform a job is primarily covered in _____

- [A] Job Description
- [B] Job Analysis
- [C] Competencies
- [D] Job Specification**

5 While judging myself, I suffer from _____

- [A] Fundamental Attribution Error
- [B] Recency Bias
- [C] Projection Error
- [D] Self Serving Bias**

6 While judging others, I suffer from _____

- [A] Fundamental Attribution Error**
- [B] Recency Bias
- [C] Projection Error
- [D] Self Serving Bias

7 I only read the news articles that support my views, is called _____

- [A] Availability Bias
- [B] Anchoring Bias
- [C] Confirmation Bias**
- [D] Recency

8 Focusing on one trait of a person to judge them is called _____

- [A] Projection Error
- [B] Halo Effect**
- [C] Stereotyping
- [D] None of the above

9 Judging someone based on their membership of a group is called _____

- [A] Halo Effect
- [B] Projection Error
- [C] Stereotyping**

[D] Confirmation Bias

10 My behaviour is fully dependent, and that is why I need to be mindful of my perception about others, is a _____ statement

[A] Correct

[B] Wrong

[C] None of the above

[D] All of the above

Case Study:

Ajay, a 23-year-old with a fresh MBA in HR, starts his career as a junior HR executive at Raj Manufacturing House. His boss is a simple B.Com. Degree holder with 4 years of handy experience. He does not like Ajay's joining the company and tortures him differently. He wants Ajay to resign, so he almost harasses him by playing politics in the background. Ajay comes to know about this. If you were a consultant, what advice would you give him? What is the reason for the boss' negative behaviour?

4.1 Introduction**4.2 Definition & Characteristics****4.3 Motivation Process****4.4 Importance of Motivation****4.5 Motivational Theories****4.6 Benefits of Motivation**

❖ **Keyword**

❖ **Exercise**

4.1 Introduction

The biggest challenge faced by organisations is to get the work done by their employees. This entirely depends on the motivation levels of the employees. Their motivation is a result of their needs and organisational expectations. If the employees are adequately motivated, the organisation will be able to meet its objectives. The term ‘motivation’ is derived from the Latin word *movere*, which means to move. A motive is an inner state that encourages, activates, moves and directs behaviour towards goals. Thus, motivation is a psychological force within an individual that sets him in motion to achieve specific goals or satisfy particular needs. Motives are somewhere a reflection of human needs. E.g. A factory worker knows that if he completes his work on time, he will be rewarded with a bonus or some financial incentive that can be spent. Thus, we can understand that needs are physiological and psychological drives. On the other hand, drives for which an individual has money and wants to spend become wants. The factors that are utilised to satisfy or motivate people are called incentives.

4.2 Definition & Characteristics

Several authors have defined motivation in different ways.

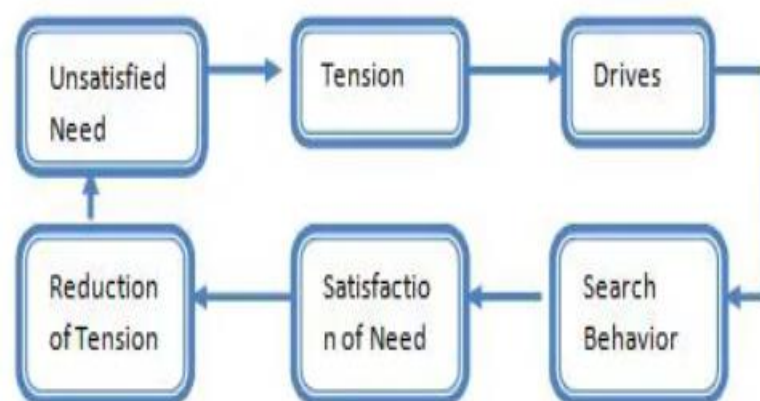
1. According to Robert Dublin, “Motivation is the complex set of forces that start and keep a person at work in an organisation.”
2. According to Stanley Vance, “Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to march in a goal-directed pattern, towards restoring a state of equilibrium by satisfying the need.”

Characteristics of Motivation

1. **Psychological process:** Motivation is a psychological process. It is the process of achieving a desired result by stimulating and influencing the behaviour of subordinates. A manager should carefully attempt to understand the needs, motives, and desires of every employee in the organisation. Each person is different, and the same motivational technique does not apply to all kinds of individuals.

2. **Continuous process:** Motivation is a continuous process. When one need is satisfied, another need emerges. Therefore, motivation is an ongoing process until the completion of objectives. Consequently, it is the responsibility of management to develop innovative techniques, systems, and methods to satisfy the changing needs of workers.
3. **Complex and unpredictable:** Motivation is a complex and unpredictable task. Human wants are not definite, and they change according to consequences. A worker may be satisfied in the present situation, but due to his changed needs, he may not be happy in future. Similarly, even two persons may not be motivated with similar behaviour and facilities. Therefore, a manager must be more conscious of motivating subordinates and achieving objectives.
4. **Pervasive function:** Motivation is the pervasive function of all levels of management. Every manager, from the top to the lowest level in the management hierarchy, is responsible for motivation. A manager is mainly accountable for motivating subordinates and other subordinates in the management hierarchy.
5. **Influences behaviour:** The most important objective of motivation is to influence employees' behaviour and thus bring about behavioural changes. Managers influence workers' behaviour and encourage them to concentrate more on their goals.
6. **Positive or negative:** Motivation may be positive or negative. Positive motivation promises incentives and rewards to workers. Incentives are both financial and non-financial. Negative motivation is based on punishment for poor performance, such as reducing wages, demotion, job termination, etc. Based on requirements, a manager can use both positive and negative motivation for better performance.

4.3 Motivation Process



1. **Unsatisfied need.** The motivation process begins when a human being has an unsatisfied need.
2. **Tension.** The presence of unsatisfied needs gives him tension.
3. **Drive.** This tension creates an urge to drive in the human being, and he starts looking for various alternatives to satisfy the drive.

4. **Search Behavior.** After searching for alternatives, humans behave according to their chosen options.
5. **Satisfied need.** After behaving in a particular manner for a long time then, he evaluates that whether the need is satisfied or not.
6. **Reduction of tension.** After fulfilling his need, the human being is satisfied, and his tension is reduced.

For example, if an employee develops a need to earn more, this need will make him restless, and he will start thinking about how to satisfy his need. To satisfy his needs, he may think of working hard in an organisation and getting a promotion, so he will start working hard. After some time, he will get incentive increments or promotions to satisfy his needs. However, the motivation process does not end with the satisfaction of one needs. After fulfilling one need, another need develops, and the same process continues until needs emerge in human beings.

4.4 Importance of Motivation

1. Motivation helps to change from a negative attitude to a positive attitude. Without motivation, employees try to perform minimum activities in the organisation. But motivation fills in the desire to perform to their maximum level. All the organisation's resources are useless unless and until the employees use them. The motivated employees make the best use of the resources.
2. Motivation improves employees' performance and efficiency. This means they start performing the job to the best of their ability with minimum time and resource waste because motivated employees always seek the best utilisation of resources. Motivation bridges the gap between employees' ability and willingness to work, improving efficiency.
3. Help in achieving the organisational. Motivated employees always try to achieve the organisational goal and contribute their best efforts to its realisation, as they know that they can only achieve their personal goal. All employees contribute their efforts in one direction: accomplishing the goal.
4. Motivation creates a supportive work environment. Motivation improves relations between superiors and subordinates. When employees satisfy their needs or get recognition and respect in the organisation, they always offer a supportive hand to superiors. The organisation has more cooperation and coordination, and all the employees work with a team spirit.
5. Motivation helps managers introduce changes. Motivated employees show less resistance to accepting changes according to changes in the business environment because they know that if the changes are not implemented, the organisation will lose this, and the employees will also find it challenging to fulfil their needs. Motivated employees are always supportive and cooperative in the organisation.
6. Reduction in Employee Turnover. Motivation creates confidence in the employees to satisfy their needs in the organisation itself. They always select the alternative of remaining in the organisation and increasing their earnings rather than leaving the organisation and increasing their earnings. With motivation, employee turnovers are less because satisfied employees never leave the job.

4.5 Motivational Theories

One of the most essential theories of motivation is as follows:

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

From the very beginning, when human organisations were established, various thinkers have tried to find out what motivates people to work. Their different approaches have resulted in a number of theories concerning motivation.

These are discussed in brief in that order.

1. Maslow's Need Hierarchy Theory:

It is probably safe to say that the most well-known theory of motivation is Maslow's need hierarchy theory. Maslow's theory is based on human needs. Drawing on his clinical experience, he classified all human needs hierarchically from the lower to the higher order. He believed that once a given level of need is satisfied, it no longer motivates man. Then, the next higher level of need must be activated to encourage the man. As shown in the figure, Maslow identified five levels in his need hierarchy.



1. Physiological Needs:

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

2. Safety Needs:

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

3. Social Needs:

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

4. Esteem Needs:

These needs refer to self-esteem and self-respect. They include needs that indicate self-confidence, achievement, competence, knowledge, and independence. Fulfilling esteem needs leads to self-confidence, strength, and the capability of being useful in the organisation. However, the inability to fulfil these needs results in feelings of inferiority, weakness, and helplessness.

5. Self-Actualisation Needs

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

Kurt Goldstein coined the term self-actualisation, which means to become actualised in what one is potentially good at. In effect, self-actualisation is the person's motivation to transform their perception of themselves into reality.

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

2. Herzberg's Motivation Hygiene Theory:

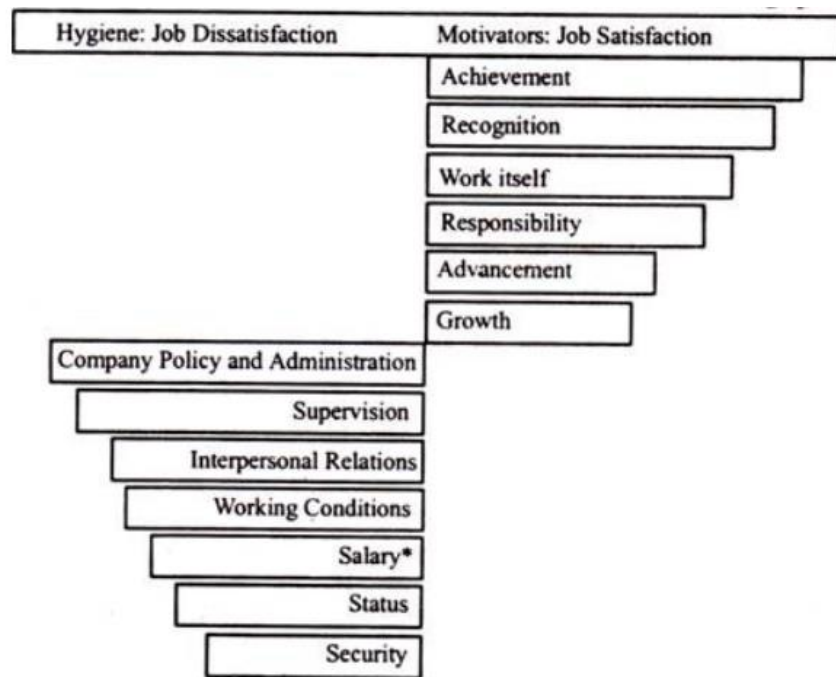
The psychologist Frederick Herzberg extended Maslow's work and proposed a new motivation theory, popularly known as Herzberg's Motivation Hygiene (Two-Factor) Theory. Herzberg conducted a widely reported motivational study on 200 accountants and engineers employed by firms in and around Western Pennsylvania.

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

- (1) When did you feel perfect about your job, and
- (2) When did you feel terrible about your job? He used the critical incident method of obtaining data.

When analysed, the responses were found to be quite exciting and relatively consistent. Respondents' replies when they felt good about their jobs significantly differed from those shown when they felt bad. Reported good feelings were generally associated with job satisfaction, whereas bad feelings were associated with job dissatisfaction. Herzberg labelled the job satisfiers motivators and called job dissatisfies hygiene or maintenance factors. The motivators and hygiene factors have become known as Herzberg's two-factor theory of motivation.

Herzberg's motivational and hygiene factors are shown in the Table.



According to Herzberg, the opposite of satisfaction is not dissatisfaction. The underlying reason, he says, is that the removal of dissatisfying characteristics from a job does not necessarily make the job satisfying. He believes in the existence of a dual continuum. The opposite of 'satisfaction' is 'no satisfaction', and 'dissatisfaction' is 'no dissatisfaction'. According to Herzberg, today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. Accordingly, one's hygiene may be the motivator of another.

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

1. People generally tend to take credit themselves when things go well. They blame failure on the external environment.
2. The theory explains job satisfaction, not motivation.
3. Job satisfaction is not measured overall. It is not unlikely that a person may dislike part of their job but still think the job is acceptable.
4. This theory neglects situational variables to motivate an individual.

Because of its ubiquitous nature, salary commonly shows up as a motivator and hygiene.

Despite criticism, Herzberg's 'two-factor motivation theory' has been widely read, and only a few managers seem unfamiliar with its recommendations. His recommendations are mainly used to plan and control employees' work.

3. McClelland's Need Theory:

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

He found that people who acquire a particular need behave differently from those who do not. His theory focuses on Murray's three needs: achievement, power and affiliation. In the literature, these three needs are abbreviated "n Ach", "n Pow", and "n Aff", respectively.

They are defined as follows:

Need for Achievement:

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

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

1. High-need achievers strongly desire to assume personal responsibility for performing a task and finding a solution to a problem.
2. High-need achievers tend to set moderately difficult goals and take calculated risks.
3. High-need achievers have a strong desire for performance feedback.

Need for Power:

The need for power concerns impacting others, the desire to influence others, the urge to change people, and the desire to make a difference in life. People with a high need for power like to be in control of people and events, which results in ultimate satisfaction for man.

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

1. A desire to influence and direct somebody else.
2. A desire to exercise control over others.
3. A concern for maintaining leader-follower relations

Need for Affiliation:

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

The people with high need for affiliation have these characteristics:

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1. They have a strong desire for acceptance and approval from others.
2. They tend to conform to the wishes of those whose friendship and companionship they value.
3. They value the feelings of others.

4. McGregor's Participation Theory:

Douglas McGregor formulated two distinct views of human beings based on worker participation. The first is negative and labelled Theory X, and the other is positive and labelled Theory Y.

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Theory X is based on the following assumptions:

1. People are by nature lazy. That is, they like to work as little as possible.
2. People lack ambition, dislike responsibility, and prefer to be directed by others.
3. People are inherently self-centred and indifferent to organisational needs and goals.
4. People are generally gullible and not very sharp and bright.

On the contrary, Theory Y assumes that:

1. People are not by nature passive or resistant to organisational goals.
2. They want to assume responsibility.
3. They want their organisation to succeed.
4. People are capable of directing their behaviour.
5. They need achievement.

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

5. Urwick's Theory Z:

Much after the propositions of theories X and Y by McGregor, the three theorists Urwick, Rangnekar, and Ouchi-propounded the third theory, labelled as Z theory.

The two propositions in Urwicks's theory are that:

- i. Each individual should precisely know the organisational goals and the amount of contribution they make to them.
- ii. Each individual should also know that the relation of organisational goals will satisfy their needs positively.

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

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

Theory Z is based on the following four postulates:

1. Strong Bond between Organisation and Employees
2. Employee Participation and Involvement
3. No Formal Organisation Structure

4. Human Resource Development

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

6. Argyris's Theory:

Argyris has developed his motivation theory based on the proposition of how management practices affect individual behaviour and growth. In his view, the seven changes in a particular personality make them mature. In other words, the personality of an individual develops.

<i>Immaturity</i>	<i>Maturity</i>
Passivity	Activity
Dependence	Independence
Capable of behaving in a few ways	Capable of behaving in many ways
Shallow interest	Deep interest
Short-term perspective	Long-term perspective
Subordinate position	Superordinate position
Lack of self-awareness	Self-awareness and control

Argyris views individuals as immature mainly because of their organisational setting and management practices, such as task specialisation, chain of command, unity of direction, and span of management. To help individuals grow mature, he proposes a gradual shift from the existing pyramidal organisation structure to a humanistic system, from the existing management system to more flexible and participative management.

He states that such a situation will satisfy not only their physiological and safety needs but also motivate them to prepare to use their potential more effectively in accomplishing organisational goals.

7. Vroom's Expectancy Theory:

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

The relationships between notions of effort, performance, and reward are depicted in Figure.

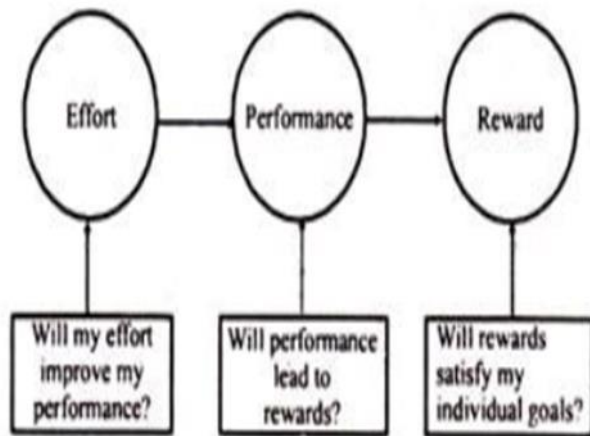


Fig 17.3: Vroom's Expectancy Model of Motivation

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

1. Valence:

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

2. Expectancy:

It relates efforts to performance.

3. Instrumentality:

By instrumentality, Vroom means the belief that performance is related to rewards.

Thus, Vroom's motivation can also be expressed as an equation: Motivation = Valence x Expectancy x Instrumentality.

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

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

1. Critics like Porter and Lawler criticised it as a theory of cognitive hedonism, which proposes that individuals cognitively choose the course of action that leads to the most significant degree of pleasure or the slightest degree of pain.
2. The assumption that people are rational and calculating makes the theory idealistic.
3. The expectancy theory does not describe individual and situational differences.

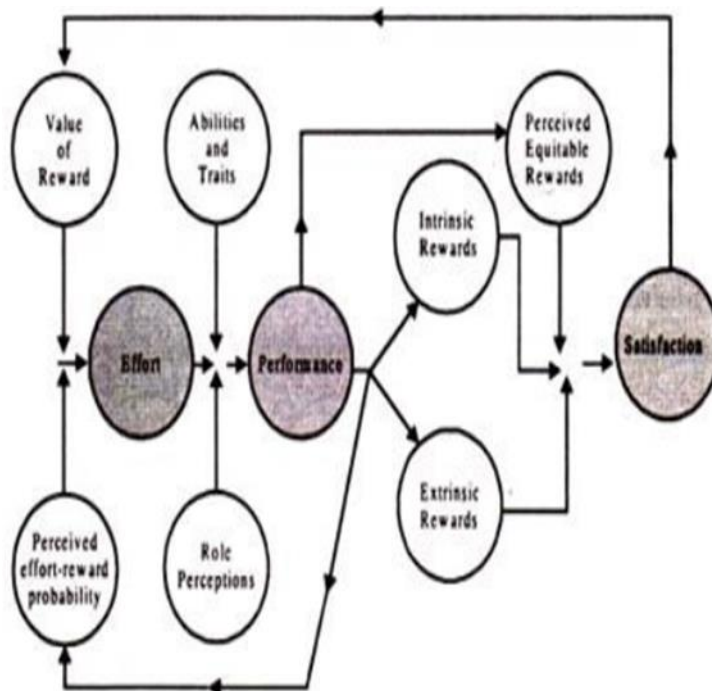
However, the valence or value people place on various rewards varies. For example, one employee prefers salary to benefits, whereas another prefers the opposite. The valence for the same reward varies from situation to situation.

Despite all these critics, my expectancy theory's most outstanding point is that it explains why a significant segment of the workforce exerts low levels of effort in carrying out job responsibilities.

8. Porter and Lawler's Expectancy Theory:

Porter and Lawler's theory is an improvement over Vroom's expectancy theory. They posit that motivation does not equal satisfaction or performance. Their model encounters some simplistic traditional assumptions about the positive relationship between satisfaction and performance. They proposed a multivariate model to explain the complex relationship between satisfaction and performance.

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



There are three main elements in this model. Let us briefly discuss this one by one.

Effort:

Effort refers to the energy an employee exerts on a given task. How much effort an employee will put in a task is determined by two factors-

- (i) Value of reward and
- (ii) Perception of effort-reward probability.

Performance:

One's effort leads to one's performance. Both may be equal or may not be. However, the amount of performance is determined by the amount of labour and the ability and role perception of the employee. Thus, if an employee possesses less ability and perceives the wrong role, their performance may be low in spite of their outstanding efforts.

Satisfaction:

Performance leads to satisfaction. The level of satisfaction depends upon the amount of rewards one achieves. If the amount of actual rewards meets or exceeds perceived equitable rewards, the employee will feel satisfied. On the other hand, if actual rewards fall short of perceived ones, they will be dissatisfied.

Rewards may be of two kinds: intrinsic and extrinsic. Examples of intrinsic rewards are a sense of accomplishment and self-actualisation. Extrinsic rewards may include working conditions and status. A fair degree of research supports that intrinsic rewards are much more likely to produce attitudes about satisfaction related to performance.

There is no denying that the motivation model proposed by Porter and Lawler is quite complex compared to other models of motivation. Motivation itself is not a simple cause-effect relationship; instead, it is a complex phenomenon. Porter and Lawler have attempted to measure variables such as the values of possible rewards, the perception of effort-reward probabilities, and role perceptions in deriving satisfaction.

They recommended that managers carefully reassess their reward system and structure. The effort-performance-reward-satisfaction system should be integral to the entire system of managing men in the organisation.

4.6 Benefits of Motivation

Advantages to Management or Organization:

- Increase in the efficiency and productivity of employees. Motivation ensures a high level of employee performance.
- Better cooperation from employees and cordial labour-management relations.
- Reduction in the rate of labour absenteeism and turnover.
- Reduction in wastage and industrial accidents.
- Improvement in the morale of employees.
- Quick achievement of business/corporate objectives and favourable corporate image.

Advantages to Employees or Workers:

- Employees get various monetary and non-monetary facilities/benefits that provide them with better lives and welfare.
- Security of employment and other benefits due to cordial relations with the management.
- Job attraction and job satisfaction.
- Higher status and opportunities for participation in management.
- Positive approach and outlook of employees towards the company, management and superiors.
- Reduction in the labour turnover rate, which harms employees and management.
- Better scope for improvement in knowledge and skills of employees.

❖ **Keywords:-**

Motivation, Organisational Goals, Theory, Incentives, Job enlargement, Job Enrichment

Exercise

Q-1 Long Questions

1. What is motivation?
2. Discuss Characteristics of Motivation.
3. Discuss the Importance of Motivation.
4. Discuss the Advantages of Motivation

Q-2 Write a note

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

Q-3 MCQ

1. _____ is the forces that energise, direct, and sustain behaviour.
b) Motivation
c) Expectancy
d) Empowerment
e) Socialisation
2. **Who has given the hierarchy of needs hierarchy theory of motivation?**
a) **Abraham Maslow**
b) David McClelland
c) Victor Vroom
d) Frederick Herzberg
3. **How many levels are there in the Needs Hierarchy theory of motivation?**
a) 6
b) **5**
c) 4
d) 3
4. **Which among the following is not one of the needs of human beings in the Needs theory of motivation?**
a) Physiological need
b) Safety need
c) Social need
d) **Money**

5. Which among the following is the highest level need under the Need Hierarchy Theory of Motivation?
- Physiological Need
 - Safety and Security Needs
 - Social Needs
 - Self Actualization Needs**
6. Which among the following is the lowest level need under the Need Hierarchy Theory of Motivation?
- Physiological Need**
 - Safety and Security Needs
 - Social Needs
 - Self-esteem Need
7. Name the motivation theory that is based on Satisfaction-progression.
- Alderfer – ERG theory
 - Maslow – hierarchy of needs theory**
 - Herzberg – Two factor theory
 - Skinner’s reinforcement theory
8. According to Maslow’s need hierarchy theory motivation, the lower level of human needs emanates from _____
- Need to maintain a given economic level
 - Needs like food, clothing, shelter, air, water**
 - Need of individuals to associate with others
 - Need for power, self-respect, autonomy, self-confidence,
9. Which among the following is not a deficiency need that arises due to deprivation?
- Physiological Need
 - Safety and Security Needs
 - Social Needs
 - Self-actualisation Needs**
10. Which among the following is the correct order of Maslow’s Need Hierarchy Theory of Motivation, starting from lower to higher level needs?
- Safety and Security Needs, Physiological Needs, Social Needs, Self-esteem Needs, Self Actualization Needs
 - Social Needs, Physiological Needs, Safety and Security Needs, Self-esteem Needs, Self Actualization Needs
 - Physiological Needs, Safety and Security Needs, Social Needs, Self-esteem Needs, Self Actualization Needs**
 - Self-Actualization Needs, Physiological Needs, Safety and Security Needs, Social Needs, Self-esteem Needs
11. Which of the following theories can be considered an extension of Maslow’s Need Hierarchy Theory of Motivation?
- Alderfer – ERG theory**
 - Maslow's Hierarchy of Needs Theory
 - Herzberg – Two factor theory
 - Skinner’s reinforcement theory
12. Which of the following is not an example of a financial incentive?
- Perquisites
 - Job Enrichment**

- c) Profit Sharing
 - d) Co-partnership
- 13. Which of the following is not an example of a non-financial incentive?**
- a) Career Advancement Opportunity
 - b) **Perquisites**
 - c) Status
 - d) Organisational Climate
- 14. Which of the following is not an assumption of Maslow's theory?**
- a) **People's behaviour is not based on their needs**
 - b) Satisfaction of such needs influences their behaviour
 - c) A satisfied need can no longer motivate a person; only the next higher-level need can motivate him
 - d) A person moves to the next higher level of the hierarchy only when the lower need is satisfied
- 15. These needs are most essential in the hierarchy of motivation theory and correspond to primary needs.**
- a) Self Actualisation Needs
 - b) **Basic Physiological Needs**
 - c) Security Needs
 - d) Belonging Needs
- 16. Which of the following is NOT a content theory?**
- a) Maslow's need hierarchy
 - b) **Vroom's expectancy theory**
 - c) Herzberg's two-factor theory
 - d) McClelland's acquired needs theory
- 17. Which of the following is NOT an internal motivational force?**
- a) goals
 - b) needs
 - c) attitudes
 - d) **feedback**
- 18. _____ is the set of forces that energise, direct, and sustain behaviour.**
- a) **Motivation**
 - b) Expectancy
 - c) Empowerment
- 19. According to Frederick Herzberg, _____ are elements associated with conditions surrounding the job.**
- a) **hygiene factors**
 - b) motivating factors
 - c) economic factors
 - d) environmental factors
- 20. According to the job characteristics model, _____ is the degree to which a job has a substantial impact on the lives of other people.**
- a) autonomy
 - b) **task identify**
 - c) task significance
 - d) feedback from the job

21. Within the context of the job characteristics model, _____ is involved when a machine designer knows that her schematics are correct, as very few are rejected by the machine shop.
- a) skill variety
 - b) task identifies
 - c) task significance
 - d) **feedback from the jo**
22. The essential components of _____ are effort, performance, and outcomes.
- a) equity theory
 - b) goal-setting theory
 - c) **expectancy theory**
 - d) social cognitive theory
23. Feature(s) of Maslow's need hierarchy theory is (are):
- a) Theory of human motives
 - b) Classifies basic human needs in a hierarchy
 - c) Theory of human motivation
 - d) **All of the above**
24. An individual's motivation is dependent on
- a) whether path-goal relationships are clarified
 - b) **Expectations that increased effort to achieve an improved level of performance will be successful**
 - c) Their effective performance
 - d) The necessary direction, guidance, training, and support are provide

5.1 Introduction**5.2 Origin of Communication****5.3 Communication Process****5.4 Types of Communication****5.5 Different Dimensions of Communication****5.6 Importance of Communication****5.7 Barriers to Communication****5.8 Flow of Communication****5.9 Conclusion****❖ Exercise****5.1 Introduction**

Communication is the actionable transfer of information from one person, group, or place to another by writing, speaking, or using a medium that provides understanding. Every communication consists of at least one sender, a receiver, and a message. The transmission of a message from sender to recipient risks being affected by many things because communication impacts how people interact. These include the location, the medium used to communicate, the cultural situation, and the emotions involved. However, communication helps people to interact and share various aspects of life.

- The 3 Cs of Assertive Communication:
 - CONFIDENCE** : Having confidence in terms of solving any problem.
 - CLEAR** :In assertive communication, the message is crystal clear, ensuring that the audience understands it without any ambiguity.
 - CONTROLLED**: Assertive communication delivers information in a controlled, peaceful manner, ensuring the audience remains calm and composed.

The English word ‘communication’ is derived from the Latin communis, which means common sense. The word communication means sharing the same ideas. In other words, the transmission and interaction of facts, ideas, opinions, feelings, or attitudes. Communication is the essence of management. The essential functions of management (planning, planning, staffing, supervision, and management) cannot be done effectively without effective communication.

Communication is a two-way process that involves transferring information or messages from one person or group to another. This process involves at least one sender and receiver to pass on the messages. These messages can be ideas, imagination, emotions, or thoughts.

Communication is a Latin word that means “to share.” Different modes of communication are available today. These include emails, chats, WhatsApp, Skype (conference calls), etc. Effective communication makes people’s work more accessible and smoother.

5.2 Origin of Communication

▪ Communication in Ancient Times

Of course, the first means of communication was the human voice, but in about 3,200 BC, writing was invented in Iraq and Egypt. It was invented about 1,500 BC in China. Other civilisations in Central America, like the Mayans, also invented writing systems.

The next big step was the invention of the alphabet in Israel and Lebanon in about 1,600 BC.

In the Ancient World, many civilisations, including Egypt, Assyria, Persia, Rome, and China, had efficient postal systems to deliver messages to parts of their empires using relays of horses.

In the Ancient World, people wrote on papyrus or parchment. However, the Chinese invented paper in about 200 BC. The knowledge of how to make paper passed to the Arabs, and in the Middle Ages, it reached Europe.

▪ Communication 1500-1800

The next significant improvement in communication was the invention of printing. The Chinese invented printing with blocks in the 6th century AD, but the first known printed book was the Diamond Sutra of 686. In Europe, in the mid-15th century, Johannes Gutenberg invented the printing press, which made books much cheaper and allowed newspapers to be invented. William Caxton introduced the printing press into England in 1476.

The first newspapers were printed in the 17th century. The first newspaper in England was printed in 1641. (However, the word newspaper was not recorded until 1670). The first successful daily newspaper in Britain was printed in 1702.

Meanwhile, European monarchs set up postal services to carry their messages. Louis XI founded one in France in 1477; in England, Henry VIII created the Royal Mail in 1512. In 1635, Charles I allowed private citizens to send messages by Royal Mail for a fee to raise money.

Meanwhile, the pencil was invented in 1564.

▪ Communication in the 19th Century

Communication became far more efficient in the 19th century. In the early 19th century, the recipient of a letter had to pay the postage, not the sender. Then, in 1840, Rowland Hill invented the Penny Post. From then on, the sender of the letter paid. Cheap mail made keeping in touch with loved ones living far away much easier. In 1874, the Universal Postal Union coordinated postal services in different countries.

The first post boxes were installed in Paris in 1653. By the 19th century, they were shared across France, and other countries had introduced them. In the Channel Islands, the first post boxes were installed in 1852. In mainland Britain, the first

post boxes were installed in 1853. In the USA, Albert Potts patented a mailbox that fit on a lamppost in 1858. Free-standing mailboxes were introduced in 1894.

The telegraph was invented in 1837. A cable was laid across the Channel in 1850, and messages could be sent across the Atlantic after 1866.

Meanwhile, the first fax machine was invented in 1843. A Scot, Alexander Graham Bell, invented the telephone in 1876. The first telephone exchange in Britain opened in 1879. The first telephone directory in London was published in 1880. The first telephone line from Paris to Brussels was established in 1887. The first line from London to Paris opened in 1891. The first transatlantic telephone line opened in 1927. In 1930, a telephone link from Britain to Australia was established.

More useful inventions were made in the 19th century. Ralph Wedgwood invented carbon paper in 1806. Bernard Las Simonne invented a pencil sharpener in 1828. Therry des Estwaux invented a better version in 1847. The first successful typewriter went on sale in 1874.

In 1829, Louis Braille invented an embossed typeface for the blind, and in 1837, Isaac Pitman invented shorthand. In 1846, Richard M. Hoe invented the first successful rotary printing press.

▪ **Communication in the 20th Century**

Communication continued to improve in the 20th century. In 1901, Marconi sent a radio message across the Atlantic. Radio broadcasting began in Britain in 1922 when the BBC was formed; by 1933, half the households in Britain had a radio. Following the 1972 Sound Broadcasting Act, independent radio stations were formed. In the 1990s, new radio stations included Radio 5 Live (1990) and Classic FM (1991).

Television was invented in 1925 by John Logie Baird, and the BBC began regular, high-definition broadcasting in 1936. TV was suspended in Britain during World War II but started again in 1946. TV first became common in the 1950s. Many people bought a TV set to watch the coronation of Elizabeth II, and a survey at the end of that year showed that about one-quarter of households had one. By 1959, about two-thirds of homes had a TV. By 1964, the figure had reached 90%, and TV had become the main form of entertainment – at the expense of cinema, which declined in popularity.

At first, there was only one TV channel in Britain, but between 1955 and 1957, the ITV companies began broadcasting. BBC2 started in 1964, Channel 4 began in 1982, and Channel 5 began in 1997. In Britain, BBC2 began broadcasting in colour in 1967, BBC 1 followed in 1969, and satellite television began in 1989.

Meanwhile, commercial TV began in the USA in 1941, Australia in 1956, and New Zealand in 1960. In 1960, the first communications satellite, Echo, was launched. Gary Starkweather invented the laser printer in 1969.

Meanwhile, in Britain, telephones became common in people's homes in the 1970s. In 1969, only 40% of British households had a phone, but by 1979, the

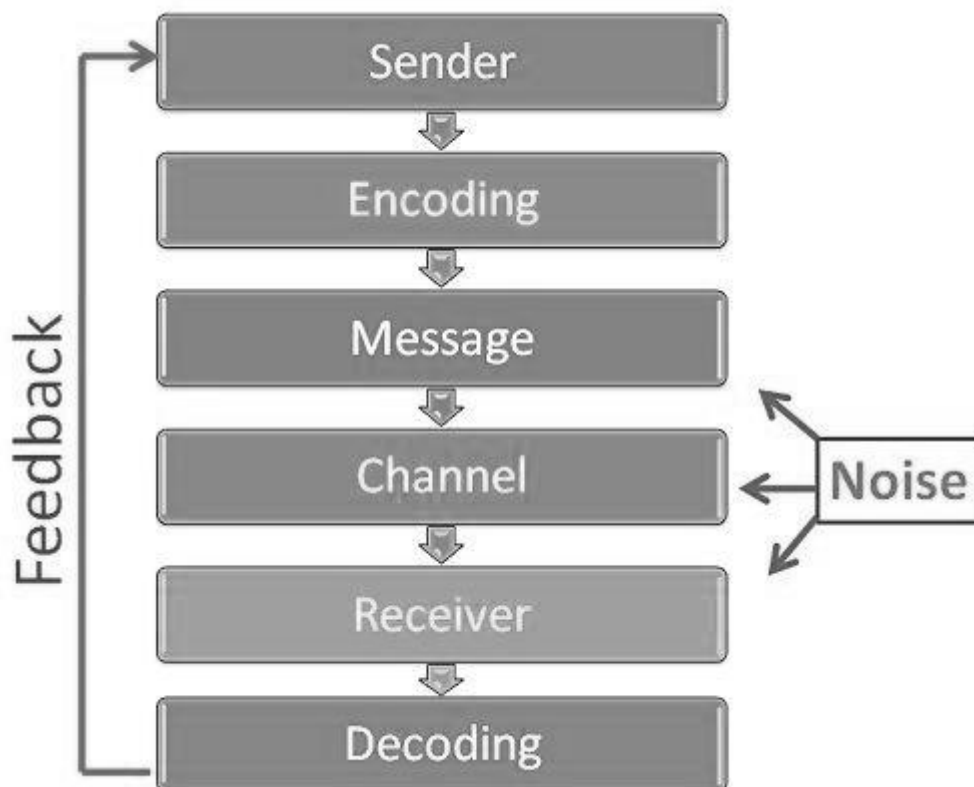
figure had reached 69%. Martin Cooper invented the first handheld cell phone in 1973. The first mobile phone call in Britain was made in 1985. The first commercial text was sent in 1992. Mobile phones became common in the 1990s. In Britain, smartphones were introduced in 1996.

▪ Communication in the 21st Century

In the early 21st century, the Internet became an essential form of communication. Today, email has become one of the most popular methods of communication. In the 2010s, e-book readers became common.

5.3 Communication Process

Communication is a dynamic process that begins with the conceptualising of ideas by the sender, who then transmits the message through a channel to the receiver, who in turn gives the feedback in the form of some message or signal within the given time. Thus, there are Seven significant elements of the communication process:



1. **Sender:** The sender or the communicator is the person who initiates the conversation and has conceptualised the idea that he intends to convey to others.
2. **Encoding:** The sender begins with the encoding process, wherein he uses certain words or nonverbal methods, such as symbols, signs, body gestures, etc., to translate the information into a message. The sender's knowledge, skills, perception, background, competencies, etc., profoundly impact the message's success.
3. **Message:** Once the encoding is finished, the sender gets the message he intends to convey. The message can be written, oral, symbolic, or non-verbal,

such as body gestures, silence, signs, sounds, etc. or any other signal that triggers the response of a receiver.

4. **Communication Channel:** The Sender chooses the medium through which he wants to convey his message to the recipient. It must be selected carefully to make the recipient's message compelling and correctly interpreted. The choice of medium depends on the interpersonal relationships between the sender and the receiver and the urgency of the message being sent. Oral, virtual, written, sound, gesture, etc., are commonly used communication mediums.
5. **Receiver:** The receiver is the person for whom the message is intended or targeted. He tries to comprehend it in the best possible manner to attain the communication objective. The degree to which the receiver decodes the message depends on his knowledge of the subject matter, experience, trust, and relationship with the sender.
6. **Decoding:** Here, the receiver interprets the sender's message and tries to understand it best. Effective communication occurs only if the receiver understands the message as the sender intended.
7. **Feedback:** Feedback is the final step of the process that ensures the receiver has received the message and interpreted it correctly as the sender intended. It increases the effectiveness of the communication as it permits the sender to know the efficacy of his message. The response of the receiver can be verbal or nonverbal.

Note: The Noise shows the barriers in communications. There are chances when the recipient does not receive the message sent by the sender.

5.4 Types of Communication

There are four types of communication. It is categorised into verbal, non-verbal, written, and visual.

Verbal

Verbal communication is how people communicate or transfer information through words. It is one of the ordinary and usual types and is frequently used during one-on-one presentations, video calls or conferences, meetings, phone calls, etc.

Specific Measures enhance communication more effectively.

- **Firm and Confident Voice:**
Firm and confident communication reflects a person's personality and increases the certainty of completing any task. So, always be assured that your ideas are precise.
- **Active listening:**
A good listener always tends to listen to everyone's perspectives or viewpoints. Active listening helps identify each person's problem or thoughts clearly.
- **Ignore Filler Words:**
While giving a presentation, avoid using filler words such as "yes," "like," "so," etc. They might be distracting to your audience. Also, try not to use them in official conferences or meetings.

Non-Verbal

Nonverbal communication involves body language, including gestures, facial expressions, and shaking hands.

For example, how you sit during an interview automatically reflects your body language. If they indicate closed body language, such as closed arms, bent shoulders, shaking legs, etc., they might be nervous, low in confidence, surrounded with anxiety, etc. Nonverbal communication is the most powerful means of understanding others' thoughts and emotions.

Here are Certain Categories Where Non-Verbal Communication are Briefed Up

- **Positive Body Language:** Always use positive body language to express confidence in performing any task. This type of communication supports your verbal talks and makes you more open to any job.
- **Imitate nonverbal communication:** Some facial expressions or body language can be helpful in an interview. If an interviewer nods his head positively, it gives a clear positive sign in a closed way, i.e., nonverbal communication.

Written

It is a form of communication that involves writing, typing, and printing symbols, letters, etc. It is used in emails, chats, etc., which are standard workplace techniques. It also furnishes a record of all documents in one place and keeps a systematic account of them.

Here Are Certain Categories Where Written Communication is Briefed Up

- **Aim for Simplicity:**
Any type of written communication should be simple. This helps audiences understand and provides more transparency on the information you're providing.
- **Reviewing:**
Whenever you're writing, always review your emails, letters, or memos before sending them. Reviewing helps to find the mistakes or opportunities to present something distinct.
- **Be Careful of Written Tone:**
Since this is not a verbal or non-verbal communication mode, always be cautious and have a polite tone while writing.
- **Keep the Written Files if You Find it Useful:**
If you received the memo or email you found helpful or interesting, you could save that template for further reference and use it in future writing to improve your written communication.

Visual

Visualising is a form of communication in which information can be conveyed using photographs, drawings, charts, and graphs. It helps furnish the correct information through graphics and visuals during office presentations (along with verbal and written).

Here are Certain Steps Which Help in Visual Communication Skills

- **Taking Advice Before Going with Visuals:**

Visual communication includes presentations or emails. Always ask for advice from others to rectify mistakes, if any.

- **Targeting Audience:**

Always include those visuals in presentations or emails so that everyone can understand them easily. If you are giving a presentation on any data or chart unfamiliar to the audience, you need to explain it clearly. Do not use offensive visuals.

5.5 Different Dimensions of Communication

Since the beginning of civilisation, communication has been a crucial skill that bridges the gap between individuals and groups. Every project manager should effectively use communication in their work.

Internal and External Communication

Internal communication is information exchange within the organisation. Messages can be exchanged via personal contact, telephone, e-mail, or intranet (the website is accessible only to employees). Internal communication as a way of information exchange within the organisation can be vertical, horizontal, and diagonal. Internal communication helps employees perform their work, develop a clear sense of organisational mission, and identify and promptly deal with potential problems. While in internal communication, information flow goes upwards, downwards, horizontally, and diagonally within the organisational structure, in external communication, the information exchange goes both within and outside of it. Organisations communicate with the outside world daily. External communication can be both formal and informal.

Formal and Informal Communication

While formal communication includes reports, presentations, and media releases, it is usually planned and takes some time to prepare. Informal communication, on the other hand, does not need to be planned and usually starts by simply using social networking. Effective project managers should use both types since informal communication is just as important as formal communication.

Vertical, Horizontal and Diagonal Communication

Communication can also be categorised as vertical, horizontal, or diagonal. This view is more about the way an organisation is structured. Vertical communication is the upward and downward communication between different levels of the organisation, while horizontal communication refers to communication between people at the same organisational level. Diagonal communication, however, occurs between different functional divisions of the organisation. It has become more critical as matrix and project-based organisations have become more common. To be effective in these types of organisations, a project manager has to be familiar with the different organisational functions and managers and then plan his communications accordingly.

5.6 Importance of Communication

Communication Foundation:

The manager explains to the employees the organisation's goals, the methods of its success, and the interpersonal relationships between its staff and departments. This

provides communication between the various staff and departments, which serves as the basis for collaboration in the organisation.

Functional:

The manager coordinates the individual and physical aspects of the organisation to run it efficiently and effectively. This integration is not possible without proper communication.

The Basis for Making Decisions:

Effective communication provides information to the manager that helps them make decisions. No decisions can be made without knowledge. Thus, communication is the basis for making the right decisions.

Improves Management Ability:

The manager transfers targets and issues instructions and assigns tasks to subordinates. All these factors are involved.

Communication is vital in building strong relationships in the organisational structure or outside. People need to share ideas, delegate responsibilities, manage a team, build healthy relationships, etc. Effective communication is necessary for managers in the organisation for planning, organising, leading, and controlling. The organisation's managers are dedicated enough to communicate throughout the day in various task performances. They spent the whole time communicating face-to-face or over the phone with their colleagues, subordinates, and clients. Managers also use written communication in emails, memos, daily reports, etc. Effective communication is a successful building block of the organisational structure.

The Importance of Communication Can be summarised as follows:

Effective communication encourages motivational skills.

It is a mode of information in the decision-making process.

Communication emphasises socialising within or outside the organisational structure.

It helps in controlling the process. Employees must follow the organisation's rules, code of conduct and other company policies.

5.7 Barriers to Communication

Communication is not always successful. Several things can prevent the message from reaching the intended recipient or from having the desired effect on the recipient. There may be some fault in the communication system, preventing the message from reaching. Some of these defects are in the mechanical devices used for transmitting – medium, some are in tools we use for communication – language, and some are like persons engaged in communication – the sender and recipient/receiver. It can be divided into three broad groups: Listening,

Speaking and Environmental.

Listening barriers:

- Interrupting the speaker

- Not maintaining eye contact with the speaker
- Rushing the speaker to complete what they have to say.
- Making the speaker feel as though they are wasting the listener's time.
- Being distracted by something that is not part of the ongoing communication.
- Getting ahead of the speaker and completing their thoughts
- Ignoring the speaker's requests
- Topping the speaker's story with one's own set of examples.
- Forgetting what is being discussed.
- Asking too many questions for the sake of probing

Barriers while speaking:

- Unclear messages
- Lack of consistency in the communication process
- Incomplete sentences
- Not understanding the receiver
- Not seeking clarifications while communicating

Environmental barriers include:

- An individual's subjective viewpoint towards issues/people leads to assumptions.
- An emotional block, which can lead to an attitude of indifference, suspicion, or hostility towards the subject.
- An emotional block or bias based on a third party's viewpoint or on what you have read/heard.
- Words can have different meanings to different people, thus blocking communication.
- Use of negative words

Other Barriers to Communication

Specific barriers create hindrances in building up communication over time.

- **Personal Barriers:**

Communication takes place between the receiver and the sender. It's a two-way process that should be clear. If message formation goes wrong, the recipient receives an unclear message. The receiver might get the wrong perspective while receiving a message. Therefore, the message should always be written effortlessly.

- **Systematic Barrier:**

If any machine or electronic errors occur by any means or in any unforeseen situation, it may affect the importance of communication.

5.7.1 Few Other Communications Barriers

Sometimes, people want to connect with one thing but say something else that they did not intend. This type of communication behaviour event is known as the “Arc of Distortion.” The distortion may result from an error in any of the communication channels—these communication barriers.

There are a few other barriers to communication:

- Lack of proper style and feedback.
- Content is not related to customer requirements.
- Failure to maintain dual communication.
- Harsh weather.
- Lack of horizontal flow of ideas.
- Availability of technical coordinators.
- Semantic Problems.
- Lack of leadership.
- Lack of enthusiasm.
- Lack of support from heads of institutions.

5.8 Flow of Communication

An organisation follows the five flows of communication:

- **Downward Flow:**

In this, communication flows from the higher to lower levels, i.e., communication conducted by the head of the organisation to the subordinates, such as providing feedback, giving job instructions, etc.

- **Upward Flow:**

Upward communication flows to the higher level of the organisation. Subordinates use upward flow to transfer their grievances and performances to their seniors.

- **Lateral/Horizontal Communication:**

It occurs where communication happens between the same level of the hierarchy, that is, between colleagues, managers, or any horizontally equivalent members of the organisation. It benefits employees by coordinating tasks, saving time, solving problems of employees of other departments, and resolving conflicts within the department.

- **Diagonal Communication:**

Communication between the manager and employees of other work departments is known as diagonal communication.

- **External Communication:**

Communication takes place between the manager and external groups such as vendors, suppliers, banks, financial institutions, and many more. For example,

the Managing Director would meet with the bank manager to obtain a bank loan or do other financial work.

5.9 Conclusion

Communication is significant in the present world of globalisation. Businesses thrive on communication. People in distinct parts of the world communicate through different mediums. It has become essential to share information and knowledge with other people associated with each other, though for various purposes.

Communication helps with expression, which further helps to emote the innermost feelings and other aspects that make the person stressed out. Moreover, it is important to share one's thoughts and feelings to live a fuller and happier life. The more we communicate, the less we suffer and the better we feel about everything around us. However, it is more necessary to learn the art of effective communication to put across one's point well.

❖ Exercise

I. Theoretical Questions

1. Write the meaning of the term 'Communication'. Also, explain the 3 Cs of Assertive Communication.
2. Describe the evolution or the origin of communication over the period.
3. Explain the Process of communication with the help of a diagram.
4. Elaborate on the types of communication.
5. Discuss in detail the importance of communication.
6. What are the different Dimensions of Communication? Discuss.
7. Explain the various barriers that hinder communication.

II. Write Short Notes on

1. Communication Process
2. Verbal and Non-verbal communication
3. Dimensions of Communication
4. Flow of Communication

III. Multiple Choice Questions

1. The 3 Cs of Assertive Communication are.
 - A. Confidence, evident & controlled.
 - B. Contact, clear & control.
 - C. Correct, coherent & confident.
 - D. Cohesive, confident and clear.
2. The English word communication is derived from_____ language.
 - A. German
 - B. Latin
 - C. Spanish
 - D. Dutch

3. The first successful typewriter went on sale in
 - A. 1894
 - B. 1864
 - C. 1884
 - D. 1874
4. The communication is a _____ process that begins with the conceptualising of ideas by the sender.
 - A. Perpetual
 - B. Thorough
 - C. Dynamic
 - D. Symmetric
5. Certain Measures enhance communication more effectively.
 - A. Active listening
 - B. Ignore Filler Words
 - C. Firm and Confident Voice
 - D. All
6. Visualizing is a form of communication where one can use _____ to convey information.
 - A. All
 - B. Photographs
 - C. Drawing charts
 - D. Graphs
7. Communication is significant in the present world of _____.
 - A. Dynamism
 - B. Globalization
 - C. Ethnocentrism
 - D. None
8. 'Communication flows from the higher level to lower level' is known as
 - A. Upward Flow
 - B. Diagonal Communication
 - C. Downward Flow
 - D. Horizontal Communication
9. Certain barriers prevent building up _____ over time.
 - A. Communication
 - B. Relationship
 - C. Organization
 - D. None
10. Communication helps _____, which further helps to express the innermost feelings and other aspects that make the person stressed out.
 - A. Convenience
 - B. Movement
 - C. Adjustment
 - D. Expressions

Answer: 1-A, 2-B, 3-D, 4-C, 5-D, 6-A, 7-B, 8-C, 9-A, 10-D.

IV. Terminologies

1. Transatlantic -Spanning or crossing or from the other side of the Atlantic Ocean.
2. Handheld -A projection that one may hold onto for support.
3. Echo- An utterance repeating what has just been said, a reflected sound.
4. Crucial – Essential or decisive for determining the outcome, vital.
5. Recipient – One who receives.
6. Consistency – Being the same.
7. Semantic - Relating to meaning in language or logic.
8. Thrive - to grow or thrive or flourish.

V. Short Questions

1. Enlist the significant elements of the communication process.
2. How do we Communicate in the 21st Century?
3. Enlist the Seven significant elements of the communication process.
4. What are the components of Non-verbal communication?
5. Write the steps that Help in Visual Communication Skills.
6. Briefly explain the concept of Vertical, Horizontal and Diagonal Communication
7. What are Personal and Systematic Barriers? Explain.
8. Write the measures that Enhance communication more effectively.

VI. Fill in the blanks.

1. Communication is a Latin word which means “_____.”
2. John Loggie Baird invented Television in_____.
3. The Sender chooses the _____ through which he wants to convey his message to the recipient.
4. An emotional block that can lead to an attitude of indifference, suspicion, or hostility toward the subject is known as _____.
5. The manager coordinates the individual and physical aspects of the _____ to run it efficiently and effectively.
6. In Communication _____, the manager explains to the employees the organisation's goals, the methods of their success, and the interpersonal relationships between them.

Answer: 1-to share, 2-1925,3- medium,4-environmental barrier,5-organization,6- Foundation.

VII. Practical Examples of Communication

Effective communication in the workplace examples from real-life

You can find effective communication in the workplace, as shown by examples from real life everywhere. Of course, you see them on social media and in movies, but effective communication is no joke. Therefore, it is of vital importance to have practical communication skills in the workplace, and some managers show us exactly how it is done:

- **The case of HubSpot:**

HubSpot sets benchmarks for team transparency through its policy of always welcoming questions. Starting with co-founder and CTO Dharmesh Shah, with the title “Ask Dharmesh Anything,” the approach makes upper management more accessible to employees. Anyone from the workforce can ask the CTO questions. A culture open to discussion and deliberation is a great asset for an organisation that runs on creativity. Effective real-life communication examples have shown the impact of building healthy workplace communication practices.

- **Innovation at Microsoft Services Asia:**

With its humungous workforce, Microsoft Services Asia produced an exciting idea to break free from the limitations of conventional communication channels. So, they started weekly video podcasts that came up every Friday. Titled ‘Five-minute Fridays,’ the little bites shared the week's updates, information, and achievements. In return, the employees share their feedback and participate in future iterations of the podcast.

But it goes the other way, too! Effective real-life communication examples are great, but general corporate trends can make them hard to spot. Often, insufficient attention is paid to team communication, leading to dissatisfied employees. For example, it was recently seen that many organisations insensitively conducted layoffs.

As an employee is undergoing the problematic circumstances of a layoff, the abrupt communication can further worsen their case. Many employees found themselves laid off through mass-sent emails, displaying little concern for the individual on the part of the organisation. It led to chaos without clarity on the reasons and the decision itself, indicating ineffective communication practices adopted by those teams. Managers need to ensure that effective communication is a habit that sticks all year round. Moreover, a manager can take steps to rebuild communication in their teams after they have also faced layoffs.

- **How to build effective communication practices?**

- ✓ Establish clear communication goals and objectives: Ensure that all team members understand the company's communication strategy and their role within it. It will help them stay on track and better fulfil their responsibilities.
- ✓ Make communication a priority: Ensuring everyone knows what to do when unexpected situations arise is critical to effective communication practices.

Maintaining clarity throughout complicated scenarios will make life easier for everyone involved- not just those who need the info ASAP!

- ✓ Make listening meaningful: Listen attentively to others, even if you don't have all the answers. This crucial skill will help you to understand their concerns and build a strong relationship with them.
- ✓ Make communication feedback effective- Ensure that communication feedback is delivered properly so that team members can take it to heart and improve their communication skills in the future. Feedback should be constructive yet transparent- allowing team members to learn from their mistakes while maintaining respect for one another.
- ✓ Grow your team's communication skills to help beat ineffective communication and 30+ other challenges that make people management tough. Discover your true potential by taking charge of your growth.

- **Conclusion**

Effective communication is vital in any workplace, and managers must embrace the art of listening more than they speak. By listening to employee feedback and concerns, ensuring a supportive environment, and building trust and communication skills, managers can help their teams be more creative and productive. The examples of effective communication above will inspire you to communicate and be more innovative in your apprehension.

PART - 2

MBA
SEMESTER-3 HR
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6.1 Introduction- Conflict

Conflict is a natural and inevitable occurrence in any organisational setting, which makes it unavoidable; hence, concepts like conflict management, conflict resolution, and negotiation have been introduced. These concepts are crucial in harnessing healthy conflicts' benefits and eliminating conflicts that weaken organisations. There are some types and dimensions of conflicts with various acceptable ways to handle them in achieving organisational goals, employee effectiveness, and strategy alignment across all cadres of employees. Unresolved conflict with multidimensional costs is the bane of progress in any organisation, whether it is sovereign, public or private, and as such, it demands a thorough blend of studies to gain a complete grasp of the underlying factors and conflict dynamics. Conflict organisations that excel in productivity, profitability, agility, and sustainability must incorporate effective management of conflict. Organisations that excel in productivity, profitability, agility and sustainability must incorporate effective management of conflict. Organisations that excel in productivity, profitability, agility and sustainability must incorporate effective management of conflict. Organisations that excel in productivity, profitability, agility, and sustainability must incorporate effective management of conflict. Organisations that excel in productivity, profitability, agility, and sustainability must incorporate effective conflict management. It is a critical success factor in its quest to achieve and surpass corporate objectives. This develops conflict competence, which is the ability to manage conflicts effectively.

There are different ways to define conflict. When speaking of conflict, what would immediately come into mind is how differences and disagreements cause such an occurrence to spring up.

Definition:

“Conflict can be described as a disagreement among groups or individuals characterised by antagonism and hostility.”

Conflict is when people disagree over significant issues, creating friction. For conflict to exist, several factors must be present. People must have opposing interests, thoughts, perceptions, and feelings. Those involved must recognise the existence of different points of view. The disagreement must be ongoing rather than a singular occurrence. People with opposing views must try to prevent one another from accomplishing their goals. Conflict can be a destructive force. However, it can also be beneficial when used as a source of renewal and creativity. Before we look at views, sources, consequences, and ways to manage conflict, note that we often interchange the terms conflict and competition, although the two differ. Competition is the rivalry between individuals or groups over an outcome and always has a winner and a loser. While competition can be one of the sources of conflict, conflict does not necessarily involve winners and losers; we can have conflict over issues but cooperate so that no one loses or wins.

Meaning:

It is usually fuelled by the opposition of one party to another in an attempt to reach an objective different from that of the other party. The elements involved in the conflict have varied principles and values, thus allowing such a conflict to arise. Therefore, Conflict comes naturally; the clashing of thoughts and ideas is a part of the human experience. It can indeed be destructive if left uncontrolled. However, it shouldn't be seen as something that can only cause negative things to come out. It is a way to come up with more meaningful realisations that can undoubtedly be helpful to the individuals involved. These positive outcomes can be reached through a practical implementation of conflict resolution.

Conflict can be seen as an opportunity to learn and understand our differences. Thus, we can all live harmoniously despite conflicts as long as we responsibly manage these struggles.

6.1.1 Evolution of conflict management

The approaches to conflict management, which were done earlier, are based on the assumption that all conflict is destructive and always over-productive to the organisation. Conflict management becomes a synonym for conflict avoidance, and thus, people start assuming that conflict management is a win-lose situation, which is wrong. This was there in the 1940s and was based on the assumption that all conflict was terrible and always overproductive to organisational goals. Thus, conflict management became synonymous with conflict avoidance, and people started assuming that conflict management was a win-lose situation, which was wrong. This was the case in the mid-1940s and a part of the nineteenth century.

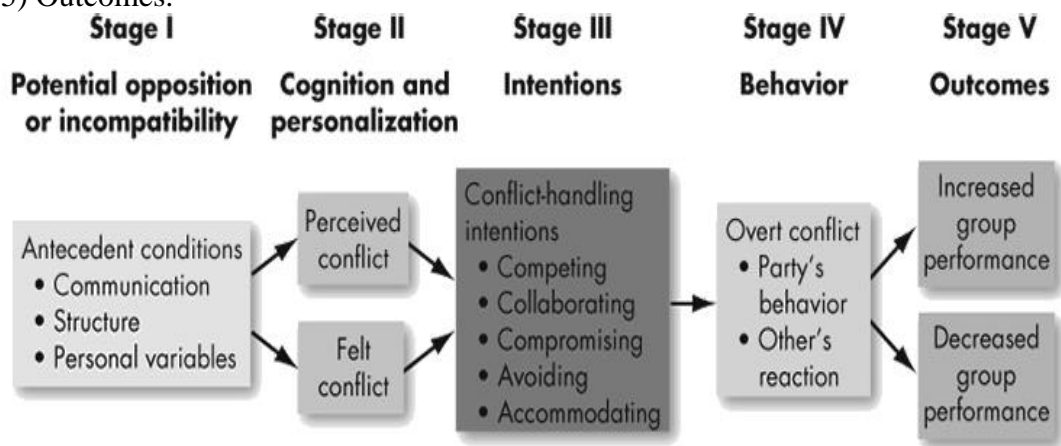
The organisation started believing that conflict management was not a reasonable strategy for dealing with conflict. People started avoiding it, and they felt if they were a part of it, they would be neglected. In the 1970s, the viewpoint towards conflict management changed and was accepted as an organisation's natural and unavoidable existence. The conflict has always been there, and everyone wanted to negotiate at any point and had to take it for the positive outcome of issues and problems between the

two parties. Finally, conflict management came that it cannot be eliminated at any stage and benefits the organisations.

6.2 Process of conflict

The conflict process has five stages:

- 1) Potential opposition or incompatibility
- 2) Cognition and personalisation
- 3) Intentions
- 4) Behaviour
- 5) Outcomes.



1) Potential Opposition or Incompatibility

The first stage in the conflict process is the existence of conditions that allow conflict to arise. The existence of these conditions doesn't necessarily guarantee conflict will arise. But if conflict does arise, chances are it's because of issues regarding communication, structure, or personal variables.

- **Communication**

Conflict can arise from semantic issues, misunderstanding, or noise in the communication channel that hasn't been clarified. Suppose a new manager leads a project, and you're on the team. A new Manager is vague about the team's goals, and when you get to work on your part of the project, he shows up half the way through to tell you you're doing it wrong. This is a conflict caused by communication.

- **Structure**

Conflict can arise based on the structure of a group working together. For instance, let's say you sell cars, and your co-worker has to approve the credit of everyone purchasing a vehicle from you. If your co-worker disapproves of your customers, he stands between you and your commission, your good performance review, and your paycheck. This is a structure that invites conflict.

- **Personal variables**

Conflict can arise if two people who work together don't care for each other. Perhaps you work with a man, and you find him untrustworthy. Comments he's made, the way he laughs, the way he talks about his wife and family rubs you the wrong way. That's a personal variable, ripe to cause a conflict.

2) Cognition and Personalization

In the last section, we discussed how conflict only exists if perceived to exist. If it's been determined that potential opposition or incompatibility exists and both parties feel it, then conflict is developing.

If Joan and her new manager, Mitch, disagree, they may perceive it but not be personally affected by it. Perhaps Joan is not worried about the disagreement. This stage is complete only when both parties understand that conflict is brewing and internalise it as affecting them.

3) Intentions

Intentions are between people's perceptions and emotions and help those involved in a potential conflict decide to act in a particular way. One must infer what the other person meant to determine how to respond to a statement or action. Many disputes arise because one party assumes the wrong intentions of another. A person can react to the other party's statements or actions in five different ways.

- i. **Competing.** One party seeks to satisfy his interests regardless of the impact on the other party. Competing is an uncooperative, overly assertive method used by people who insist on winning the dispute at all costs. It's known as a win-lose strategy. This method is not often identified as bringing satisfactory resolutions, as it doesn't allow collaborative problem-solving.
- ii. **Compromising.** Each party to the conflict seeks to give up something to resolve the conflict. This strategy, or reconciling, seeks a mutual agreement to settle a dispute. It's known as a lose-lose strategy since both parties willingly forfeit some of their needs to reach an agreement. This can be a quick way to resolve a conflict without becoming a more significant issue. Compromise can also be used temporarily to avoid conflict until the parties involved can implement a more permanent solution. It is appropriate to compromise when it is impossible to make both sides completely happy while still moving forward.
- iii. **Collaborating.** One party, or both, desires to entirely satisfy all parties' concerns in the conflict. Like the compromising method, collaboration consists of working with the other party to find a mutually agreeable solution to a problem. It's known as a win-win strategy. For example, a salesperson and client may work together to negotiate contract terms until both parties find it agreeable.
- iv. **Avoiding.** One party withdraws from or suppresses the conflict once it is recognised. This method involves simply ignoring that there may be a conflict. People avoid conflict when they don't want to engage in it. Avoiding allows them to forget that there is a problem. There are situations when avoiding conflict can be an appropriate response, such as when there is no clear solution or when a frustrated party needs time to calm down before confrontation. However, avoidance can require more effort than merely facing the problem and can cause friction between the disagreeing parties. When conflict is avoided, nothing is resolved.
- v. **Accommodating.** One party seeks to appease the opponent once potential conflict is recognised. This strategy, also known as smoothing, involves one party acquiescing, giving the opposing party precisely what it needs to resolve

the problem. This method allows you to fix a problem in the short term while working toward a long-term solution. In some cases, accommodating can be an appropriate resolution to a conflict. For example, if your opinion on the matter is not very strong, it is often easier to comply.

4) Behaviour

Behaviour is the stage where conflict becomes evident, as it includes the statements, actions and reactions of the parties involved. These Behaviours might be overt attempts to get the other party to reveal intentions, but they have a stimulus quality that separates them from the actual intention stage. Behaviour is the exact dynamic process of interaction. Perhaps Party A demands Party B, Party B argues back, Party A threatens, and so on. The intensity of the Behaviour falls along a conflict-oriented continuum. If the intensity is low, the conflict might be a minor misunderstanding, and if the intensity is high, the conflict could be an effort to harm or destroy the other party.

5) Outcomes

The outcomes of a conflict can be either functional or dysfunctional:

- Functional outcomes occur when conflict is constructive. It may be hard to think of times when people disagree and argue, and the result is somehow good. But think of conflict, for a moment, as the antidote to groupthink. If group members want consensus, they are bound to agree before all the viable alternatives are reviewed. Conflict keeps that from happening. The group may be close to agreeing on something, and a member will speak up, arguing for another point of view. The conflict that results could yield a positive outcome.
- Dysfunctional outcomes are generally more well-known and understood. Uncontrolled opposition breeds discontent, which acts to sever ties and eventually leads to the group's dissolution. Due to dysfunctional conflict, organisations meet their ultimate demise more often than you think. People who hate each other and don't get along cannot make decisions to run a company well.

6.3 Types of Conflict

Conflict is an inevitable part of life. Each of us possesses our own opinions, ideas and sets of beliefs. We have ways of looking at things and acting according to what we think is proper. Thus, we often find ourselves in conflict in different scenarios. It may involve other individuals, groups of people, or a struggle within ourselves. Consequently, conflict influences our actions and decisions in one way or another. Thus, Conflict is classified into the following four types:

1) Interpersonal Conflict

Interpersonal conflict refers to a conflict between two individuals. It typically occurs because people are different from one another. People have varied personalities, which usually results in incompatible choices and opinions. This natural occurrence can eventually help in personal growth or developing relationships with others. Moreover, making adjustments is necessary for managing this type of conflict. However, when interpersonal conflict gets too destructive, calling in a mediator would help to resolve it.

2) Intrapersonal Conflict

Intrapersonal conflict occurs within an individual. The experience takes place in the person's mind. Hence, it is a psychological conflict involving the individual's

thoughts, values, principles, and emotions. Interpersonal conflict may come in different scales, from the simpler mundane ones like deciding whether or not to go organic for lunch to ones that can affect major decisions such as choosing a career path. This type of conflict can be challenging if you find it hard to decipher your inner struggles. It leads to restlessness and uneasiness or can even cause depression. On such occasions, it would be best to seek a way to let go of the anxiety through communicating with other people. Eventually, you can become more empowered when you find yourself out of the situation. Thus, the experience evoked a positive change that will help you grow.

3) Intragroup Conflict

Intragroup Conflict is a type of conflict among individuals within a team. The conflict. It arises from interpersonal disagreements (e.g. team members have different personalities, which may lead to tension) or differences in views and ideas (e.g. in a presentation, team members might find the notions presented by the one presiding to be erroneous due to their differences in opinion). Within a team, conflict incompatibilities and misunderstandings among these individuals lead to an intragroup, which can help them come up with decisions that will eventually allow them to reach their objectives as a team. However, if the degree of conflict disrupts harmony among the members, then some profound guidance from a different party will be needed to settle it.

4) Intergroup Conflict

Intergroup Conflict occurs when a misunderstanding arises among different teams within an organisation. For instance, an organisation's sales department can conflict with the customer support department. This is due to the varied sets of goals and interests of these different groups. In addition, competition also contributes to the arising of intergroup conflicts. Other factors fuel this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others, which establishes their own identity as a team. Conflict may seem problematic to some, but this isn't how conflict should be perceived. On the other hand, it is an opportunity for growth and can be an effective means of opening up among groups or individuals. When conflict begins to draw back productivity and gives way to more conflicts, conflict management needs to develop a resolution.

6.4 Major Causes of Conflict

Most conflicts are fuelled by opposing interests (or what we believe to be opposing interests). In the present multifaceted society, we deal with these situations daily. The modern organisation adds a new set of potential conflict causes to the existing ones: Competition for scarce resources, time ambiguity regarding responsibility and authority, perceptions, work styles, attitudes, communication issues, individual differences, and increasing interdependence as individual and group boundaries become increasingly blurred. The work is done in situations with complex and frequently contradictory incentive systems. Differentiation also plays a significant role; because of the division of labour that is the foundation of any organisation, people and groups see situations differently and have different goals and Equity vs. equality in which There is a constant tension between equity (the belief that we should be rewarded in proportion to our contributions) and equality (the belief that everyone should receive the same or similar outcomes)

6.5 Functional and Dysfunctional Conflict

The contrast between functional and dysfunctional conflict hinges on whether the organisation is served better or threatened by the conflict. Some conflicts support the objectives of the organisation and enhance performance, hence the term functional, cooperative or constructive forms of conflict. There are also types of disputes that impede organisational performance, sometimes with gross detrimental effects, termed dysfunctional or destructive. A good understanding of the antecedents of conflict will enable managers to become proactive through awareness and anticipation, which should be followed with actions to resolve it if it becomes dysfunctional.

6.6 Sources of Conflict

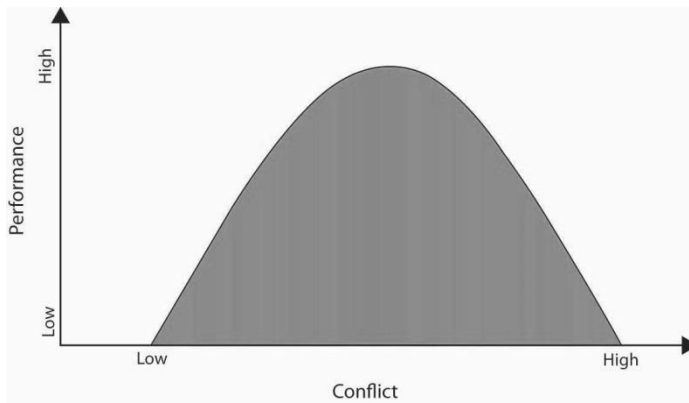
- i. **Lack of resources-** There are times when organisations are short on resources, such as budget, money, supplies, human resources, information, and so on, which can lead to conflict and stymie progress.
- ii. **Differences in status and power—When one person questions another and exerts authority over them, status and power conflicts occur** to establish their power and position in the organisation.
- iii. **Communication collapse**—Communication collapse occurs when there is a gap between two people regarding ego clashes, variations in speaking styles, and nonverbal communication styles. Poor communication leads to misunderstandings, which can result in work and conflict.

6.6.1 Is Conflict Always Bad?

Most people are uncomfortable with conflict, but is conflict always wrong? Conflict can be dysfunctional if it paralyses an organisation, leads to less-than-optimal performance, or, in the worst case, leads to workplace violence. Surprisingly, moderate conflict can be a healthy (and necessary) part of organisational life.

To achieve a positive level of conflict, we need to understand its root causes, consequences, and tools to help manage it. The impact of too much or too little conflict can disrupt performance.

If conflict is too low, then performance is low. If conflict is too high, then performance also tends to be low. The goal is to hold conflict levels in the middle of this range. While it might seem strange to want a particular level of conflict, a medium level of task-related conflict is often viewed as optimal because it represents a situation where a healthy debate of ideas occurs.



Task conflict can be beneficial in certain circumstances, such as early decision-making because it stimulates creativity. However, it can also interfere with complex tasks in the long run.

Personal conflicts, such as personal attacks, are never healthy because they cause stress and distress, undermining performance. The worst cases of personal disputes can lead to workplace bullying.

At Intel Corporation, all new employees undergo a 4-hour training module to learn “constructive confrontation.” The training program's content includes positively dealing with others, using facts rather than opinions to persuade others, and focusing on the problem rather than the people involved. “We don’t spend time being defensive or taking things personally. We cut through all of that and get to the issues,” notes a trainer from Intel University (Dahle, 2001).

The success of the training remains unclear, but the presence of this program indicates that Intel understands the potentially positive effect of a moderate level of conflict. Research focusing on effective teams across time found that they were characterised by low but increasing levels of process conflict (how do we get things done?), low levels of relationship conflict with a rise toward the end of the project (personal disagreements among team members), and moderate levels of task conflict in the middle of the task timeline (Jehn & Mannix, 2001).

6.7 Introduction - Negotiation

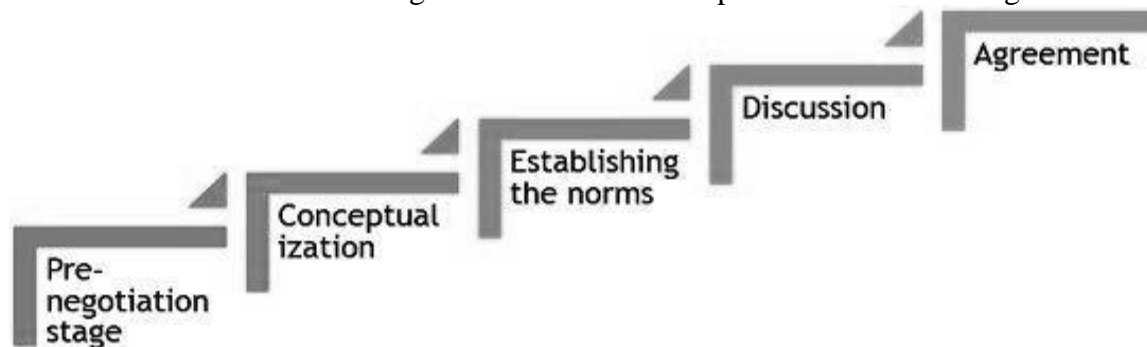
- In layman's terms, ‘Negotiation’ is an open strategic dialogue that is supposed to resolve the issue between the parties concerned by reaching an agreement. The two parties with different needs and goals, having some common interests and others divergent, intend to agree. So, they discuss the matter to find an acceptable and beneficial solution for everyone. So, the question arises here: when does Negotiation take place? The answer is that, in any business situation, there are multiple possible outcomes wherein two or more parties have a shared interest. However, the parties haven’t decided what the possible result will be. Further, there can be three possible outcomes.



- **Win-win:** Where both the parties win
- **Win-lose:** Where one party wins and the other one loses.
- **Inefficient but equitable:** Where all the items are shared equally.
The parties' common interest motivates them to settle the specific differences with negotiation.

6.8 Process of Negotiation

There are five stages in the process of negotiation:



1. **Pre-negotiation stage**- In this step, planning plays an important role: setting out the broad framework for undertaking negotiation. It involves:
 - ✓ Prioritizing and ranking goals.
 - ✓ Ascertain the priorities of another party.
 - ✓ Identify real motivation
 - ✓ Plan factual inquiries
 - ✓ Quantification of Objectives
2. **Conceptualization**—This step forms the probable foundation of the agreement. It depends upon the competitive analysis of the targets, which tends to be explored during negotiation.
3. **Establishing the norms**—The two parties must establish the standards objectively after conceptualising the issues.
4. **Discussion**—In this stage, the negotiators must know about the tangible and intangible elements. Further, the discussion should follow a patient approach, so it should be undertaken decently and avoid hurting the sentiments of the other party. Any matter

that is irrelevant to the discussion should be avoided. Here, body dynamics play an essential role.

5. **Agreement**—It is the formal closure of the negotiation process in which the agreed terms and conditions are drafted. Further, it has to be carried out according to the legally accepted method. The agreement contains the agreed matters in legitimate, open, and comprehensive language. It must specify the modus operandi in case of any dispute concerning any future terms.

In this process, each party attempts to convince and persuade another to agree and accept their points but also make some adjustments. It tends to avoid the argument and settle the dispute with a compromise.

6.9 Types of Negotiation

The different types of negotiation are as follows:

- 1) **Distributive Negotiation**

Otherwise, it is called a competitive or zero-sum negotiation. In this type of negotiation, one side wins while the other loses. Further, the resources are limited and are to be divided, so the more resources one party gets, the fewer resources are left for the other party. Therefore, one person's interest contradicts others. Thus, the primary focus is to maximise one's interest, for which strategies such as manipulating, forcing and withholding information are used.

- 2) **Integrative Negotiation-**

Otherwise, it is called a both-sided win, and sharing it is called collaborative or creating value negotiation. In integrative bargaining, both sides win, as the number of resources is variable and to be divided between them. So, the effort is made to maximise the joint outcome. In this type of negotiation, strategies like cooperation and sharing are used.

- 3) **Management Negotiations**

These are concerning the work relationships amidst the group of day-to-day negotiations that take place within the organisation. They are associated with the internal problems of the organisation relating to the work relationships among the employees.

- 4) **Commercial Negotiation**

These are contract negotiations with external parties, wherein the driving force is financial gain. Such negotiations rely on give-and-take relationships, which may result in a contract, so the organisation has to forego one resource to get another.

- 5) **Legal Negotiations**

As the name suggests, these negotiations are legally binding. The issue concerns disputes arising from contradictory national laws.

- 6) **Multiparty negotiation**

When more than two parties are involved in a negotiation, this is called a multiparty negotiation. A coalition can be formed among the parties, which helps the parties gain strength and push or block the other parties. Negotiation is generally when the parties in a dispute seek an agreement by identifying a beneficial outcome or solution.

6.10 Culture and Negotiation

Globalisation has increased the frequency of cross-cultural negotiations. Since negotiation involves exchange, interaction, and communication, culture's impact on this process is significant. Knowing how culture affects negotiations and having information about another party's culture allow for more focused preparation, straightforward presentation, better bargaining, and more effective agreement.

The various cultural dimensions affect the process of negotiation. Managers from masculine cultures will likely be more assertive and independent, see negotiation as a competition, and focus on winning at all costs. When negotiating, managers who value uncertainty avoidance (e.g., from China or Japan) will rely on bureaucratic rules and established procedures and rituals. In contrast, those from cultures more comfortable with ambiguity, such as North Americans or Scandinavians, will be comfortable with free-flowing discussions that may yield more creative solutions. The power distance and individuality-collectivism dimensions further affect the negotiation process. Low power distance will likely lead to open sharing of ideas and cooperative Behaviours during negotiation, whereas individualism will emphasise self-interests.

Managers from collectivistic cultures are likely to consider building relationships essential before bargaining. Negotiators from individualistic cultures will often have the authority to decide independently, while those from collectivistic cultures will tend to seek their group's input. High and low context is another cultural dimension that influences negotiations. Negotiators from high-context cultures rely on context, various nonverbal cues, and situational factors to communicate with others and understand the world around them. Those from low-context cultures, such as Germany or Canada, pay attention to what is said and written and want clear, formal written documentation of all agreements. Those from high-context cultures like Korea or Vietnam will look for subtle cues, read between the lines, and operate on trust and implicit contracts.

6.11 Difference between Conflict and Negotiation

Aspect	Conflict	Negotiation
Definition	Conflict occurs when two or more parties perceive incompatible goals, interests, or values. It is essentially a disagreement that arises from differing viewpoints.	Negotiation is when two or more parties with differing interests or needs engage in a discussion to reach a mutually acceptable solution or agreement. It is a way to resolve disagreements or conflicts.
Role	Conflict typically represents a disruption of harmony if not addressed adequately and appropriately. Addressed disrupts harmony if a problem or disagreement is not sufficiently addressed. If not adequately addressed, it can be a source of tension and disrupt harmony.	Negotiation is a method for addressing and resolving conflicts. It is solution-oriented and helps restore harmony by finding a mutually beneficial outcome.
Potential Outcomes	Conflict can lead to stress, strained relationships, and reduced productivity if not effectively managed. However, it can also lead to positive outcomes such as increased understanding, personal growth, and better problem-solving.	Negotiation aims to find a 'win-win' solution in which all parties feel their needs or interests have been considered and met. Effective negotiation can improve relationships, enhance

		understanding, and improve outcomes.
Key Skills Involved	Conflict resolution skills are needed to manage conflict effectively. This includes communication, emotional intelligence, problem-solving, and empathy.	Negotiation requires active listening, clear communication, problem-solving abilities, and the capacity to empathise and be flexible.
Example	An example of a conflict is when two classmates disagree about approaching a group project because they have different ideas about what will result in the best grade.	An example of negotiation is when these two classmates discuss their differing ideas, consider each other's viewpoints, and devise compromises to develop a unified approach for the group project.

Conclusion

Conflicts can range from small grudges to actual physical violence. On the other hand, disagreement has the power to spur innovation and creativity or to paralyse businesses. Conflict can take various forms, including intrapersonal, interpersonal, and intergroup. Numerous typical circumstances can lead to conflict in organisations. Some organisational designs, like the matrix structure, might result in employees having several supervisors and demands that are contradictory or too great.

Another typical source of organisational conflict is a lack of resources for employees to execute tasks, mainly when groups within the firm compete for those resources. Of course, superficial personality differences can cause intrapersonal conflict in any circumstance. Communication issues are also a prevalent source of conflict, even when no real problem exists. Conflict can be resolved using various techniques, each with differing degrees of collaboration and competitiveness. Diverse situations necessitate diverse conflict resolution techniques, and no one strategy is superior.

Negotiations occur during essential activities, and astute negotiation abilities can be valuable. A BATNA, or "best alternative to a negotiated agreement," is integral to the negotiating process. Negotiations typically progress through five stages: investigation, determining your BATNA, presentation, bargaining, and closing. Avoiding any of the following common blunders during a negotiation is critical. These blunders can include accepting the first offer, allowing ego to get in the way, having unreasonable expectations of the outcome of the talks, becoming overly emotional throughout the process, or being weighed down by previous failures and allowing the past to repeat itself. It is vital to remember that various cultures have preferred strategies for resolving disputes and negotiations. Individuals should understand the cultural background of others to navigate better what could otherwise become a messy situation.

❖ Exercise

Q-1 Answer the following questions:

- 1) What is Conflict?
- 2) Discuss in detail the process of conflict.
- 3) What are the types of Types of Conflict? Explain in brief.
- 4) What are the Major Causes of Conflict? Explain in your own words.
- 5) Distinguish between Functional and Dysfunctional Conflict
- 6) List down and describe the Sources of Conflict.

- 7) What is Negotiation?
- 8) Discuss in detail the Process of Negotiation.
- 9) Explain the Types of Negotiation.

Q-2 MCQs:

- 1) Conflict is a _____ occurrence in any organizational setting.
A) Natural B) inevitable C) **Both A and B** D) None of these
- 2) The conflict process includes the steps_____
A) Potential opposition or incompatibility B) cognition and personalisation
C) Intentions D) **All of the above**
- 3) These are day-to-day negotiations that take place within the organisation.
A) **Management Negotiations**
B) Multiparty negotiation
C) Legal Negotiations
D) Distributive Negotiation
- 4) Pre-negotiation stage includes_____
A) Prioritizing and ranking goals.
B) Ascertain the priorities of another party.
C) Identify real motivation
D) **All of the above**
- 5) _____ conflict occurs within an individual.
A) Interpersonal Conflict
B) **Intrapersonal Conflict**
C) Intragroup Conflict
D) Intergroup Conflict

- 7.1 Definition of Stress
- 7.2 Causes of Stress
- 7.3 Intra-Organizational Factors
- 7.4 Organisational Factors
- 7.5 Factors in the Environment or Extra-Organizational factors
- 7.6 Managing Stress
- 7.7 Management of Stress at the Organizational level
- ❖ Keywords
- ❖ Exercise

7.1 Definition of Stress

Stress is a common phenomenon. Most individuals experience some stress at one point or the other. It is psychological and becomes more apparent when one experiences anxiety and discomfort and sometimes even the loss of emotional stability. The cause of stress can range from personal to Organisational activities. Stress tends to be positively related to age, lifestyle, and the nature of work. It is also positively related to the intensity of desires of individuals. The greater the intensity or desire for the accomplishment of goals, the greater the degree of stress. Specific family issues like ageing parents, financial demands of family, mortgages, and childcare issues all contribute to stress in the modern lives of working individuals.

Fred Luthans defines stress as an adaptive response to an external situation that results in physical, psychological, and behavioural deviations for organisational participants. Ivancevich and Matteson define stress as the interaction of the individual with the environment. It is an adaptive response mediated by individual characteristics and psychological processes that are consequences of any external action, situation or event that places unique physical and psychological demands upon a person.

In the context of Organizational Behavior, Schuler defines stress as a dynamic condition that exists when an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. The definition highlights a few features of Stress, as discussed below.

- The definition states that stress is an opportunity. Though Stress is always discussed in a negative context, it is not necessarily bad. This is because it can even be defined as the mental, emotional, and physical pressure that one experiences to achieve goals. Hence, it is the force or the push towards the goals and not consistently negative. When Stress has positive consequences, it is called eustress.
- The definition also highlights that stress is an interactive concept that arises out of the interaction with the environment or stimuli. It arises through the mediation of internal and external factors in the Environment.

- Since it is an individual concept, the degree of stress varies with everyone. Person A can experience stress, while Person B can feel no stress when exposed to the same stimuli or environment.

7.2 Causes of Stress

Disturbances in the biological systems of individuals cause potential stress. When coupled with individual, Organisational and environmental factors, potential stress causes Actual Stress. The variables that convert potential stress into Actual stress are called Stressors. Stressors can be intra-organisational (within the organisation) or extra-organisational (in the Environment). Intra-organisational factors can be related to individual life, Age, lifestyle, personality, perception, family, economic problems, etc. They can be linked to the organisation, such as the role demands, working conditions and policies, Organisational structure and design, Group dynamics, etc.

7.3 Intra-Organizational Factors

1. Personality and individual differences

Introversion, extroversion, masculinity, rigidity, locus of control, personal life, and demographic differences such as age, health, education, and occupation are some of the reasons causing stress in individuals.

Studies show that type A personality is prone to more stress than type B personality. Since Type A personality is characterised by emotion and sensitivity to organisation goals, competitive spirit, and achievement-oriented behaviour, they are under high pressure to perform at par or better than expectations. This leads to frustration even for minor deviations, thus feeling more stress. Type B personality is typically relaxed, carefree, patient and less severe in achieving objectives.

Some propositions of personality and individual stress are:

- Age
Age is positively related to stress. Career planning and management are directly related to age. If the career graph doesn't go as expected in accordance with age, an individual is likely to feel stress.
- Health
Sound health enables a person to cope with stress better than unsound health.
- Education
Studies show that education helps individuals cope better with stress. Education changes maturity, and the ability to see things from a different and positive perspective changes with education. Poorly educated people in relation to their jobs are likely to feel more stress due to their poor adaptability to their jobs.
- The nature of the occupation
Stress is directly related to the type of occupation and the nature of work. Certain occupations, such as doctors, miners, and cybersecurity data analysts, are inherently more stressful than others.

- **Locus of Control**
A greater degree of locus of control leads to stress. A person is less likely to feel stress if he believes that he can exercise control over external factors.
- **Self-Efficacy**
Self-efficacy and stress are negatively related. The higher the self-efficacy, the higher the motivation, and the lesser the self-doubt. Therefore, people with greater self-efficacy remain calm and are prone to less stress.
- **Perception**
People with positive perceptions always see the glass half full and are likely to experience less stress than people with negative attitudes, who face constant stress when the outcomes are unknown.
- **Experience**
An experienced individual on the job is likely to be under less stress than an inexperienced one, as the former has already tested the waters and is aware of the nitty-gritty of work.

2. Family

An employee does not come to work alone but comes as a man or a woman who is working for and with the support or otherwise of and by the family. Family issues influence the personal life of individuals. Sound marital relationships, marital discipline, and early and healthy children may lead to a happy personal life, positive outcomes at work, and less stress. On the other hand, poor marital relationships, family separations, extramarital relationships, poor settlement with family members, ageing parents, dual working couples, death of a spouse or other close family member are some of the reasons for stress among employees.

3. Economic Problems

Economic difficulties are one of the most common causes of stress. Poor management of personal finances, heavy family expenditures, constant demand for money, fewer resources as compared to demands, and slow financial growth on the job are some of the economic reasons responsible for more stress. For instance, increasing family expenditures, including increased expenditures on children's education and health, creates a demand for more income, resulting in stress among individuals.

4. Lifestyle

Studies show that sedentary lifestyles cause more significant stress. Another factor leading to stress is life trauma. Individuals experiencing stress due to life trauma like the death of a loved one or heartbreak may be compelled to alter their attitude, emotions, and behaviour to cope with the stress. These are known as life trauma, which is a potential cause of stress. Career changes can burden individuals at a very young age. Persons occupying higher positions at a younger age who fail to adapt to the new roles and responsibilities often feel constant stress under pressure to prove themselves worthy of that position.

5. Role Demands

Individuals have multiple roles to play in their personal life and organisations. On a personal level, people play the roles of a family head, husband, father, brother, and son. On the social front, individuals have informal groups, communities, recreational groups, religious groups, etc. Similarly, in organisations, employees play the role of superior, subordinate, co-worker, union leader, informal group leader, etc. Incidentally, all these roles are to be performed simultaneously. This can sometimes lead to role conflict. It arises because of poor role perception, role ambiguity, role overload and role overlapping. Role ambiguity, overlapping and conflict, and role conflict are positively related to stress.

7.4 Organisational Factors

Businesses operate in a constantly changing environment. Changes in organisational dynamics, mergers and acquisitions, and technology are some of the challenges faced by employees in the organisation that lead to stress. Other factors are discussed below.

1. Poor Working Conditions

Lack of ventilation, hygiene, dust, air pollution, heat, unpleasant odours, smaller spaces, and lack of privacy are some of the causes related to working conditions.

2. Poorly designed tasks

Poorly designed tasks lead to stress. Task interdependence, Task overload, Task autonomy, and Task demands create stress. For example, task interdependence requires team coordination, which, if not achieved organisational conflicts to take over, leading to stress.

3. Organisational policies

Some organisational policies like downsizing, competitive pay, unfair or inequitable pay, job rotation, and unambiguous policies contribute to stress among employees.

4. Organisational structure

The span of control, line and staff conflict, lines of communication, and centralised vs. decentralised structures are all factors that can cause stress among employees. For example, a manager with a broader span of control must constantly monitor and supervise a large number of employees. This leads to stress among employees.

5. Organisational Policies

Improper design of various organisational processes, such as Communication, control, decision-making, promotion, performance appraisal, etc., leads to strained relationships among the employees and causes demotivation and job dissatisfaction. As a result, employees experience stress in adapting to the processes.

6. Organisational leadership

The autocratic style of leadership adopted by managers creates a stressful working environment for employees. Employees feel suffocated by working for managers who do not allow them to voice their opinions in the decision-

making process. Freedom to work, lesser autonomy, and a democratic style of leadership attract talent and bring positive results in a stress-free environment.

7. Group Dynamics

When employees work in teams, group dynamics like lack of cohesiveness, conflict of interest, and lack of recognition are likely to surface, which can bring functional or dysfunctional consequences. On the other hand, groups can also serve as a source of social support and satisfaction and can help reduce stress.

8. Organisation lifecycle

Organisations go through four stages: Birth, Growth, Maturity and Decline. In each of these stages, employees experience stress while adapting to Organisational demands. In the birth stage, organisational policies and strategies are unclear. The growth stage creates conflicting demands on employees to survive. The decline stage leads to downsizing, retrenchment, layoffs, and acquisitions, leading to stress among employees.

Therefore, several factors can cause stress at the organisational level, but there are also a few other organisational factors.

7.5 Factors in the Environment or Extra-Organizational factors: -

1. Political Factors

The party in power enacts policies and legislation that may or may not favour the organisation. Changes in political parties bring uncertainty to the business environment, which builds and breeds stress.

2. Technological factors

Technological factors change management operations, production methods, and techniques. Employees are required to upskill for these changes and fear losing their jobs to technology if they fail to do so. For Example, tools like ChatGPT, AI, and machine learning have created job insecurity among IT employees, who have reported increasing stress of losing their jobs.

3. Legal environment

Organisations are required to operate within a legislative framework. Complying with a web of laws, be it financial or operational, brings stress to employees if not done correctly.

4. Ecological factors

The Government, following the idea of sustainable goals, has framed Environmental or Ecological legislation for organisations to abide by. Compliance with these laws under changing Ecological equations is a cause of potential Stress.

5. Governmental Factors

Administration policies, bureaucratic practices, and implementation difficulties in Administration machinery can all lead to stress for employees of the organisation.

6. Social, Cultural and Ethical Factors

social measures like health protection of employees and social groups can help reduce stress among employees. In contrast, certain sociological variables, like age, social class, gender, etc., can become a cause of potential stress. Cultural variables like beliefs, customs and traditions can also be a cause of potential stress since businesses have to operate within society. Businesses also face ethical dilemmas in day-to-day operations, such as profitability vs. service, which can become a source of potential stress.

7.6 Managing Stress

Stress results in psychological, behavioural, Organizational, and physiological consequences; hence, it needs to be managed. Preventing stress is more desirable than curing or managing it. Stress Management can be done at the Individual and Organizational levels.

Techniques of Stress Management at the individual level

1. Time Management

Stress is inversely related to Time Management. Preparing a Daily list of To-do activities, arranging them in order of importance, delegating wherever possible, discouraging procrastination, and getting breaks can help avoid stress.

2. Physical Management

Understanding one's own body, immunity, strengths, and heredity-related disorders can help avoid physical stress. Exercise is a great way to build and improve immunity and stress mechanisms. Exercise can take a proactive or reactive approach to Stress Management.

3. Psychological Management

Following are some techniques to manage Psychological Stress.

- Relaxation- Meditation, Hypnosis and Biofeedback can effectively reduce stress. Meditation relaxes body and mind by inhaling and exhaling breathing patterns and chanting Mantras. Transcendental Meditation, Soul-management and Atma yoga are some of the techniques used for relaxation.
- Behavioral Self-Control- Exercising proper behaviour control in day-to-day transactions can help reduce stress. Awareness about one's self and knowing the consequences of behaviour can help in behaviour control. Practising healthy and positive perception, positive attitude, and good listening all help in behavioural self-control.
- Cognitive Therapy, a technique widely used in clinical psychology, helps one understand one's own emotions. In this technique people are asked to find out the causes of their stress through self-observation. Once the cause is known, solutions are sought to reduce stress.
- Yogic Management- Yoga involves asana, pranayama, mudra and kriya. There is enough research supporting the idea of reducing stress through Yoga.

4. Social Management—Combating stress requires Having a social circle that allows you to be yourself, listens when you are stressed, and boosts your

confidence when you are low. Recreation clubs, informal gatherings, friend circles, and family are some of the social networks that can help reduce stress.

5. Self-awareness Management- Self-awareness can be compared to self-audit. It involves three stages.

- I. Identify your skills, talents, causes of stress, limitations, etc.
- II. Obtain feedback from reference groups- Friends, family, peers etc.
- III. Develop an improvement program considering your analysis and the feedback from others.

6. Interpersonal Management- One of the best ways to combat stress is Self-Introspection. Transaction Analysis, Johari Window and Grid Techniques help one understand oneself and thus relieve stress.

7.7 Management of Stress at the Organization level

The cause of stress at the Organizational level may be related to the leadership style, policies, administration, design, and structure of the organisation. The following strategies can be used to manage stress at the Organizational level.

1. **Goal Setting**—S.M.A.R.T. (specific, measurable, achievable, realistic, and time-bound) goals help avoid stress. Goal Setting should involve employees' participation to avoid frustration and ambiguity. The MBO (Management by Objectives) method can be used to avoid stress.
2. **Role Clarity**—Once the goals are set, each employee's role should be defined to achieve those goals. Role clarity avoids Role conflict and increases coordination.
3. **Competitive and Equitable Pay and Incentives-** The most common cause of stress among employees is getting paid less than expected. The perception of being paid fairly and equitably with reference to similar others in the organisation brings satisfaction and reduces stress. In case an employee is paid less than peers, then organisations can compensate through good incentive programmes. However, it is upon the employees to make the best use of such programmes and policies and not otherwise.
4. **Placement Policy**—Stress is closely related to personality. When selecting an employee, the organisation should evaluate the candidate's personality match to the job role and the stress involved in the job.
5. **Job Enrichment and Redesign—Making jobs less monotonous and adding an element of autonomy, creativity, independence, recognition, and opportunity for growth, advancement, and learning can help reduce stress.**
6. **Avoiding Communication Barriers**—Communication barriers impact stress. Formal Channels of communication create a lot of stress for employees. Helping employees express their ideas and views freely via an informal platform helps reduce stress.
7. **Counselling-** Employees may need advice and reassurance from their seniors and supervisors. Providing means of counselling to employees can help them combat stress.

8. **Career Planning**—Generally, the onus of managing careers is on employees individually, but some organisations take steps to manage their employees' careers, which not only helps in their retention but also their Stress management.
9. **Style of Leadership**—Leadership styles are directly related to the stress level of employees in the organisation. Employees under the Autocratic Leadership style are under constant stress, unlike those under the democratic style of Leadership. Democratic Leaders help reduce employees' stress by making communication channels open.
10. **Organization Design**—Bureaucratic Design often leads to stress. Participative culture and supportive and healthy relations with peers, subordinates, and superiors all contribute to reduced stress at the Organizational level.
11. **Well-being Programmes**—Workshops, Seminars, picnics, and recreational opportunities help promote a positive attitude among employees. They also ensure that employees feel safe and secure at work, especially for women candidates.

Keywords- Stress, Individual, Organization, Personality, Causes, Consequences, Management, Behavior, Programmes, Organisational Structure, Factors, Political, Legal Environment, Technology changes.

❖ **Exercise**

Q-1 Answer the following questions.

1. Define Stress and discuss its causes.
2. Does Stress always lead to unpleasant Outcomes? Discuss.
3. Discuss techniques to manage Organisational Stress.
4. Discuss how Yoga and Self-awareness help manage an individual's Stress.
5. Leadership styles, channels of communication and Organisational design and structure have an impact on performance. Discuss this with reference to Stress Management.

Q-2 Answer the following from the options in the bracket

1. Role clarity helps in (increasing/decreasing) the stress.
2. Having a social circle helps to reduce stress; this is referred to as (Personal management/ **Social Management**)
3. Internal politics within team conflicts is referred to as (Group Dynamics/ **Organisational Conflict**)
4. If a task requires a part to be finished by another teammate, it is called (Task overload/ **Task interdependence**)
5. The alphabet R in the S.M.A.R.T. goals stands for (Reliable/ **Realistic**)

Read the following case and discuss.

Aarti had joined Alpa Ltd. in 2018. As an employee with three years of experience, she is now aware of the culture of the organisation. She has

been the top performer consistently since her joining. Her reporting manager, who previously was a lady, understood Aarti and her strengths well. Aarti, considering the health of her ageing parents, had planned a ten-day leave just when her manager resigned. The new manager, Amit, emphasises formal procedures and protocols and has fixed ways of working. The communication channel has now become more formal, and the leadership style is more autocratic. Employees are asked to inform of every planned and unplanned leave by mail. Amit sees Absenteeism as a characteristic of poor performance. When Aarti came back to the organisation and met her new boss, she felt this change was a mismatch with her personality, values, and working style. She takes no more initiative at the workplace, interacts less frequently and is constantly suffering from Stress due to ambiguity of what would come next. Discuss how Aarti's situation can be improved with reference to stress management techniques.

8.1 Introduction**8.2 Power- Meaning and Bases****8.3 Consequences of Power****8.4 The relationship between Dependency and Power****8.5 Organisational Politics****8.6 Bases of Organisational Politics****8.7 Causes and Consequences of Political Behavior****8.8 Strategies to Manage Organisational Politics****8.9 Ethics and Power**

- ❖ **Keywords**
- ❖ **Exercise**

8.1 Introduction

In 2023, Forbes Magazine rated Xi Jinping, the Prime Minister of China, as the most powerful person in the world. In the Business Arena, Steve Jobs, the founder and CEO of Apple, was always among the top few on the list of the most influential personalities. His employees state that he always knew how to get the best done by his people. The only years Apple was unprofitable were the years when Jobs was absent. But power does not always vest in position; it lies in the person exercising it. For example, leaders like Mahatma Gandhi and Nelson Mandela have been able to exert power and influence on people without any official designation. So, what makes one powerful? What is power? What are the bases of Power?

8.2 Power- Meaning and Bases

Power is the ability to influence people to get desired results. “Power is simply the ability to get things done the way one wants them to be done” (Salancik & Pfeffer, 1989). Power thus refers to the capacity of individual X to influence individual Y so that the latter works by the directions given by the former. Power thus refers to the potential influence that one has over others; the actual use may or may not be present. Power can have both positive and negative consequences. For example, some leaders use their power to achieve favourable results for business and society. In contrast, others use this power to brainwash their followers into doing things that are neither favourable to business nor society.

Bases of Power

Why would one follow or do as instructed to do? The reasons can be many. These reasons refer to the bases of Power. The bases of Power refer to the sources of Power or the reasons that can influence person Y to follow the directions of Person X. These can also be seen as the types of Power.

1. Formal Power

Formal power refers to power arising from designation or authority. It is vested in position. For example, a subordinate will do as instructed by the supervisor because of the power vested in the latter's position. Formal Power can further be divided into sub-types.

- 1) **Coercive Power**—The ability to exercise power by actual or potential threat is coercive power. When the manager in the organisation holds power to control basic and safety needs in the motivation pyramid, he is said to have coercive power. Employees here comply only because they fear being punished or fired.
- 2) **Reward Power**—When employees comply with the will to be rewarded, the manager is said to have reward power. Reward power is the opposite of Coercive power. People here comply because they can receive positive benefits.
- 3) **Legitimate Power** – This refers to the formal authority vested by a structural position in the organisation. The ability to hold strategic Organisational resources. It is broader than reward and coercive power. For example, the traffic policeman holds the legitimate power to produce any citizen before the Authority who fails to follow the traffic rules, even the head of the state.

2. Personal Power

It is the opposite of Formal Power. While the Formal Power is vested in position, Personal power arises out of personality. It is vested in the person, the characteristics that a person possesses. The two sub-types of Personal power are:

- 1) **Expert Power** – The ability to influence others because of the expert degree of knowledge someone possesses is expert power. This power comes from special skills, expertise, or knowledge.
- 2) **Referent Power** – It develops out of admiration or the desire to be like someone. For example, if Mr X holds Mr Y in high regard, the latter can influence the former.
 - Research suggests that personal power is the most influential power base because it directly relates to employee satisfaction. Reward and Legitimate power are not related to Employee satisfaction, whereas coercive power is negatively related to it.
 - The General Postulate of Power is the more significant the dependence of person Y on X, the greater the power of X.

8.3 Consequences of Power

The consequences of power can be both positive and negative. Influential leaders align an entire organisation and motivate them to achieve goals. An example of this can be very well found in the case study of companies like Apple and Tata in India. On the other hand, autocracy can destroy companies and countries and can suppress all voices. As rightly quoted by Edward Dalberg for the first time, “Power tends to corrupt, and

absolute power corrupts absolutely.” Power leads to toxic behaviour as authorities do not fear the consequences and believe that employees shall always fear them. One reason power can be easily abused is that individuals are often quick to conform. So, conformity pressure is the very first negative consequence of power.

1. Conformity

Conformity refers to people’s tendencies to behave consistently with social norms. People conform because they want to fit in with and please those around them. There is also a tendency to look to others in ambiguous situations, which can lead to conformity. The response to “Why did you do that?” “Because everyone else was doing it” sums up this tendency. The following studies have confirmed the pressure of conformity experienced by employees in the organisation.

The Solomon Asch Studies

The research conducted by Solomon Asch concludes that an individual can be made to give an incorrect answer under the power of conformity pressure. The experiment began by showing three vertical lines to the participant, who was asked to state the shortest of the three lines. Groups of four were formed where every person except the participant knew they were part of an experiment and intentionally stated the incorrect answer. 37% of the time, the participant, instead of pointing toward the correct answer, pointed towards an answer where the group pointed and succumbed to the conformity pressure. However, the results showed that even if a single member in the group pointed towards the correct answer, the participant would be encouraged to stick to the correct answer in 75% of the cases. Hence, this experiment proved how the group's conformity pressure can influence organisational decision-making.

The Zimbardo experiments

Philip Zimbardo, a researcher at Stanford University, conducted a prison experiment widely used to show how individuals quickly adapt to roles of authority and never refrain from exercising power if given a chance. Zimbardo created a cell in the university’s basement and selected 24 fit students as volunteers in the experiment. Eighteen were randomly selected and assigned the guard role; the rest acted as prisoners. The guards were asked to maintain law and order but received no formal training. Guards quickly adapted to their roles. Prisoners were suppressed, and guards began to exercise power and started being abusive and aggressive. The experiment planned for 2 weeks, had to be stopped within a week as the guards became more intense with each passing day. These experiments proved that individuals have an inherent tendency to adapt to power roles.

8.4 The relationship between Dependency and Power

Power is directly proportional to dependency. The more the individual X depends on individual Y, the more power Y has over X. Saunders gave this model in the 1990s. How likely X is to rely on Y depends on 3 crucial parameters. 1. Scarcity. 2. Importance. 3. Substitutability

1. Scarcity.

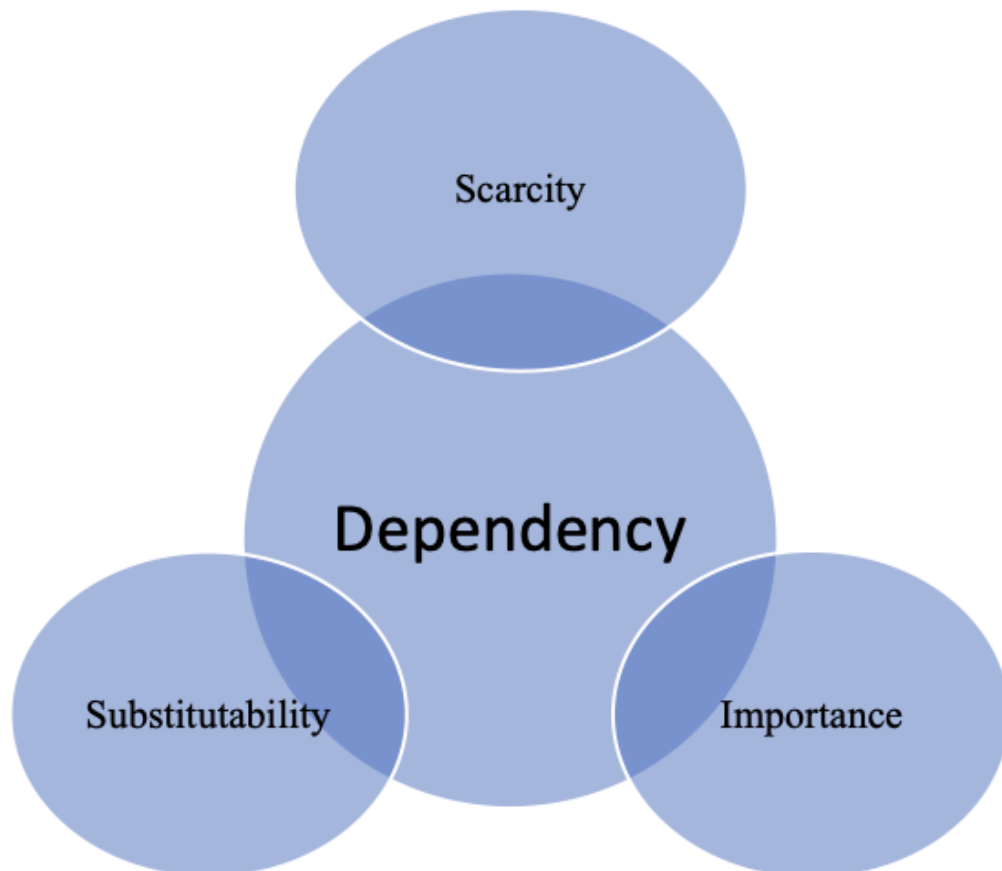
The scarcer a resource, the greater the dependency and the likelihood of Power relationships. The more complex something is to obtain, the scarcer it is. The persuader can exercise power more when the offer seems exclusive or limited. For example, when a manager asks the employee to sign the offer letter by the deadline, or the offer will go to the next best candidate, he persuades the candidate by showing that the job position is scarce.

2. Importance

It refers to the value of the resource for the individual. The question of “How important it is” is the basis of many power relationships. The more vital the resources that an individual holds, the more powerful he is. For example, suppose Person A is the only person in the organisation who can handle salary and payroll-related queries. In that case, it’s most likely that all employees would like to maintain good professional terms with him because getting paid is essential to all of us.

3. Substitutability

It refers to the ability to find a replacement for a resource. The greater the substitutability of a resource, the lesser the power. For example, if person A holds the typing skills for a job that most individuals can do, he is easily substitutable and less powerful than someone with skills that aren’t easily substitutable.



8.5 Organisation Politics

Politics is the Power in Action. When People in power make the actual use of it, we term it Politics. 93% of managers surveyed reported that workplace politics exist in their organisation, and 70% felt that to be successful, a person must engage in politics (Gandz & Murray, 1980). Examples of self-serving or political behaviours include bypassing the chain of command to get approval for a particular project, going through improper channels to obtain special favours, or lobbying high-level managers just before making a promotion decision. Organisational Politics can be defined as the use of Power to affect decision-making in an organisation to achieve outcomes in one's favour. Organisational Politics are informal, unofficial, and sometimes behind-the-scenes efforts to sell ideas, influence an organisation, increase power, or achieve other targeted objectives (Brandon & Seldman, 2004; Hochwarter, Witt, & Kacmar, 2000).

8.6 Bases of Organisational Politics

People in organisations have a different sets of values, goals, and interests. These goals are often in conflict with the goals of the other party. Hence, there is a natural tendency for conflict to arise. To gain a share of resources to satisfy personal goals and vested interests, people indulge in Organisational Politics. Recognition and social needs create a competitive environment in the organisation. Competition intensifies Organisational Politics. There are nine of the most used influence tactics in organisations to exercise power.

1. **Rational Persuasion** – It convinces the other party that the request is reasonable by demonstrating logic and valid arguments. An experiment was conducted where people were lined up at a copy machine, and another person, after joining the line, asked, “May I go to the head of the line?” Surprisingly, 63% of the people in the line agreed to let the requester jump ahead. When the line jumper slightly changed the request by asking, “May I go to the head of the line because I have copies to make?” the number of people who agreed jumped to over 90%. The word *because* was the only difference. Effective rational persuasion includes the presentation of information that is clear, specific, relevant, and timely. Rationality is related to positive work outcomes (Higgins, Judge, & Ferris, 2003).
2. **Inspirational appeals** – It is a form of emotional manipulation. Efforts here are made to change the minds of the other party by targeting their personal values, hope, faith, and commitment, and things are done by inspiring them.
3. **Legitimacy**—Here, power is exercised simply by being in an authoritarian position. For example, when teachers ask class monitors or head boys/girls about some personal work outside the purview of their designated work, most students tend to abide by it without questioning.
4. **Consultation** – Here the target let us say Person X is convinced by consulting with the pros and cons of the decision to favour the plan or goals of Mr Y
5. **Exchange**- Here, Mr. X is offered to do something in return for something.

6. **Personal Appeals** - This is a form of emotional blackmail in which a person is asked to do something for friendship or humanity.
7. **Pressure** refers to a situation where Y can exert physical or mental threats on X to get things done. Research shows that managers with low referent power tend to use pressure tactics more frequently than those with higher (Yukl, Kim, & Falbe, 1996).
8. **Ingratiation** refers to using flattery and praise to get things done. Effective ingratiation is honest, infrequent, and well-intended. A study found that résumés accompanied by a cover letter containing ingratiating information were rated higher than résumés without this information. Besides the cover letter accompanying them, the résumés were identical (Varma, Toh, & Pichler, 2006).
9. **Coalitions**- It refers to convincing the target to agree by enlisting the support of similar others or by joining hands with other influential people in or outside the Organisations. Coalitions are built on peer pressure—testimonials in marketing and advertising point towards this phenomenon. A well-known psychology is drawn upon this phenomenon where the experimenters stare at the top of a building in the middle of a busy street. Within moments, people in a hurry stopped and looked at the top of the building, trying to figure out what the others were looking at. When the experimenters leave, the pattern continues, often for hours.

8.7 Causes and Consequences of Political Behavior

The causes and Consequences of Political behaviour can be vested in an individual or an Organisation. Thus, personal and organisational factors influence politics in organisations. Once the cause becomes functional, it also acts because of political behaviour.

1. Personal or Individual Factors

Some personalities tend to engage in organisational politics more than others. Research has identified that people who are high self-monitors, have a more significant internal locus of control, rank high in Mach Personality, and desire success are likely to be involved in Organisational Politics.

2. Organisational Factors

Certain Cultures and Environments are breeding grounds for politics. When employees perceive that growth in an Organisation is directly related to Politics, they generally engage themselves in Politics. This happens when an opportunity arises, resources are limited, and culture, practices, and the like change.

Following are some of the factors that breed Politics in Organisations.

- 1) **Re-allocation of Resources**—Politics is most grave regarding the distribution of financial and other resources in an organisation. All parties fight for a significant piece of the cake, leading to power and political tactics in the Organisation.

- 2) **Promotion Opportunities-** Politics becomes grave during Performance Appraisals. Employees indulge in flattery, exchange, and sometimes even Pressure tactics to get a promotion.
- 3) **Low Trust-** Employees are likely to engage in politics in situations of low trust and when outcomes are ambiguous
- 4) **Role Ambiguity**—When it is unclear who will do what, Employees indulge in politics to avoid responsibility and accountability.
- 5) **Ambiguity in Performance Appraisal Systems-** When employees do not know what is rewarded and what is expected out of them to be rewarded, they often indulge in emotional manipulation and flattery during performance appraisals. To avoid this, Organisations must make Performance Appraisals transparent and clean.
- 6) **Decision-making**—When decision-making in organisations is democratic, each party tries to convince the other party of its decision, leading to political behaviour.
- 7) **Pressure for achieving targets-** when employees are pressured to get things done quickly, they often do it undesired, misusing power.

8.8 Strategies to Manage Organisational Politics.

- Performance Appraisal system should be as transparent as possible and well-communicated to employees.
- Organisations should attempt to promote Team-based working wherever possible.
- Managers should learn to lead by example. If subordinates see their manager practising ethics and not being involved in politics, they will not.
- Organisations should avoid practices like Nepotism and Favoritism to avoid office Politics.
- Policies should be in place for necessary intervention by higher authorities whenever the time demands.
- Finally, policies for punishment, rewards, etc., should also be implemented to reward professional and non-political, ethical behaviour against political behaviour.

8.9 Ethics and Power

It is common for power to be misused as a tool in Organisations. For example, the CEO and the Board members must undertake regular audits and present the actual picture to the stakeholders, but what if the CEO and the auditor are friends? What if the CEO enjoys referent, reward, and coercive power over other board members? These issues are worth pondering and have scope for future studies on the limitations of power as a tool in organisations.

❖ Keywords

Power, Politics, Distribution of resources, tactics, Causes, Strategies, Pressure, Gains, Goals, Convincing, Threats, Ethics.

❖ **Exercise**

Q-1 Answer the following

1. What is Power, and how is it different from Politics?
2. Discuss the bases of Power.
3. Discuss the factors responsible for Organisational Politics.
4. Is Power always destructive? Discuss.
5. Discuss the consequences of Organisational Politics and strategies to manage them.

Q-2 Attempt the following from the choices in the bracket.

1. Implementation of Power is known as.... (**Politics**/ Persuasion)
2. The ability to influence based on special knowledge is called.... (Reward Power/**Expert power**)
3. Convincing the other party that the request is reasonable based on logic is called.... (Moral Persuasion/ **Rational Persuasion**)
4. Use of flattery or praise to get things done is called.... (Motivation/**Ingratiation**)
5. refers to convincing the target to agree by enlisting the support of similar others or by joining hands with other influential people in or outside the Organisations (**Coalitions**/Coercive Power)

Self-test your knowledge based on the following case study.

Mr. A, an employee of Rajvardhan Ltd., has been a loyal and consistent employee since his joining. He puts in effort to do what is asked of him out of his role and goes even beyond that to achieve performance. However, at the time of appraisal, when the peer review system of appraisal is employed, his peers rate him as an impaired colleague. This is likely due to his strong work ethic, where he neither indulges in unethical behaviour nor allows others in the team to do so. Since peer reviews are an essential part of appraisal at Rajyavardhan Ltd to promote teamwork, Mr A has never been able to get the desired and deserving promotions. Discuss the problems at Rajyavardhan Ltd in light of power and politics and provide feasible solutions.

9.1 Introduction**9.2 Meaning****9.3 Definition****9.4 Example****9.5 Importance, Purposes and Objectives****9.6 Theories of Leadership****9.7 Limitations****9.8 Conclusion****❖ Exercise**

9.1 Introduction

In organisational development, leadership is pivotal in shaping the culture, driving change, and achieving strategic objectives. Effective leadership within this context goes beyond traditional notions of authority and hierarchy; it requires a deep understanding of organisational dynamics, human behaviour, and the complexities of modern workplaces.

Leadership in organisational development involves fostering a culture of continuous learning and improvement, where individuals are empowered to innovate, collaborate, and adapt to evolving challenges. Leaders serve as catalysts for change, guiding the organisation through transitions, managing resistance, and inspiring commitment to shared goals.

Moreover, leaders in this context must possess strong interpersonal skills, emotional intelligence, and the ability to build trust and rapport with diverse stakeholders. They must also be adept at communicating, conveying the organisation's vision and soliciting employees' feedback at all levels.

Furthermore, effective leadership in organisational development requires a commitment to inclusivity, diversity, and equity. Leaders must champion initiatives that promote fairness, respect, and equal opportunities within the organisation, creating an environment where everyone feels valued and empowered to contribute their unique perspectives and talents.

9.2 Meaning

Leadership in organisational development refers to guiding and influencing individuals, teams, and entire organisations to effectively navigate change, enhance performance, and achieve strategic objectives. In this context, leadership goes beyond traditional managerial roles and encompasses a range of skills and behaviours to foster growth, innovation, and adaptation within the organisation.

Leadership influences and guides individuals, groups, or organisations toward achieving common goals or objectives. It involves inspiring others, providing direction, making decisions, and fostering collaboration to navigate challenges and capitalise on opportunities effectively. Leadership can manifest in various contexts, including business, politics, education, community, etc.

9.3 Definition

9.3.1 Warren Bennis: "Leadership is the capacity to translate vision into reality."

9.3.2 John C. Maxwell: "Leadership is not about titles, positions, or flowcharts. It is about one life influencing another."

9.3.3 Peter Drucker: "The only definition of a leader is someone with followers."

9.3.4 Dwight D. Eisenhower: "Leadership is the art of getting someone else to do something you want done because he wants to do it."

9.3.5 Stephen Covey: "Leadership is a choice, not a position."

9.3.6 Ken Blanchard: "Leadership is the capacity to influence others through inspiration, motivated by passion, generated by vision, produced by conviction, and ignited by purpose."

9.3.7 Max DePree: "The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant."

9.4 Example

Ratan Tata, the former Chairman of Tata Sons, exemplifies leadership through his visionary approach, ethical leadership, and commitment to social responsibility. Here are some examples of Ratan Tata's leadership:

Strategic Vision: Under Ratan Tata's leadership, the Tata Group expanded globally and diversified its portfolio significantly. One of his most significant strategic moves was the 2008 acquisition of Jaguar Land Rover (JLR), which transformed Tata Motors into a global automotive powerhouse.

Ethical Leadership: Ratan Tata upheld a solid commitment to ethical business practices throughout his tenure. He emphasised integrity, transparency, and accountability, setting high standards for corporate governance within the Tata Group.

Innovation and Risk-Taking: Ratan Tata encouraged innovation and was willing to take calculated risks. One notable example is the development of the Tata Nano, the world's cheapest car, which aimed to provide affordable transportation to millions of people in India. Although the Nano project faced challenges, Tata's willingness to innovate showcased his bold leadership style.

Social Responsibility: Ratan Tata prioritised corporate social responsibility (CSR) initiatives and believed in giving back to society. Under his leadership, the Tata Group

initiated various philanthropic projects, including the Tata Trusts, which focus on education, healthcare, and rural development, benefiting millions across India.

Employee Welfare: Ratan Tata emphasised the importance of employee welfare and empowerment. He fostered a culture of inclusivity, diversity, and respect within the Tata Group, ensuring employees felt valued and supported.

Crisis Management: During challenging times, such as the global financial crisis of 2008 and 2009, Ratan Tata demonstrated strong leadership by steering the Tata Group through turbulent waters while minimising adverse impacts on its businesses and stakeholders.

9.5 Importance, Purposes and Objectives

Leadership is indispensable to the success and longevity of organisations across all sectors. Here's why:

9.5.1 Setting Direction and Vision: Leaders provide a clear sense of direction and vision for the organisation. They articulate goals, define strategies, and inspire employees to work towards a common purpose, ensuring alignment and focus.

9.5.2 Driving Change and Innovation: Organizations must adapt to stay competitive in today's fast-paced and dynamic business environment. Leaders play a crucial role in driving change, fostering a culture of innovation, and encouraging employees to explore new ideas and approaches.

9.5.3 Motivating and Engaging Employees: Effective leadership boosts employee morale, motivation, and engagement. Leaders cultivate a motivated and committed workforce by recognising and rewarding achievements, providing opportunities for growth and development, and fostering a positive work environment.

9.5.4 Building and Nurturing Talent: Leaders identify and develop talent within the organisation, empowering individuals to reach their full potential. They provide mentorship, coaching, and opportunities for skill enhancement, creating a pipeline of future leaders and ensuring organisational resilience.

9.5.5 Fostering Collaboration and Teamwork: Leadership promotes collaboration and teamwork, breaking down silos and encouraging cross-functional cooperation. Leaders build strong relationships, foster trust, and promote open communication, facilitating cooperation and synergy among team members.

9.5.6 Managing Conflicts and Challenges: Conflicts and challenges are inevitable in any organisation. Leaders possess the skills and experience to navigate through conflicts, resolve issues, and overcome obstacles effectively, maintaining harmony and productivity within the organisation.

9.5.7 Driving Performance and Results: Ultimately, leadership is about achieving results. Leaders set high standards for performance, hold individuals and teams accountable for their actions, and drive continuous improvement and excellence across the organisation.

9.5.8 Enhancing Organizational Culture and Reputation: Leadership shapes organisational culture and values, setting the tone for how employees interact and behave. Leaders enhance the organisation's reputation and build trust with stakeholders by fostering a culture of integrity, transparency, and accountability.

In summary, leadership is essential for organisations to thrive and succeed in today's complex and competitive landscape. Strong leadership drives strategy execution, fosters innovation and collaboration, motivates employees, and ultimately leads to sustainable growth and success.

9.6 Theories of Leadership

9.6.1 Trait Theory: This theory suggests that certain innate traits or characteristics distinguish leaders from non-leaders. Traits such as intelligence, self-confidence, integrity, and charisma are believed to be inherent in influential leaders. However, research on trait theory has shown mixed results, with some studies supporting the idea that certain traits are associated with leadership effectiveness, while others find no consistent pattern.

9.6.2 Behavioral Theory: Behavioral theories focus on the actions and behaviours of leaders rather than their inherent traits. These theories propose that effective leadership can be learned and developed through specific behaviours. Two critical behavioural approaches are the Ohio State Studies and the University of Michigan Studies, which identified dimensions of leadership behaviour such as consideration (relationship-oriented) and initiating structure (task-oriented).

The Ohio State Leadership Studies, conducted in the late 1940s at Ohio State University, aimed to identify the dimensions of leadership behaviour. This research led to the development of the Ohio State Theory of Leadership, also known as the Behaviorist Theory.

The Ohio State Theory identified two critical dimensions of leadership behaviour:

Consideration: This dimension refers to the extent to which a leader demonstrates concern for their followers' well-being, satisfaction, and needs. Highly considered leaders are supportive, approachable, and attentive to their followers' personal and professional development.

Initiating Structure: This dimension pertains to how leaders define and structure their followers' roles, tasks, and goals. Leaders who are high in initiating structure are directive, task-oriented, and focused on clarifying expectations, organising work activities, and setting clear objectives.

The Ohio State Theory suggests that these two dimensions of leadership behaviour are independent, meaning that a leader can exhibit high levels of consideration and initiate structure simultaneously or independently.

The research findings from the Ohio State Leadership Studies demonstrated that leaders who were high in consideration and initiating structure tended to have more satisfied and

productive followers. This theory contributed to a more nuanced understanding of leadership behaviour and highlighted the importance of relationship-oriented and task-oriented behaviours in effective leadership.

However, the Ohio State Theory has been criticised for focusing on behaviour rather than underlying motivations or situational factors. Despite its limitations, the theory provided valuable insights into the multifaceted nature of leadership and influenced subsequent research on leadership behaviour and effectiveness.

The University of Michigan Leadership Studies, conducted in the 1950s, aimed to identify different leadership styles and their impact on organisational performance and employee satisfaction. The Michigan Leadership Studies contributed to developing various leadership theories, including the Behavioral Theory of Leadership.

The Michigan University Leadership Theory identified two primary leadership styles:

Employee-Oriented Leadership (Relationship-Oriented): This style emphasises building strong interpersonal relationships with employees, showing concern for their well-being, and promoting a supportive work environment. Employee-oriented leaders prioritise the needs, feelings, and development of their followers. They focus on fostering mutual trust, respect, and collaboration within the team.

Production-Oriented Leadership (Task-Oriented): This style emphasises achieving organisational goals, maximising efficiency, and maintaining high productivity levels. Production-oriented leaders focus on task accomplishment, setting clear performance expectations, and monitoring progress toward objectives. They prioritise efficiency, effectiveness, and the achievement of results.

The Michigan University Leadership Theory suggests that leaders can exhibit varying degrees of employee-oriented and production-oriented behaviour, leading to four possible leadership styles:

- High Employee-Oriented, Low Production-Oriented
- High Employee-Oriented, High Production-Oriented
- Low Employee-Oriented, Low Production-Oriented
- Low Employee-Oriented, High Production-Oriented

Research findings from the Michigan Leadership Studies indicated that leaders with a high degree of employee-oriented behaviour tended to have more satisfied and motivated employees, leading to higher organisational effectiveness and performance.

While the Michigan University Leadership Theory provided valuable insights into different leadership styles and their impact on organisational outcomes, it has been criticised for oversimplifying the complex nature of leadership and neglecting situational factors. Nonetheless, the theory contributed to a deeper understanding of the relationship between leadership behaviour, employee satisfaction, and organisational performance.

9.6.3 Contingency Theory: Contingency theories suggest that leadership effectiveness depends on the situation or context in which it occurs. One prominent contingency theory

is Fiedler's Contingency Model, which proposes that matching a leader's style (task-oriented or relationship-oriented) and situational favorableness determines leadership effectiveness.

Fiedler's Contingency Theory of Leadership, developed by Fred Fiedler in the 1960s, proposes that effective leadership depends on the match between the leader's style and the situation's situational favorableness or "contingency". Fiedler's theory challenges the notion of a universally effective leadership style and emphasises the importance of considering situational variables when determining leadership effectiveness.

Key components of Fiedler's Contingency Theory include:

Leadership Style: Fiedler identified two primary leadership styles:

Task-oriented leaders: These leaders focus on achieving specific goals and tasks. They are typically directive and concerned with structure and efficiency.

Relationship-oriented leaders: These leaders prioritise building positive relationships with their team members and focus on their well-being and satisfaction.

Fiedler argued that individuals have a relatively fixed leadership style, which is difficult to change.

Situational Favorableness: Fiedler proposed three factors that determine situational favorableness:

Leader-Member Relations: The relationship quality between the leader and their followers. A favourable situation exists when there is trust, respect, and positive communication between the leader and followers.

Task Structure refers to the clarity and structure of the tasks being performed. A favourable situation exists when tasks are clear, unambiguous, and well-defined.

Position Power: The amount of formal authority the leader possesses to reward or punish followers. A favourable situation exists when the leader has significant authority to influence outcomes.

Fiedler argued that a leader's effectiveness depends on the interaction between their leadership style and situational favorableness. For example:

Task-oriented and relationship-oriented leaders are likely to be effective in situations with high favorableness (good leader-member relations, structured tasks, and strong position power).

Depending on the specific circumstances, a task-oriented or relationship-oriented leader may be more effective in situations with low favorableness.

Fiedler's Contingency Theory has generated extensive research and debate in leadership. While it provides valuable insights into the importance of considering situational factors in leadership effectiveness, critics argue that the theory oversimplifies the complex nature

of leadership and does not fully account for other situational variables. Nonetheless, Fiedler's Contingency Theory has influenced subsequent leadership theories and contributed to our understanding of the nuanced relationship between leadership styles and situational contexts.

Situational Leadership Theory (SLT) suggests that influential leaders adapt their style based on the readiness of their followers. It boils down to this:

Leadership Styles: Leaders have different ways of leading, from giving clear instructions to letting followers take charge.

Follower Readiness: Followers vary in their ability and willingness to perform tasks. They might be confident and skilled or hesitant and inexperienced.

Matching Style to Readiness: Effective leadership means using the right style for the situation. For example, if followers are new to a task, leaders should provide clear directions (directing style). As followers become more confident and skilled, leaders can step back and let them take more responsibility (delegating style).

Flexibility: Good leaders are flexible. They assess the situation and adjust their leadership style to fit the needs of their followers.

In essence, Situational Leadership Theory involves leaders being adaptable and knowing when to give guidance and when to step back, all to help their followers grow and succeed.

The Path-Goal Theory of Leadership, developed by Robert House, proposes that influential leaders clarify the path to goal attainment for their followers and provide the necessary support and motivation to help them reach those goals. Here's a brief overview:

Clarify Goals: Leaders communicate clear goals and objectives to their followers, outlining what needs to be achieved and why it's essential.

Clarify Paths: Leaders help followers understand the steps to achieve their goals. This involves providing guidance, resources, and support to navigate obstacles and challenges.

Provide Support and Motivation: Leaders offer their followers support, encouragement, and motivation to keep them focused and engaged in pursuing their goals. This may involve adjusting leadership behaviours to match the needs and preferences of individual followers.

Adapt Leadership Style: Leaders adapt their leadership style based on their followers' situation and characteristics. They may employ directive, supportive, participative, or achievement-oriented behaviours to guide and motivate their followers toward goal attainment effectively.

Consider Contingency Factors: The effectiveness of leadership behaviours depends on various situational factors, such as task structure, follower characteristics, and environmental conditions. Leaders must assess these factors and adjust their approach accordingly to maximise effectiveness.

Overall, the Path-Goal Theory highlights the importance of leaders in facilitating goal achievement by providing clarity, support, and motivation to their followers. Leaders can

enhance follower satisfaction, motivation, and performance by guiding them to success and addressing their needs.

9.6.4 Transformational Leadership Theory: Transformational leadership theory emphasises the leader's ability to inspire and motivate followers to achieve extraordinary outcomes. Transformational leaders are characterised by their vision, charisma, inspiration, and ability to empower and develop followers. This theory emphasises the importance of emotional intelligence, vision articulation, and ethical behaviour in leadership.

Transformational Leadership Theory, developed by James MacGregor Burns and further expanded by Bernard Bass, emphasises the leader's ability to inspire and motivate followers to achieve extraordinary outcomes. Here's a brief overview:

Inspiration and Vision: Transformational leaders articulate a compelling vision for the future that inspires and motivates followers. They communicate this vision to foster excitement, commitment, and shared purpose among their followers.

Individualised Consideration: Transformational leaders show genuine concern for their followers' needs, development, and well-being. They offer support, encouragement, and mentorship and tailor their leadership approach to each follower's individual characteristics and aspirations.

Intellectual Stimulation: Transformational leaders challenge the status quo and encourage creativity, innovation, and critical thinking among their followers. They stimulate intellectual curiosity and encourage followers to question assumptions, explore new ideas, and think outside the box.

Idealised Influence (Charisma): Transformational leaders lead by example and serve as role models for their followers. They demonstrate high ethical standards, integrity, and a strong sense of purpose, earning their followers' trust, respect, and admiration.

Effect on Organizational Culture: Transformational leaders foster a culture of empowerment, collaboration, and continuous improvement within their organisations. They promote open communication, encourage teamwork, and create an environment where individuals feel valued, motivated, and empowered to contribute their best.

9.6.5 Transactional Leadership Theory: Transactional leadership focuses on exchanging rewards and punishments between leaders and followers to achieve desired outcomes. Transactional leaders use contingent rewards (rewards for meeting performance expectations) and management-by-exception (monitoring and intervening when standards are unmet) to maintain organisational effectiveness.

Transactional Leadership Theory, proposed by Bernard Bass, focuses on the exchange relationship between leaders and followers. Here's a brief overview:

Transactional Exchange: Transactional leaders motivate followers through rewards and punishments. They set clear expectations and provide incentives for meeting performance standards while implementing corrective measures when standards are not met.

Contingent Reward: Transactional leaders use contingent rewards as a motivational tool. This involves offering rewards, such as bonuses, promotions, or praise, for followers meeting specified goals or performance criteria.

Management by Exception: Transactional leaders employ a management-by-exception approach, monitoring followers' performance closely and intervening only when standard deviations occur. This can involve correcting mistakes, providing feedback, or taking corrective action as needed.

Active and Passive Leadership: Transactional leadership encompasses both active and passive forms. Active transactional leaders are proactive in setting goals, monitoring progress, and providing rewards or corrections. Passive transactional leaders are more reactive, only intervening when problems arise.

Focus on Stability and Efficiency: Transactional leadership is particularly suited to stable and predictable environments where maintaining efficiency and achieving short-term goals are paramount.

9.6.7 Servant Leadership Theory: Servant leadership emphasises the leader's focus on serving the needs of others rather than pursuing personal power or recognition. Servant leaders prioritise the well-being and development of their followers, fostering a culture of trust, collaboration, and empowerment.

Servant Leadership Theory, coined by Robert K. Greenleaf, emphasises the leader's role as a servant first, focusing on followers' needs, growth, and well-being. Here's a brief overview:

Service Orientation: Servant leaders prioritise serving others rather than seeking power or status. They actively listen to their followers, empathise with their needs, and strive to meet them.

Empowerment and Development: Servant leaders empower and develop their followers, encouraging autonomy, growth, and personal development. They provide support, guidance, and resources to help followers reach their full potential.

Humility and Integrity: Servant leaders exhibit humility and integrity in their actions and decisions. They acknowledge their limitations, admit mistakes, and act with honesty, transparency, and ethical integrity.

Building Community: Servant leaders foster community and collaboration within their organisations. They prioritise relationships, create a culture of trust and respect, and promote teamwork and cooperation among followers.

Focus on Others' Success: Servant leaders measure their success by their followers' success. They celebrate others' achievements and derive fulfilment from helping others grow and succeed.

An example of an Indian leader who embodies servant leadership is Mahatma Gandhi. Gandhi dedicated his life to serving others and promoting social justice, equality, and nonviolent resistance. He empowered people to take action for change,

inspired millions with his selfless devotion to the welfare of others, and led by example through his humility, integrity, and unwavering commitment to his principles. Gandhi's servant leadership style played a pivotal role in India's struggle for independence and continues to inspire leaders worldwide.

9.7 Limitations

9.7.1 Situational Complexity: Leadership theories often simplify the complex nature of leadership by focusing on specific aspects or dimensions. However, real-world leadership situations are usually multifaceted and influenced by various factors, including organisational culture, industry dynamics, and external environment, which existing theories may not fully capture.

9.7.2 Contextual Variability: Leadership effectiveness can vary significantly depending on the context, such as organisational culture, industry norms, and geographical location. What works in one context may not necessarily work in another, making it challenging to apply universal leadership principles across diverse settings.

9.7.3 Individual Differences: Leadership theories often overlook the individual differences among leaders and followers, including personality traits, values, beliefs, and experiences, which can influence leadership effectiveness. One-size-fits-all approaches may not account for these variations, leading to limited applicability in practice.

9.7.4 Dynamic Nature of Leadership: Leadership is a dynamic process that evolves in response to changing circumstances, opportunities, and challenges. Static leadership theories may not adequately capture the dynamic nature of leadership or guide for adapting to changing situations.

9.7.5 Cultural Bias: Many leadership theories have been developed and tested in Western contexts, leading to potential cultural biases and limited generalizability to non-Western cultures. Leadership practices and expectations can vary significantly across cultures, requiring culturally sensitive approaches to leadership theory and practice.

9.7.6 Research Methodology: Some leadership theories are based on empirical research with methodological limitations, such as small sample sizes, self-report measures, or cross-sectional designs, which may impact the validity and generalizability of findings.

9.7.7 Overemphasis on Leader-Centric Approaches: Some leadership theories focus primarily on the leader's traits, behaviours, or styles, overlooking the importance of followership, situational factors, and broader organisational dynamics in shaping leadership effectiveness.

9.8 Conclusion:

Leadership theories offer valuable frameworks for understanding leadership dynamics, guiding development efforts, and informing organisational practices. While they provide insights into leadership behaviours and effectiveness, they also have limitations in capturing the complexities of real-world leadership contexts. Nonetheless, by critically examining and integrating various theories, practitioners can enhance their understanding and develop more effective leadership strategies for diverse settings.

❖ **Exercise:**

Q-1 Theoretical Questions:

- 1 Write a note on the importance of leadership
- 2 What are the types of leadership theories? Write briefly on each, using the examples of various Indian leaders.
- 3 What are the limitations of leadership theories?
- 4 Choose one Indian leader and write about their leadership style by associating it with any leadership theory you know.
- 5 Write a detailed note on situational leadership theory

Q-2 Short Note:

- 1 Write a short note on the behavioural theories of leadership

Q-3 MCQs:

- 1 Leadership is all about the followers, said _____
[A] Stephen Robbins
[B] French and Bell
[C] **Peter Drucker**
[D] Fred Luthans
- 2 Mahatma Gandhi is an example of a _____
[A] **Servant Leader**
[B] Transactional Leader
[C] Charismatic Leader
[D] Transformational Leader
- 3 **The Path-Goal Theory is a type of _____ theory of leadership.**
[A] Transactional
[B] Behavioural
[C] Trait
[D] **Contingency**
- 4 **Management by Exception is an example of _____**
[A] **Transactional Leadership**
[B] Transformational Leadership
[C] Charismatic Leadership
[D] Situational Leadership
- 5 _____ **is an obstacle to implementation of a training program.**
[A] Training Methods
[B] **Resistance to Change**
[C] Poor Documentation
[D] None of the Above
- 6 **According to Fiedler, two types of leadership styles include _____ and _____**
[A] Situation and Contingency

- [B] People-Oriented and Situation-Oriented
- [C] Situation-Oriented and Task-Oriented
- [D] People-Oriented and Task-Oriented

7 Most of the leadership theories are developed in the _____ world, which may not make them apt for other parts of the world.

- [A] Eastern
- [B] Western**
- [C] Southern
- [D] Northern

8 In general, the oldest theories of leadership are believed to be _____

- [A] Trait Theories of Leadership**
- [B] Behavioural Theories of Leadership
- [C] Situational Leadership Theories
- [D] Servant Leadership Theories

9 Inspiration and Vision are essential features of _____ theory of leadership

- [A] Transactional
- [B] Transformational**
- [C] Authentic
- [D] Online

10. A great leader must be employee-oriented, and the employees will take care of everything. This statement is _____

- [A] True
- [B] Maybe False, but true in some conditions
- [C] Maybe True, but false in some conditions
- [D] False**

Case Study:

Mukesh Ambani, the chairman and largest shareholder of Reliance Industries Limited (RIL), is widely regarded as one of India's most influential and successful business leaders. Here's a brief case study of his leadership:

Visionary Leadership: Mukesh Ambani has demonstrated visionary leadership by transforming Reliance Industries from a traditional textile company into a diversified conglomerate interested in petrochemicals, refining, oil and gas exploration, telecommunications, retail, and digital services. His vision for Reliance to become a global powerhouse has led the company to expand its footprint across diverse sectors and geographies.

Strategic Expansion: Under Ambani's leadership, Reliance Industries has pursued strategic expansion initiatives, including acquisitions, joint ventures, and partnerships, to drive growth and diversification. Notable examples include the acquisition of refining assets abroad, partnerships with global technology firms for digital initiatives, and the launch of Jio Platforms, which has disrupted India's telecommunications and digital services market.

Innovation and Technology: Ambani has emphasised innovation and technology as key growth drivers for Reliance Industries. He spearheaded the development and launch of Jio, India's largest telecommunications network, revolutionising the industry by offering affordable high-speed internet access to millions of people. Additionally, Ambani has focused on leveraging technology in other sectors, such as retail and digital services, to enhance operational efficiency and customer experience.

Commitment to Sustainability: Ambani has demonstrated a commitment to sustainability and environmental stewardship in Reliance Industries' operations. Under his leadership, the company has invested in green initiatives, renewable energy projects, and initiatives to reduce its carbon footprint. Ambani has also emphasised the importance of corporate social responsibility, with initiatives focusing on education, healthcare, and rural development.

People-Centric Leadership: Ambani's leadership style is characterised by a focus on people and talent development. He has cultivated a culture of entrepreneurship, innovation, and excellence within Reliance Industries, empowering employees to take initiative and drive business growth. Ambani's emphasis on talent acquisition, training, and retention has been instrumental in building a skilled workforce capable of executing the company's ambitious growth plans.

Global Recognition: Mukesh Ambani's leadership has garnered international recognition, with numerous accolades and awards for his contributions to business and industry. He has been featured on various lists of the world's most influential business leaders and praised for his strategic vision, innovative approach, and commitment to driving positive change.

Mukesh Ambani's leadership at Reliance Industries exemplifies strategic vision, innovation, commitment to sustainability, and a people-centric approach. His transformative leadership has propelled Reliance Industries to new heights of success and significantly impacted India's economy and society.

- 10.1 Introduction and Origin of Organization Culture
- 10.2 Growth, Value and Relevance of Organization Culture
- 10.3 Types of Organisational Culture
- 10.4 Management of Change: Meaning
- 10.5 Managing Change in the Workplace
- 10.6 Change Management and Organisational Culture
- 10.7 Change Strategies
- 10.8 When does your organisation need a Culture Change?
- 10.10 Guidelines to Improve Major Points of Company Culture
- 10.10 Four Examples of Changing Company Culture
- 10.11 Steps to ensure team's success in the workplace to improve Organizational Culture
 - ❖ Conclusion
 - ❖ Exercise

10.1 Introduction and Origin of Organization Culture

Organisational culture relates to how a business is perceived, which means how it is perceived from the outside and how those within the organisation perceive it. Culture is one of a few perspectives that can help us understand more about a business. HR professionals must understand how organisational culture can offer insights into understanding differences and explaining performance.

There is no perfect answer to where the culture of a business evolved from and how it gets developed, as culture is a concept that is multifaceted and gets developed slowly over time. Culture is often transmitted by the following:

- i. The institution's philosophy; themes like equity and diversity, participation, striving for excellence, research and development, reputation, etc.
- ii. The approach to change which is adopted and how leaders act.
- iii. The criteria for evaluating and rewarding performance, job progression, and the organisation's mission statement.
- iv. Culture is also transmitted in the informal history of the organisation, which is shared in stories and legends about key people and events that have affected it.

Origin of Organization Culture

The term organisational culture, or culture in the organisational context, was first introduced by Dr. Elliott Jacques in his book *The Changing Culture of a Factory*. (Jacques, 1951). This was a published report of “a case study of developments in the social life of one industrial community between April 1948 and November 1950.” The “case” was a publicly held British company engaged principally in manufacturing,

selling, and servicing metal bearings. The study was concerned with describing, analysing, and developing corporate group behaviours.

According to Dr Jacques, “The culture of the factory is its customary and traditional way of thinking and doing things, which is shared to a greater or lesser degree by all its members, and which new members must learn, and at least partially accept, to be accepted into service in the firm...”. (Jacques, 1951, p251) In simpler terms, it means the extent to which people can share common wishes, desires and aspirations and commit themselves to working together. It is a matter of being able to care about the same things, and it applies to nations and associations and organisations within nations.

In 1998, Dr. Jacques wrote *Requisite Organizational: A Total System of Effective Managerial Organization and Managerial Leadership for the 21st Century* (Jacques, 1998). In this book, he presented his concept of the requisite organisation. Dr. Jacques states, “Prerequisite organisation means doing business with efficiency and competitiveness and releasing human imagination, trust, and work satisfaction.”

10.2 Growth, Value and Relevance of Organization Culture

Every organisation has a culture and an inherent value system that really defines it. Organisational culture is the broad spectrum of shared beliefs, values, practices, anecdotes, and traditions that shape the behaviour of individuals within an organisation. Values are people's beliefs and principles that guide decisions and actions. An organisation's culture and values shape employees' behaviour and attitudes toward each other and other stakeholders, including customers, and ultimately impact the organisation's success.

Organisational culture is often implicit and can be difficult for a newcomer to understand fully. It can take time and careful observation for newcomers to understand the norms, values, and expectations that shape behaviour within an organisation. Therefore, to understand the organisation, a newcomer should pay close attention to the behaviour of others, the decision-making process, and, most importantly, the unwritten rules that govern interaction within the organisation. If need be, they may also be guided suitably in their transition to Professional Career.

Assimilation of organisational culture and values is a crucial part of onboarding. A mismatch between an individual's values and their organisation's culture or value system is a leading cause of attrition or turnover. When personal values are not aligned with the organisation's, a sense of dissonance or conflict leads to job dissatisfaction and, ultimately, the decision to quit. However, on the positive side, if an individual's values align with the organisation's, there is a greater sense of engagement and job satisfaction. This leads to increased motivation, productivity, and retention.

All newcomers and existing employees are a source of talent and human potential for an organisation. Talent is the specific natural ability or aptitude that an individual possesses in a particular skill or activity. It is often innate and can be seen in an individual's early years. For example, a talent for music, art, athletics, or public speaking. It is the present—something which has been developed and is proven. Human potential is broader; it is the overall capacity of an individual to achieve goals and reach full potential in all areas of life, not just in one talent or skill. It includes an individual's cognitive, emotional, physical, and spiritual abilities, as well as their

capacity for growth and development. It may require development, nurturing, and practice to realise fully. It is the future. Some examples of human potential include:

1. Creativity: the ability to develop new perspectives, ideas, concepts, and solutions to problems.
2. Critical thinking: the ability to analyse information, evaluate and weigh arguments, and make sound judgments.
3. Emotional intelligence: the ability to understand and manage one's emotions and those of others.
4. Resilience: the ability to bounce back from setbacks and challenges and the belief that these are part of life
5. Curiosity: the desire to explore new things and learn from them. To retain the child within yourself.
6. Leadership: the ability to inspire and influence others towards a common goal.
7. Adaptability: the ability to adjust to changing situations and environments.
8. Empathy: the ability to understand and connect with the feelings and perspectives of others.
9. Leadership: the ability to inspire and influence others towards a common goal.
10. Adaptability: the ability to adjust to changing situations and environments.
11. Empathy: the ability to understand and connect with the feelings and perspectives of others.
12. Communication: effectively conveying and receiving ideas and information.
13. Perseverance: the ability to keep the effort in facing obstacles and challenges.
14. The development of human potential is a lifelong process. It requires continuous learning and self-reflection, leading to growth. It is the best part of being human. It requires time and sustained effort through formal education, training, mentoring, or self-directed learning. The workplace is an important arena for flowering human potential, where individuals develop their skills, knowledge, and abilities and apply them meaningfully to contribute to organisational goals and objectives.
15. Organizational culture and values thus significantly impact the growth and development of human potential. A negative or toxic organisational culture inhibits growth and development by creating a stressful and unfulfilling work environment. Individuals may feel unsupported, unfairly treated, and unable to express themselves freely, leading to burnout, disengagement, and overall stunted growth. On the other hand, a supportive organisational culture encourages individuals to take risks, learn new and relevant skills actively, and pursue their passions within overall organisational goals. It changes the energy and vibes in the organisation. It also provides opportunities for mentoring and coaching, continuous learning, and collaboration, which help individuals realise their full potential. Positive organisational culture also influences many other crucial factors, including how work is organised, decisions are made, conflicts are resolved, and employees are recognised and rewarded.

10.3 Types of Organisational Culture

Types of Organisational Change include:

- Process changes
- Organisational re-structuring/re-organisation
- Culture change

- Facilities/location change
- Staffing levels/positions
- IT/Systems Implementation

There are four types of organisational culture; let us discuss them in Detail:

A collegiate organisational culture is like the classic structure of old universities, particularly those with a strong research focus. The following characteristics define it:

- There is a dual structure of administrative and academic management, which results in parallel committee structures that can act as a black hole for decision-making.
- There are often unclear reporting lines, poor coordination, strong local cultures, agendas, and identifiers.
- Academic status is perceived as higher than support or administrative functions.
- There are strong subject-specific allegiances, with academics often feeling a stronger alliance with their subject area and external networks than the institutional mission.
- Decision-making occurs through committees, which can be slow and lack consistency; activities tend to be driven from the ground and primarily linked to local interests.

A bureaucratic organisational culture is:

- Characterized by strong central management and top-down decision-making.
- The hierarchy of control and decision-making is established in the administrative and management structures of the institutions.
- Management roles are clearly defined as career progressions; (academic) heads of departments, deans, etc., are appointed through an interview process to tenured positions.
- Central management has strong control over the direction of the strategic priorities for the institution.

An innovative organisational culture is defined by:

- Institutions with flexible structures geared to respond and adapt quickly to external factors and influences.
- Strong culture of change and innovation, with frequent changes in directions of activities and focus of interest.
- Often characterised by a matrix structure of responsibilities by subject area and functional activity (where the latter will often be structured around the identified strategic priorities).
- Typically, activities focused on projects and associated project teams.
- Characteristic of some new universities and colleges; also present in older universities within the sub-structures of enterprise and research centres, which are externally funded.

The following characteristics define an enterprise's organisational culture:

- More closely aligned to traditional business and industry approaches.

- Acutely aware of financial mechanisms and processes; alert to external opportunities.
- Traditional management roles and structures with clear boundaries of responsibilities; hierarchical decision-making processes.
- Clear business objectives and plans based on detailed market analysis and needs.
- More common in the United States, particularly newer educational institutions focused on distance education.

10.4 Management of Change: Meaning

An organisation's business and operating climate can change frequently, which can also affect the role of HR. Change management deals with the impact of change on an organisation. In many cases, the HR department serves as a link between company management and employees, playing a fundamental role in facilitating change. There are two key types of change that can occur within an organisation: planned and emergent.

Planned: Sometimes change is deliberate - a product of conscious reasoning and actions, i.e., planned change.

Emergent: In contrast, change sometimes unfolds spontaneously and unplanned. This type of change is known as emergent change.

Change is emergent rather than planned if it is based on two factors:

- Managers** make a few decisions unrelated to the change that emerges. The change is, therefore, not planned.
- External factors**, such as the economy, competitors' behaviour, and political climate, as well as internal features, such as the relative power of different interest groups and the distribution of knowledge and uncertainty, influence change in directions outside the control of managers. Even the most carefully planned and executed change program will have some emergent impacts.

10.5 Managing Change in the Workplace

Keyways to improve organisational culture include:

- Connect employee work to a purpose.
- Create positive employee experiences.
- Be transparent and authentic.
- Schedule regular and meaningful work
- Encourage frequent employee recognition.

Change management entails supporting individual employees impacted by the desired change to manage their own transition process. The success of any change initiative depends on the ability of the people involved to accept and embrace the desired change. It is important to understand change as a social process—that is, to know and understand its effects on people.

- Process changes
- Organisational re-structuring/re-organisation

- iii. Cultural change
- iv. Facilities/location change
- v. Staffing levels/positions
- vi. IT/Systems Implementation

10.6 Change Management and Organisational Culture:

An important aspect of implementing organisational change is understanding your political and cultural environment. This will help you to identify potential obstacles and areas of resistance. There are two main aspects to the issue of change and culture:

- The importance of working within the existing culture when implementing change.
- Knowing how to influence or change the organisational culture, where necessary.

When dealing with change, it's important to recognise that different institutions have different cultures and that there are often sub-cultures in different work departments or subject areas.

10.7 Change Strategies:

There are five main approaches to implementing and managing a change initiative.

- i. **Directive:** A directive approach to change highlights the manager's right to manage change and the use of authority to impose change, with little or no involvement of other people. The advantage of the directive approach is that change can be undertaken quickly. However, a disadvantage of this approach is that it does not consider the views or feelings of those involved in or affected by the change. This approach may lead to valuable information and ideas being missed. Also, staff usually strongly resent when changes are imposed rather than discussed and agreed upon.
- ii. **Expert:** This approach sees change management as a problem-solving process that needs to be resolved by an 'expert' or specialist in the area related to the change. It is mainly applied to technical problems, such as introducing a new learner management system. A specialist project team or senior manager will normally lead it. There is likely to be little involvement with those affected by the change. The advantage of using this strategy is that experts play a major role in a solution, and the solution can be implemented quickly. However, there are issues regarding this approach; those affected may have different views than the expert and may not appreciate the solution imposed upon them.
- iii. **Negotiation:** This approach highlights the willingness on the part of senior managers to negotiate and bargain with others to effect change. Senior managers accept that adjustments and concessions may need to be made to implement change. This approach acknowledges that those affected by change have a say in how it is implemented and the expected outcomes. Disadvantages of this approach include the fact that it may take more time to effect the change, the outcome may not be surely predicted, and the changes made may not fully fulfil management's expectations. The

advantages of this approach are individuals feel involved in the change and may be more supportive of it.

- iv. **Education:** This strategy involves trying to change people's values and beliefs so they will more easily support change. Various activities can be used: information, persuasion, selection, and training. Consultants, specialists, and in-house experts can be utilised. A disadvantage of this approach is that it takes longer to implement. An advantage is that individuals in the organisation are more likely to have a positive commitment to the changes being made.
- v. **Participation:** This strategy stresses the full involvement of those affected by the change. Although driven by senior managers, the process will be less management-dominated and more by groups or individuals within the organisation. All views are considered before changes are made. Outside consultants and experts can be used to facilitate the process, but they will not make any final decisions regarding outcomes. The main disadvantages of this process are the time it takes, more costly due to the number of meetings and the payment of consultant experts, and outcomes that cannot always be predicted. The benefits of this approach are changes are more likely to be supported due to the involvement of those affected; the commitment of people in the organisation may increase if they feel they have ownership of the changes being made; organisations and staff may learn from the experience, understanding more how things function, thereby increasing their knowledge, skills, and effectiveness.

10.8 When Does Your Organization Need a Culture Change?

A company's culture can determine the outcomes of employees, customer relationships and revenue — for better or worse. At its best, company culture can increase employee retention, engagement and performance, positively impacting company goals and objectives. When employees are disengaged, customers shy away, and business targets aren't met, it may be time to reevaluate your company culture and make necessary changes.

Unlike a process improvement plan or top-down management approach, a company culture change focuses on holistic overhaul and how to apply a shift in mindset to various areas at a time. Changing a company's culture is a long-term initiative, and every employee needs to get involved.

If it's time to change your workplace culture, here are five crucial steps to follow:

- i. Determine the Goals of your Culture.
- ii. Assess your current company's culture.
- iii. Revisit and define core values.
- iv. Map out a plan with benchmarks.
- v. Evaluate your Progress.

i. **Determine the Goals of your Culture.**

Before you can make moves to improve your company culture, establish an idea of your ideal culture. How should managers interact with their direct reports? How often should meetings be held? Are you imagining a loud, vibrant and creative space, or do you envision the office being quieter, emphasising independent work?

Answering these questions before evaluating your current organisational culture is important to ensure the results do not influence you.

ii. Assess your current company's culture.

Next, determine what you're up against by assessing your company and determining which type of organisational culture it follows. Then, evaluate the existing elements — or lack thereof — that contribute to the kind of culture you want to see. Is your team communicative, or are employees siloed from one another? How accessible is the C-suite, and are they transparent with the rest of the team? Do employees have opportunities to make career advancements?

A major indicator of a strong company culture is employee engagement. Conduct a quick employee engagement survey to gauge how motivated, passionate and invested your employees are in the company. Then, analyse the results and determine which data sets skew more negative than positive — these areas of your company require immediate attention.

Finally, ask your employees for their thoughts and opinions on the type of culture they'd like to see. No one person is responsible for defining a company's culture, and your culture will naturally evolve as your company grows and new hires are onboarded. Consider your employees' input, as everyone will play a role in shaping the new culture you create.

iii. Revisit and define core values.

Now, please look at your core values and ensure they still work for the organisation you wish to have. If you haven't laid out your core values yet, now's the time to do so. A strong organisational culture results from carefully thought-out and continuously upheld values. If necessary, rework your core values to make sense of the envisioned company culture and are well structured to guide its evolution.

Consider your organisation's long-term goals — what do you hope to achieve within the next five years, and how do you plan to get there? If you aspire to be at the forefront of your industry, include innovation as one of your core values.

From there, take steps to foster an innovative culture by establishing regular brainstorming sessions and creating opportunities for collaborative work. Ensure all the key players — C-suite members, long-term employees and HR reps — are aligned on your core values before putting them into production and promoting them to the team.

iv. Map out a plan with benchmarks.

It's easy to analyse and call the data a day, but your team is counting on you to act. If you say you will improve company culture, follow that promise and establish positive habits, the rest of the company can pick up. A winning culture is founded on communication, trust, and movement between all company members, and leadership is no exception to that rule.

Once you've identified your organisation's areas for improvement, develop a strategy, establish a timeline, and set benchmarks so you can gauge your progress. For example, if your team aims to improve diversity and inclusion within your company culture, survey your employees to determine areas of your culture that could be more inclusive, set diversity hiring goals or host regular diversity and inclusion training

sessions. If your team fails to meet benchmarks, you'll know whether you need to ramp up your efforts or scale back your goals to be more attainable.

10.9 Guidelines to improve major points of company culture:

When developing an action plan, feel free to use the following guidelines to enhance major points of company culture:

- **Model Your Values**

Simply put, leading by example is the best way to encourage a core value or behaviour. "Do as I say, not as I do" isn't going to fly. If executives expect one thing from employees but do another, leadership will appear disingenuous.

- **Reinforce Positive Behaviours**

Encourage HR to develop special perk packages or recognition awards to reward employees for adhering to and promoting your company values. Even simpler, create a message board or meeting session where employees can shout out their peers and management can praise their reports for going the extra mile.

- **Discourage Negative Behaviours**

Similarly, make sure any activities or attitudes that are not in line with your company culture don't go overlooked. Allowing counterproductive behaviours to continue signals the company isn't serious about the core values laid forth.

- **Create Committees and Employee Groups**

Assemble a team to help organise events and promote exciting initiatives that align with your core values. Company-wide events will foster employee relationships and ensure the entire team knows and supports your values.

Go a step further and segment the responsibilities of each initiative across multiple committees. For example, establish a health and wellness committee to oversee wellness initiatives, a charity committee to coordinate volunteer opportunities, and a diversity and inclusion committee to focus solely on improving diversity efforts. This approach will help ensure that all important aspects of your culture are properly supported.

- **Hire for Cultural Add, Not Cultural Fit**

Gone are the days of hiring candidates who neatly fit into your company's Mold. Instead, recruiters are focused on the cultural-add hiring model and identifying individuals who share the company's core values and bring a unique perspective to the table that can help the organisation grow.

- **Finalize Your Employee Value Proposition**

An employee value proposition is the backbone of your employer brand and must answer two essential questions: What can employees expect of your company, and what does your company expect of the candidate or employee? Your employee value proposition should accurately explain what kind of culture prospective candidates can look forward to as an employee at your company. Because an employee value proposition is utilised during the recruitment stage, approach it to gauge the desirability of your company culture.

v. Evaluate your Progress.

No successful strategy is complete without assessing its progress. While carrying out your plan, ask your employees for feedback. This will help ensure that your efforts are not only effective but that your objectives have the backing of your staff. Anonymous pulse surveys where individuals can provide feedback will help create a positive work culture built on trust and communication.

10.10 Four Examples of Changing Company Culture

a. Provide collaborative workspaces.

With company culture in mind, Chicago-based IT consulting firm Kin + Carta purposefully designed its office floor plan. “We wanted every space in our office to be truly functional and usable for our employees while also allowing the office to highlight our culture,” Valerie Sokola, executive assistant and senior office manager, told Built In. “We mixed open collaboration areas with bookable conference rooms, sit-to-stand desks and networking areas to give our employees a variety of choices for how and where they can work.”

b. Promote and practice work-life balance.

To accommodate life outside of work, HyperScience developed a perks package that enables its employees to be their best selves both at and beyond the office. The New York-based AI company offers employees 30 days of paid PTO annually, commuter benefits, professional development opportunities, six-month parental leave, and childcare stipends.

“Hyper Science gives employees the ability to do our jobs exceptionally well without compromising our lives outside of the office — or the lives of our colleagues,” Sarah Birnbaum, vice president of customer success, told Built In. “I am a woman, a mother, a wife, a lover of theatre, a swimmer — the list goes on. The benefits, the perks, and the culture they support allow me to bring my full self to the table and know I’m welcome.”

c. Apply hiring best practices.

For the team at Pay-velocity, a cloud-based payroll and HCM software company, hiring for culture has been the key to successfully improving their organisational culture. “As we look to grow our teams, we look for folks that will add to and improve our culture; tech skills are not enough,” Christine Pellini, vice president of product and technology at Pay-locity, told Built In.

“We’re fortunate to have a strong organisational culture and articulation of that in our principles, which we make part of our onboarding for everyone that joins us,” Brian Wolkenberg, director of product and technology, added. “Successful teams engrain our principles into their routines and norms and include regular feedback loops on how well we’re living them. Lastly, we create opportunities for teams to meet throughout the year to reinforce culture and strengthen relationships.”

d. Establish a culture committee.

For its backup, a cloud-based backup solutions provider located in New York established a culture committee to help ensure all its culture initiatives stayed on track. The committee includes “employees from across the company who are

tasked with ensuring we maintain our culture as we continue scaling rapidly,” Robert Ween, regional sales manager, told Built In.

“The committee proposes ideas such as community service events, fun outings, best practices for employee engagement, optimising the new hire experience and soliciting feedback from the team. It’s special to us that employees can work together to ensure we stay true to our core values and keep building our culture.”

Company culture is not a buzzword when interviewing candidates or in internal communications. Organisational culture is the shared values, attitudes and beliefs that shape your company. It’s a significant part of your employer’s efforts and not something to be overlooked. If your company culture appears lacking, take the necessary steps to cultivate a well-rounded work environment and employee experience you’re proud of.

Indian Oil has Care, Passion, Innovation and Trust as core values. These go a long way towards fostering an organisational climate to develop Human Potential.

1. Care creates a supportive and nurturing environment where individuals feel valued, respected, and encouraged. It helps Individuals to be creative, take necessary risks, reflect, and learn from their experiences to achieve their potential.
2. Passion: Passion is a driving force that fuels an individual's desire to learn, grow, and achieve their full potential. Passionate individuals are more engaged with their work, motivated, and committed to personal and professional growth. Passion acts like the energy that makes growth seem effortless.
3. Innovation: Emphasis on innovation encourages individuals to tread the unknown path, challenge assumptions, and experiment with new ideas and approaches. Innovation also fosters a willingness to take risks and learn from failure. An organisation that is willing to let its people innovate is future-proofing itself.
4. Trust: Trust is critical as it creates a safe and supportive environment where individuals feel free to express themselves, take risks, and learn from their own and others' experiences. When individuals trust their colleagues and leaders, they are more likely to collaborate. Trust acts as a multiplier, as knowledge and skills spread easily, and peer learning is vastly improved.

10.11 Steps to ensure team’s success in the workplace to improve Organizational Culture

If you're in a leadership position at work, follow these steps to ensure your team achieves success in the workplace:

- i. Communicate well: Knowing how to communicate well is the best way to improve organisational culture. Miscommunication is why people become unsatisfied with their jobs and start looking for other opportunities. Help your team have a better experience by doing your part to communicate well. When sending emails and contributing to meetings, try to share your ideas in the clearest possible way. Sometimes, it helps to provide people with background information on an issue or give specific examples. When people seem confused, look for ways to simplify your message. Encourage people to ask questions.

- ii. Listen to concerns and ideas: If you're in a leadership position, provide your employees with a public (or anonymous) platform that makes it easy for them to share their opinions. Encourage one-on-one meetings with team members to allow them to speak openly yet privately about sensitive concerns. Letting employees know they can come to you when they have questions helps them feel valued.
- iii. **Encourage feedback:** If you notice that a certain aspect of the company needs improvement, take time to provide feedback and encourage others to do the same. Some companies have policies that dictate the process of giving feedback, while others are more relaxed. When leaving feedback, keep your communication professional and honest. Provide details and offer possible solutions to any problems the company is facing.
- iv. **Be consistent:** Consistency in your leadership efforts helps people experience a sense of stability. Once a company's organisational structure is in place, do your best to maintain processes and procedures. Treat everyone in the same professional manner and avoid giving preferential treatment.

Conclusion

We all know humans have a fundamental need for social connection and spirituality. As a good part of waking hours are spent working, the social context provided by organisations through the formation of work teams, social events, and other opportunities for employees to interact and collaborate is very important. Organisations also provide a context for spiritual development by fostering a sense of community and shared purpose among employees, promoting ethical and moral values, and encouraging personal and professional growth. It is, hence, a moral duty of the organisation to have an enabling culture for the development of Human Potential.

There is also an economic rationale. The new workforce, i.e., Millennials, are generally known for valuing personal growth and development. This differs from previous generations, who prioritised job security over personal growth and development. They understand that they may not stay with one organisation throughout life, and their growth and development are the best insurance for staying relevant in the job market.

The next generation on the job market is Gen Z. This generation also values personal growth and development. They have grown in the new digital age. They are more comfortable with changing technology and social media than previous generations. They are also the first generation to have grown up in a connected, globalised world. Hence, Gen Z is more diverse and inclusive than previous generations and strongly emphasises social justice and equality. They have heightened sensitivity about issues such as climate change, racial justice, and gender equality, as they feel this affects them directly.

Organisations will need to adapt to their unique needs and preferences to attract and retain top talent who align with their values around social justice, environmental sustainability, and accelerating Digital Workplaces.

Digitalisation, sustainability, and dignity will likely be the future Core Values for adoption in any organisation.

Digitalisation has already improved human potential growth through the democratisation of knowledge. Online courses, tutorials, and educational videos allow people to expand their knowledge and improve their skills in formerly inaccessible areas. Indian Oil is well-placed as a leading in-house E-learning Content provider in Swadhyaya. A suitable framework must be in place to further integrate the online web resources. We must make crucial journeys during other aspects of digitalisation with robust cross-functional design thinking.

Sustainability will improve human potential growth by further promoting innovation and creativity. New technologies, processes, and products will transform society and create new opportunities for human potential growth and development. Indian Oil, as a leading energy provider, will need to tread this path sooner than many other organisations. Part of the challenge will be attracting the best talent and having a well-articulated vision and plan.

Human dignity refers to the inherent belief in the worth and value of every human being. It is the understanding that respect is due to them simply because they are human. By upholding the dignity of all, an environment in which everyone can reach their full potential is realised. Indian Oil, as an equal-opportunity employer, is well placed in this regard. As the marketplace becomes ever more competitive and the era of viral news, tweets, and WhatsApp becomes a norm, stakeholders' effectiveness and novel steps for equity will need to be ensured.

❖ Exercise

Q-1 Theoretical Questions

1. Explain the concept of Organizational Culture. Also, explain the Growth, Value, and Relevance of organisational culture.
2. Discuss the different types of organisational culture—state relevant examples.
3. What is Management of Change? Elaborate upon the different change strategies.
4. When Does Your Organization Need a Culture Change? Explain.
5. Write and explain the Guidelines to improve major points of company culture and state four examples of changing company culture.

Q-2 Write Short Notes on:

1. Steps to ensure the team's success in improving Organizational Culture
2. Change Management and Organisational Culture
3. Examples of human potential

Q-3 Multiple Choice Questions:

1. The term organisational culture, or culture in the organisational context, was first introduced.
 - A. Dr.. Elliott Jacques
 - B. Dr. James
 - C. Dr. Peter Drucker

- D. Dr. Lebestein
2. The desire to explore new things and learn from them. To retain the child within yourself
 - A. Anxiety
 - B. Leadership
 - C. Curiosity
 - D. Creativity
 3. _____ will improve the growth of human potential by further promoting innovation and creativity.
 - A. Existence
 - B. Durability
 - C. Enduring
 - D. Sustainability
 4. Collegial organisational cultures are similar to the classic structures of old universities, particularly those with a strong research focus.
 - A. Innovative organisational culture
 - B. Collegiate organisational culture
 - C. Bureaucratic organisational culture
 - D. Enterprise organisational culture
 5. Digitalization has already improved the growth of human potential through the democratisation of _____.
 - A. Knowledge
 - B. Literacy
 - C. Comprehension
 - D. Enterprise
 6. Changing a company's culture is a long-term initiative, and every employee needs to get _____.
 - A. Engrossed
 - B. Attached
 - C. Involved
 - D. Detached
 7. When people seem confused, look for ways to simplify your _____.
 - A. Message
 - B. Words
 - C. Context
 - D. Manner
 8. The workforce, i.e., _____, as a generation, is generally known for valuing personal growth and development.
 - A. Baby boomers
 - B. Gen Z
 - C. Alpha
 - D. Millennials
 9. The success of any change initiative depends on the people involved's ability to accept and embrace the desired _____.
 - A. Knowledge
 - B. Change

- C. Understanding
- D. Progress

10. Which is not the Step to ensure team success in the workplace to improve Organizational Culture?
- A. Encourage feedback.
 - B. Office grapevine.
 - C. Be consistent.
 - D. Listen to concerns and ideas.

Answer: 1-A, 2-C,3-D,4-B,5-A,6-C,7-A, 8-D,9-B,10-B

Q-4 Short Questions

1. Who has introduced the term Organization Culture?
2. Define the term Resilience and Empathy.
3. Briefly explain the concept of Collegiate Organization culture.
4. Name two key types of change that can occur within an organisation.
5. Which two factors suggest that change is emergent and not planned?
6. State the four examples of changing company culture.
7. What is the importance of the 'communicate well' aspect? Briefly explain.

Q-5 Fill in the blanks.

1. Encourage HR to develop special perk packages or recognition awards to reward _____ for adhering to and promoting your company values.
2. A major indicator of a strong company culture is employee _____.
3. No successful strategy is complete without _____ your plan's progress.
4. _____ is one of a few perspectives that can help us understand more about a business.
5. A mismatch between an individual's values and the culture or value system of their organisation is a leading cause of _____, or turnover.
6. More common in the United States, particularly newer educational institutions focused on _____ education.

Answer: 1-employees, 2-engagement, 3-assessing, 4-culture, 5-attrition, 6-distance.

Q-6 Practical examples of Organization culture and change management

1. Three Examples of successful culture change:

Some examples of companies that successfully changed their organisational culture are Netflix, Microsoft, and Zappos. Netflix shifted from a hierarchical model to an agile and innovative one, emphasising freedom and responsibility. Microsoft moved from a competitive and siloed culture to a more collaborative and customer-focused culture. Zappos created a culture based on its core values, empowering employees to make decisions, take risks, and express themselves. They also implemented a radical form of self-management called holacracy (Holacracy is a system of governance where members of a team or business form autonomous yet symbiotic teams to accomplish tasks and company). All three companies fostered a culture of growth, empathy, diversity, inclusion, and more.

2. Four Examples of failed culture change:

Some companies that failed to change their organisational culture are Uber, GE, and Sears. Uber faced a series of scandals and controversies due to its aggressive and toxic culture, which it attempted to reform by hiring a new CEO and introducing new values and policies. However, it struggled to overcome its deep-rooted cultural problems. GE tried to reinvent its culture from a bureaucratic and hierarchical one to a more lean and agile one, inspired by the startup mentality. It launched Fast Works but faced many challenges in implementing it. Sears attempted to change its culture from a traditional and centralised one to a more entrepreneurial and decentralised one, but this created a culture of distrust, conflict, and dysfunction. Additionally, Sears neglected some of its core competencies.

Terminologies

1. Assimilation: taking in and fully understanding information or ideas.
2. Resilience: an ability to recover from or adjust easily to misfortune or change.
3. Empathy: the ability to understand and share the feelings of another.
4. Perseverance: persistence in doing something despite difficulty or delay in achieving success.
5. Emergent: something that is emerging or suddenly coming into existence.
6. Accessible: capable of being used or seen.
7. Benchmark: a standard or point of reference against which things may be compared.
8. Fostering: encourage the development of something, especially something desirable.
9. Buzzword: a word or phrase, often an item of jargon, that is fashionable at a particular time or context.
10. Passionate: having, showing, or being caused by strong feelings or beliefs.

યુનિવર્સિટી ગીત

સ્વાધ્યાય: પરમં તપ:

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શિક્ષણ, સંસ્કૃતિ, સદ્ભાવ, દિવ્યબોધનું ધામ
ડૉ. બાબાસાહેબ આંબેડકર ઓપન યુનિવર્સિટી નામ;
સૌને સૌની પાંખ મળે, ને સૌને સૌનું આભ,
દશે દિશામાં સ્મિત વહે હો દશે દિશે શુભ-લાભ.

અભણ રહી અજ્ઞાનના શાને, અંધકારને પીવો ?
કહે બુદ્ધ આંબેડકર કહે, તું થા તારો દીવો;
શારદીય અજવાળા પહોંચ્યાં ગુર્જર ગામે ગામ
ધ્રુવ તારકની જેમ ઝળહળે એકલવ્યની શાન.

સરસ્વતીના મયૂર તમારે ફળિયે આવી ગહેકે
અંધકારને હડસેલીને ઉજાસના ફૂલ મહેંકે;
બંધન નહીં કો સ્થાન સમયના જવું ન ઘરથી દૂર
ઘર આવી મા હરે શારદા દૈન્ય તિમિરના પૂર.

સંસ્કારોની સુગંધ મહેંકે, મન મંદિરને ધામે
સુખની ટપાલ પહોંચે સૌને પોતાને સરનામે;
સમાજ કેરે દરિયે હાંકી શિક્ષણ કેરું વહાણ,
આવો કરીયે આપણ સૌ
ભવ્ય રાષ્ટ્ર નિર્માણ...
દિવ્ય રાષ્ટ્ર નિર્માણ...
ભવ્ય રાષ્ટ્ર નિર્માણ