**BCA404: Organization Behavior**

**SYLLABUS.**

**UNIT I (6 Hours)**

**Introduction to Organization Behaviour:** Concept, Nature, Characteristics, Historical Background, Fundamental concepts of OB, 21st Century corporate, Models of Organizational Behaviour, Management Challenge, A Paradigm Shift, Relationship with Other Fields.

**UNIT II (10 Hours)**

**Perception Process:** Nature and Importance, Perception Process, Management and Behavioural Application of Perception.

**Personality & Attitudes:** Meaning of personality, Theories of Personality Nature and dimensions of attitude, Job Satisfaction, Organizational Commitment, and Attitude Measurement.

**Learning:** Process of Learning, Principles of Learning

**UNIT III (10 Hours)**

**Motivation:** Motives, Characteristics, Classification of motives, Primary Motives, Secondary motives, Theories of Work Motivation, Early and Contemporary views.

**Leadership:** Definition, Importance, Leadership Styles, Models and Theories of Leadership Styles.

**UNIT IV (10 Hours)**

**Group Dynamics:** Definition, Stages of Group Development, Group Cohesiveness, Formal and Informal Groups, Group Processes and Decision Making, Dysfunctional Groups. Conflict Management, Traditional v/s Modern view of conflict, Constructive and Destructive conflict, Conflict Process, Strategies for encouraging constructive conflict, Strategies for resolving destructive conflict

**UNIT V (10 Hours)**

**Management of Change:** Importance, Forces responsible for change, Resistance to change, Overcoming resistance to change. Introduction of change in the organization, Organizational Development as a toll for introduction of change.

**UNIT VI (10 Hours)**

**Organizational Design:** various organizational structures and their effects on human behaviour. Organizational Climate, Organizational Culture, Organizational Effectiveness.

**UNIT-1.**

**NATURE CHARACTERISTICS AND CONCEPTS OF ORGANIZATIONAL BEHAVIOUR**

Organizational behaviour has emerged as a separate field of study. The nature and characteristics it has acquired is identified as follows :

**1. A Separate Field of Study and not a Discipline Only**

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

**2. An Interdisciplinary Approach**

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

**3. An Applied Science**

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates of fundamental researches, the latter concentrates on applied researches. O.B. involves both applied research and its application in organizational analysis. Hence, O.B. can be called both science as well as art.

**4. A Normative Science**

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

**5. A Humanistic and Optimistic Approach**

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environment. Environment affects performance or workers working in an organization.

**6. A Total System Approach**

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

**The fundamental concepts of organizational behavior are;**

* Individual Differences.
* Perception.
* A whole Person.
* Motivated Behavior.
* The desire for Involvement.
* The value of the Person.
* Human Dignity.
* Organizations are Social System.
* Mutuality of Interest.
* Holistic Concept.

**THE HISTORICAL BACKGROUND OF ORGANISATIONAL BEHAVIOUR.**

**The evolution OF ORGANISATIONAL BEHAVIOUR over the last century is the history of the constantly changing role of leaders in organizations. As organizational leaders evolved from the carrot-and-stick wielding owner-managers of the earlier Industrial Era to the Servant Leaders of the 21st Century, the impact of individual leaders on organizations became progressively important. Whereas early managers could rely on authority and strong-arm tactics to reach their goals, servant leaders in our time are challenged to set personal examples by living the values and principles they wish their followers to achieve.**

1. **THE CLASSICAL APPROACH.**

**SCIENTIFIC MANAGEMENT** .

Scientific Management was propounded by Frederick Winslow Taylor. It tries to increase productivity by increasing efficiency and wages of the workers. It finds out the best method for performing each job. It selects employees by using Scientific Selection Procedures. It provides Scientific Training and Development to the employees. It believes in having a close co-operation between management and employees. It uses Division of Labour. It tries to produce maximum output by fixing Performance Standards for each job and by having a Differential Piece-Rate System for payment of wages.

## Principles of Scientific Management

## 1. Performance Standards

F.W. Taylor found out that there were no scientific performance standards. No one knew exactly how much work a worker should do in one hour or in one day. The work was fixed assuming rule of thumb or the amount of work done by an average worker. Taylor introduced **Time and Motion Studies** to fix performance standards. He fixed performance standards for time, cost, and quality of work, which lead to uniformity of work. As a result, the efficiency of the workers could be compared with each other.

## 2. Differential Piece Rate System

Taylor observed that workers did as little work as possible. He felt that under existing wage system, an efficient worker gained nothing extra. So, Taylor used the differential piece (unit) rate system.

Under differential piece rate system, a standard output was first fixed. Then two wage rates were fixed as follows :-

1. Low wage rate was fixed for those workers who did not produce the standard output.
2. Higher wage rate was fixed for those workers who produced the standard output or who produced more than the standard output.

Differential piece-rate system can be explained with following example :-

The standard output for a day is 10 units. The wage rate for producing less than 10 units is $ 5 per unit, and for producing 10 or more units is $ 8 per unit. If Mr. X produces 7 units, and Mr. Y produces 12 units, then their wages will be as follows :-

Mr. X's wage is 7 x 5 = $ 35

Mr. Y's wage is 12 x 8 = $ 96

Because of this system, the inefficient workers will try to improve their efficiency, and the efficient workers will be motivated to maintain or improve their production capacity.

## 3. Functional Foremanship

Taylor started "Functional Foremanship". Here, 8 foremen (lower level manager or supervisor) are required to supervise the workers. This is because one foremen cannot be an expert in all the functions.

Taylor's functional foremanship consists of two groups of supervisors :-

1. At the Planning Level or Office Level.
2. At the Doing Level or Factory Level.

**(a) At the Planning Level** :-

Taylor separated planning from doing. At the planning level there were four supervisors. They are :-

1. **Time and Cost Clerk** : This boss prepares the standard time for completing the work and cost of doing that work.
2. **Route Clerk** : This boss makes the exact route (way) through which each product has to travel from a raw-material to a finished product.
3. **Discipline Clerk** : This boss looks after the discipline and absenteeism problems in the organisation.
4. **Instruction Card Clerk** : The boss gives instructions about how to do a particular work.

**(b) At the Doing Level** :-

At the doing level there were also four supervisors. They are :-

1. **Gang Boss** : He is responsible for setting up the machines and tools and for direct supervision of workers.
2. **Speed Boss** : He is responsible for maintaining a proper speed of work.
3. **Repair Boss** : He is responsible for the repairs and maintenance of machines.
4. **Inspector Boss** : He is responsible for maintaining the quality of production.

## 4. Mental Revolution

Taylor introduced the concept of "Mental Revolution". He said that the management and workers should have a positive attitude towards each other. This will result in close cooperation between them. This will increase productivity and profits.

## 5. Time Study

Time study means to record the time taken for doing each part of a job. The full job is first observed and analysed. Then it is divided into different elements (parts). Later the time taken for doing each part of the job is recorded. This is done by using a stop clock. Time study helps the management to know exactly how much time it will take to do a particular job. This helps the management to fix the amount of work to be done by each worker in one hour or in one day. That is, management can fix a standard output of work for a certain period of time.

Taylor advised all managers to do time study. This will prevent the workers from passing time, working slowly and doing less work. Time study helps to increase the productivity of the organisation.

## 6. Fatigue and Motion Study

Frank and Lillian Gilbreth (Husband and Wife) introduced fatigue and motion studies. Fatigue and motion studies find out and remove unnecessary and wasteful movements while doing the job.

According to the Gilbreths, fatigue (tiredness) and motion (movements or actions) are interlinked. Every motion that is removed will reduce fatigue. Using cameras, they studied workers (masons) doing common jobs like bricklaying. They found that the workers do many wasted motions while doing their work. This resulted in fatigue. So, the Gilbreths asked the workers to stop all unnecessary motions and to do only the motions which were necessary for doing the job. They reduced the bricklayers' motions from 18 to 5. This also reduced the fatigue of the bricklayers. Therefore, productivity of workers increased.

## 7. Gantt Charts

Henry Gantt invented the Gantt chart. This chart shows the planned work and the completed work at each stage of production. It also shows the time taken to do the work.

**ADMINISTRATIVE MANAGEMENT.**

**Administrative Management emphasizes the manager and the functions of management. The main objective of Administrative management is to describe the management process and philosophy of management. In contradiction of scientific management, which deals mainly with jobs and work at individual level of scrutiny, administrative management gives a more universal theory of management.**

**Henry Fayol's Administrative Management (1841–1925): Henri fayol is known as the father of modern Management. He was popular industrialist and victorious manager. Fayol considered that good management practice falls into certain patterns that can be recognized and analysed. From this basic perspective, he devised a blueprint for a consistent policy of managers one that retains much of its force to this day. Fayol provided a broad analytical framework of the process of management. He used the word Administration for Management. Foyal categorized activities of business enterprise into six groups such as Technical, Financial, Accounting, Security, and Administrative or Managerial. He stressed constantly that these managerial functions are the same at every level of an organization and is common to all firms. He wrote General and Industrial Management. His five function of managers were plan, organize, command, co-ordinate, and control.**

**His principles of management are described below.**

1. **Division of work: This is the principle of specialization which is detailed by economists as an important to efficiency in the utilization of labour. Fayol goes beyond shop labour to apply the principle to all kinds of work, managerial as well as technical.**
2. **Authority and responsibility: In this principle, Fayol discovers authority and responsibility to be linked with the letter, the consequence of the former and arising from the latter.**
3. **Discipline: This discipline denotes "respect for agreements which are directed at achieving obedience, application, energy and the outward marks of respect". Fayol declares that discipline requires good superiors at all levels, clear and fair agreement, and judicious application of penalties.**
4. **Unity of command: This is the principle that an employee should receive orders from one superior only.**
5. **Unity of direction: Fayol asserted that unity of direction is the principle that each group of activities having the same objective must have one head and one plan. As distinguished from the principle of unity of command, Fayol observes unity of direction as related to the functioning of personnel.**
6. **Subordination of individual interest to general interest: In any group the interest of the group should supersede that of the individual. When these are found to differ, it is the function of management to reconcile them.**
7. **Remuneration of personnel: Fayol recognizes that salary and methods of payment should be fair and give the utmost satisfaction to worker and boss.**
8. **Centralization: Fayol principle of centralization refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances will determine the degree of centralization that will give the best overall yield.**
9. **Scalar chair: Fayol believe of the scalar chair as a line of authority, a 'Chain of Superiors" from the highest to the lowest ranks and held that, while it is an error of subordinate to depart 'needlessly' from lines of authority, the chain should be short-circuited when scrupulous following of it would be detrimental.**
10. **Order: Breaking this principle into 'Material order' and 'Social Order', Fayol thinks of it as the simple edge of "a place for everything (everyone), and everything (everyone) in its (his) place". This is basically a principle of organization in the arrangement of things and persons.**
11. **Equity: Fayol perceives this principle as one of eliciting loyalty and devotion from personnel by a combination of kindliness and justice in managers dealing with subordinates.**
12. **Stability of tenure of personnel: Finding that such instability is both the cause and effect of bad management, Fayol indicated the dangers and costs of unnecessary turnover.**
13. **Initiative: Initiative is envisaged as the thinking out and execution of a plan. Since it is one of the "Keenest satisfactions for an intelligent man to experience", Fayol exhorts managers to "Sacrifice Personal Vanity" in order to permit subordinates to exercise it.**
14. **Esprit de corps: This is the principle that 'union is strength' an extension of the principle of unity of command. Fayol here emphasizes the need for teamwork and the importance of communication in obtaining it.**
15. **NEO CLASSICAL AND MODERN APPROACH**

**BUREAUCRATIC MANAGEMENT.**

Bureaucratic organisations generally have administrative class responsible for maintaining coordinative activities of the members**NEOCLASSICAL AND MODERN MANAGEMENT APPROACH.**

**Main features of his class are as follows:**

(i) People are paid and are whole time employees,

(ii) They receive salary and other perquisites normally based on their positions,

(iii) Their tenure in the organisation is determined by the rules and regulations of the organisation,

(iv) They do not have any proprietary interest in the organisation,

(v) They are selected for the purpose of employment based on their competence.

**HUMAN RELATIONS SCHOOL**

**HAWTHORNE EXPERIMENTS.**

George Elton Mayo was in charge of certain experiments on human behavior carried out at the Hawthorne Works of the General Electric Company in Chicago between 1924 and 1927. His research findings have contributed to organization development in terms of human relations and motivation theory. These experiments conducted in 4 stages.

**Part I - Illumination Experiments (1924-27)**

These experiments were performed to find out the effect of different levels of illumination (lighting) on productivity of labour. The brightness of the light was increased and decreased to find out the effect on the productivity of the test group. Surprisingly, the productivity increased even when the level of illumination was decreased. It was concluded that factors other than light were also important.

**Part II - Relay Assembly Test Room Study (1927-1929)**

Under these test two small groups of six female telephone relay assemblers were selected. Each group was kept in separate rooms. From time to time, changes were made in working hours, rest periods, lunch breaks, etc. They were allowed to choose their own rest periods and to give suggestions. Output increased in both the control rooms. It was concluded that social relationship among workers, participation in decision-making, etc. had a greater effect on productivity than working conditions.

**Part III - Mass Interviewing Programme (1928-1930)**

21,000 employees were interviewed over a period of three years to find out reasons for increased productivity. It was concluded that productivity can be increased if workers are allowed to talk freely about matters that are important to them.

**Part IV - Bank Wiring Observation Room Experiment (1932)**

A group of 14 male workers in the bank wiring room were placed under observation for six months. A worker's pay depended on the performance of the group as a whole. The researchers thought that the efficient workers would put pressure on the less efficient workers to complete the work. However, it was found that the group established its own standards of output, and social pressure was used to achieve the standards of output.

* 1. **CONTINGENCY APPROACH:**

A **contingency approach to management** is based on the theory that management effectiveness is contingent, or dependent, upon the interplay between the application of management behaviors and specific situations. In other words, the way you manage should change depending on the circumstances. One size does not fit all.

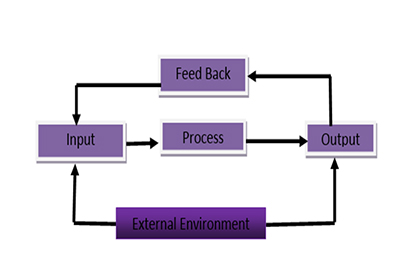
## Theory

The contingency approach to management finds its foundation in the **contingency theory of leadership effectiveness** developed by management psychologist Fred Fielder. The theory states that leadership effectiveness, as it relates to group effectiveness, is a component of two factors: task motivation, or relation motivation, and circumstances. You measure task motivation, or relation motivation, by the **least preferred co-worker (LPC) scale**.

The LPC scale asks the manager to think of the person they least like working with and then rate that person on a set of questions, each involving an 8-point scale. For example, a score of one would be uncooperative, and a score of eight would be cooperative. Fielder believed that people with a higher LPC score try to maintain harmony in their work relationships, while people with a lower LPC score are motivated to focus on task accomplishment.

* 1. **SYSTEM APPROACH**

**The systems approach deals with the thoroughly understanding the organization as an open system that converts inputs into outputs. The systems approach has great impact on management thought in the 1960s. During this period, thinking about managing practices allowed managers to relate different specialties and parts of the company to one another, as well as to external environmental factors. The system approach focuses on the organization as a whole, its communication with the environment, and its need to achieve equilibrium.**

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**21ST CENTURY ORGANISATIONS.**

For those of us looking to create and grow a successful21st Century Organization in the face of modern market pressures and uncertainties, the important question continues to be: What do you focus on now to be competitive and leading-edge? The followingsix pillars provide a useful framework to think about this question.

**1. Relentless Innovation**

Product innovation alone will create insufficient competitive advantage. Rather than relying solely on innovation departments to improve product cycles, companies should think in terms of Relentless Innovation—this means embracing innovative thinking in all areas of the business, including supply chain, talent development, sales process, strategic planning and customer engagement.

Relentless Innovation requires a new mindset—one that liberates everyone in the organization to become innovators and create differentiation, regardless of position or function.

**2. Being Purposeful**

It’s not enough for the 21st Century Organization simply to have a clear direction—people must be able to throw their entire selves into the game to be successful, with full engagement of heart and mind. We have found that when leaders leverage Purpose, it creates a competitive advantage that’s difficult or even impossible to replicate. Purpose creates the ability for people to care about something much bigger than their personal concerns and fully apply their talent to meaningful endeavors.

Purpose gives people a far more expansive space to create and grow, where creative, purpose-based thinking replaces crisis-based, firefighting thinking. An organization of people who have connected themselves to something bigger can thrive rather than simply survive—they can move fast together and nimbly adjust strategies and tactics to succeed.

**3. 21st Century Leader**

Uncertainty and accelerating competition has shaped the need for a new kind of leader. The hierarchical, command-and-control boss who directs an organization’s activities from a point of authority will no longer be acceptable.

21st Century Leaders regularly take bold stands and deliver extraordinary results, bringing everyone around them to a higher level of performance. They focus on connecting people to purpose and aligning multiple groups from every direction. They are authentic and open. Leaders like this bring out the best performance, creativity and expression in everyone.

**4. Passion for Growth**

It’s important for organizations to stretch into uncharted territories and bring a willingness to take on even the most hopeless challenges. Companies must cultivate a Passion for Growth, where growing and breaking through limits becomes just as essential as growing the top and bottom line.

Having a Passion for Growth opens the eyes of the organization to a vibrant view of the marketplace—seeing realities that need to be dismantled and re-created in order to compete. Leaders and organizations with Passion for Growth seek out opportunity everywhere, applying creativity and curiosity to all aspects of the business.

**5. Customer Oneness**

Historically, the customer framework has mostly focused on customer service, fulfillment or even obsession, where the company takes care of determining and fulfilling customer needs in the best way possible. An entirely new mindset about customer relationships is necessary for the 21st Century Organization—that of being one with the customer—a new paradigm for customer partnerships.

*Being* the customer gives an organization a precise perspective, one that is needed to create amazing products and services over and over. When an organization thinks and operates as its customer, the future is shaped as the customer, not just for the customer. Customers become drawn to and will stand for the success of organizations that operate with Customer Oneness. Why wouldn’t you absolutely support an organization whose people think from your perspective and are so keenly in tune with your wants and needs?

**6. Breakthrough Performance Environment**

Successful 21st Century Organizations can reformulate their work environments into Breakthrough Performance Environments—environments which flex to support the rapid movement, speedy decision-making and alignment required to outperform competitors and regularly achieve extraordinary outcomes. Once leaders create alignment among leaders and teams, they can successfully navigate ambiguity at all levels and pursue the biggest possibilities for the organization.

The normal organizational approach focuses on generating outputs, such as profit and productivity, from the environment. The intention to create a Breakthrough Performance Environment expands the mindset to focus on very specific inputs for the environment that result in extraordinary outputs

**MODELS OF ORGANISATIONAL BEHAVIOUR.**

### Autocratic model

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

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

The guiding principle behind this model is that management/owners have enormous business expertise, and the average employee has relatively low levels of skill and needs to be fully directed and guided. This type of autocratic management system was common in factories in the industrial revolution era.

One of the more significant problems associated with the autocratic model is that the management team is required to micromanage the staff – where they have to watch all the details and make every single decision. Clearly, in a more modern-day organisation, where highly paid specialists are employed an autocratic system becomes impractical and highly inefficient.

The autocratic model is also a detractor to job satisfaction and employee morale. This is because employees do not feel valued and part of the overall team. This leads to a low-level of work performance. While the autocratic model might be appropriate for some very automated factory situations, it has become outdated for most modern-day organisations.

### Custodial model

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

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

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

One of the downsides with the custodial model is that it also attracts and retains low performance staff as well. Or perhaps even deliver a lower level of motivation from some staff who feel that they are “trapped” in an organisation because the benefits are too good to leave.

### Supportive model

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

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

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

The intent of this model is to motivate employees through a positive workplace where their ideas are encouraged and often adapted. Therefore, the employees have some form of “buy-in” to the organisation and its direction.

### Collegial model

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

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

The role of the manager is to foster this teamwork and create positive and energetic workplaces. In much regard, the manager can be considered to be the “coach” of the team. And as coach, the goal is to make the team perform well overall, rather than focus on their own performance, or the performance of key individuals.

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

### System model

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

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

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

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

The system of model should be an overall partnership of managers and employees with a common goal, and where everybody feels that they have a stake in the organisation.

**EMERGING CHALLENGES OF ORGANISATIONAL BEHAVIOUR.**

The following are some of the significant problems:

* Improving People Skills
* Improving Quality and Productivity
* Managing Workforce Diversity
* Responding to Globalization
* Empowering People
* Coping with Temporariness
* Stimulating Innovation and Change
* Emergence of the e-organization
* Improving Ethical Behavior

**Improving People Skills:**

Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills etc.

These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.

**Implications for Managers:** Designing an effective performance appraisal system with built-in training facilities will help upgrade the skills of the employees to cope up the demands of the external environment. The lower level cadre in management is required to possess more of technical skills. As they move towards upward direction, their roles will be remarkably changed and expected to have more of human relations and conceptual skills.

**Improving Quality and Productivity:**

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer’s expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use. The key dimensions of quality as follows.

* **Performance:** Primary operating characteristics of a product such as signal coverage, audio quality, display quality etc.
* **Features:** Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone
* **Conformance:** Meeting specifications or industry standards, workmanship of the degree to which a product’s design or operating characteristics match preestablished standards
* **Reliability:** The probability of a product’s failing within t a specified period of time
* **Durability**: It is a measure of product’s life having both economic and technical dimension
* **Services:** Resolution of problem and complaints, ease of repair
* **Response:** Human to human interface, such as the courtesy of the dealer
* **Aesthetics:** Sensory characteristics such exterior finish
* **Reputations:** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers. In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

**Total Quality Management (TQM):** It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process. The component of TQM are (a) intense focus of the customer

(b) concern for continual improvement (c) improvement in the quality of everything the organization does (d) accurate measurement and (e) empowerment of employees.

**Reengineering:** This refers to discrete initiatives that are intended to achieve radically redesigned and improved work process in a bounded time frame. Business Process Reengineering employees a structural methodology that reduces work process to their essential composite activist and provides cost performance matrices to facilitate a business case for dramatic improvements. Both functional and cross-functional processes are evaluated through workflow analysis and activity based costing. In many cases, the application of new technology and industries best practices will enable quantum improvement in an organization’s cost and performance.

**Implications for Managers:** Today’s managers understand that any efforts to improve quality and productivity must influence their employees. These employees will not only be a major force in carrying out changes, but increasingly will participate actively in planning those changes. Managers will put maximum effort in meeting the customer’s requirements by involving everyone from all the levels and across all functions. Regular communications (both formally and informally) with all the staff at all levels is must.

Two way communications at all levels must be promoted. Identifying training needs and relating them with individual capabilities and requirements is must. Top management’s participation and commitment and a culture of continuous improvement must be established.

**Managing Workforce Diversity:**

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs and work styles.

**Implications for Managers:** Managers have to shift their philosophy from treating everyone alike to recognizing individual differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time not discriminating. If work force diversity is managed more effectively, the management is likely to acquire more benefits such as creativity and innovation as well as improving decision making skills by providing different perspectives on problems. If diversity is not managed properly and showed biases to favor only a few categories of employees, there is potential for higher turnover, more difficulty in communicating and more interpersonal conflicts.

**Responding to Globalization:**

Today’s business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company’s products or services are spreading across the nations using mass communication, internet, faster transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

**Implications for Managers:** Globalization affects a managerial skills in at least two ways: i) an Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries. ii) Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

**Empowering People**

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

**Implications for Manager:** The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

**Coping with ‘Temporariness”**

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yester years, there used to be a long period of stability and occasionally interrupted by short period of change, but at present the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

**Implications for Manager:** Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behavior will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

**Stimulating Innovation and Change**

Today’s successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

**Implications for Managers:** Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example – books are being sold only through internet. Internet selling an organization’s employees can be the impetus for innovation and change; otherwise they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

**Emergence of E-Organization**

**E- Commerce:** It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet. In e-commerce, the following activities are being taken place quite often - the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate from US$ 111 billion in 1999 to US$ 1.3 trillion by 2003.

**E-business:** It refers to the full breadth of activities included in a successful Internet based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains, collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a ‘virtual’ business, finding skilled people to build and operate intranets and websites, and running the back room or the administrative side. E-business includes the creation of new markets and customers, but it’s also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet.

**Growth rate of e-business:** The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business. Later, there are millions of firms that are now selling anything over the Internet, but they are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions. Some companies are putting maximum effort in improving its internal efficiency and providing support to its wide-reaching dealer network and to on-line sellers by crating a shared and integrated network. The companies wanted to make creasing

**E-Organizations:** This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet.

**Implications for Managers**: The employees must acquire skills, knowledge, attitudes in learning new technology, overcoming any resistance

**Improving Ethical behavior:**

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee’s job? The ground rules governing the constituents of good ethical behavior has not been clearly defined. Differentiating right things from wrong behavior has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

**Implications for Managers:** Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

**RELATIONSHIP OF ORGANISATIONAL BEHAVIOUR WITH OTHER FIELDS.**

* Organizational behaviour is an applied behavioural science that is built upon contributions from a number of behavioural disciplines. The predominant areas are psychology, sociology, social psychology, anthropology, and political science
* **Psychology**
* –          Psychology is the science that seeks to measure, explain, and sometimes change the behaviour of humans and other animals.
* –          To use psychological and organizational theory and research to improve organizational effectiveness and the work life of all individuals.
* –          psychologists concern themselves with studying and attempting to understand individual behaviour
* –          learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making process, performance appraisals, attitude measurement, employee selection techniques, work design and job stress
* **Sociology**
* –          Sociologists study the social system in which individuals fill their roles
* –          Sociology studies people in relation to their fellow human beings to improve organizational performance.
* –          Study of group behaviour in organisations, group dynamics, design of work teams, organisational culture, formal organisational theory and structure, organisational technology, communications, power and conflict
* **Social psychology**
* –          An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another.
* –          Major area: change – how to implement it and how to reduce barriers to its acceptance
* –          Study areas: measuring, understanding and changing attitudes, communication patters, building trust, the ways in which group activities can satisfy individual needs, group decision-making processes
* **Anthropology**
* –          The study of societies to learn about human beings and their activities.
* –          Study on culture and environment has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within different organisations
* **Political science**
* –          The study of the behaviour of individuals and groups within a political environment
* –          Study areas: structuring of conflicts, allocations of power, how people manipulate power for individual self-interest

**UNIT 2.**

**PERCEPTION.**

A process by which **individuals select , organize & interpret inputs** from their senses in order to **give meaning to their environment.   
  
Importance of Perception in an organization:-**  
1. It forms a basis for **feeling and actions in the organization**.   
2. It is science that makes new way for matching people in their job.   
3. Helps to avoid situations when perception becomes out of touch with reality.

Simply we can say that perception is the process of recognizing and realizing the environment or we can say that perception is the process through which we can realize the person, object, thing and the environment.  
Each and every person whether he is in the organization or outside the organization has different perception or cognition about the same thing.  
  
**Impacts in the organization:**  
Peoples in the organization are always judging each other. The manager or head of department must appraise and evaluate the performance of his subordinates through perception.  
  
1: Conducting an Interview:  
  
The decision that who is to be selected and who is to be rejected depends upon the perception of the interviewer. Different types of perceptual test are taken from the candidate and are judged from different angles.   
  
2: Performance Evaluation:  
  
Candidate is evaluated on the basis of perception. If the manager thinks and perceived that the employee is performing very well then he is rewarded with monetary and non monetary incentives as well promotion.  
  
3: Employee's Loyalty:  
  
The loyalty of the employees can be judged through the process of perception. If the employee is looking for further opportunities outside the organization then he may be labelled disloyal and in result the manager cut off further promotion or any other reward for that employee.

# The Perception Process

The perceptual process is a sequence of steps that begins with stimuli in the environment and ends with our interpretation of those stimuli. This process is typically unconscious and happens hundreds of thousands of times a day. An unconscious process is simply one that happens without awareness or intention. When you open your eyes, you do not need to tell your brain to interpret the light falling onto your [retinas](https://www.boundless.com/psychology/definition/retina/) from the object in front of you as "computer" because this has happened unconsciously. When you step out into a chilly night, your brain does not need to be told "cold" because the stimuli trigger the processes and categories automatically.

## Selection

The world around us is filled with an infinite number of stimuli that we might attend to, but our brains do not have the resources to pay attention to everything. Thus, the first step of perception is the (usually unconscious, but sometimes intentional) decision of what to attend to. Depending on the environment, and depending on us as individuals, we might focus on a familiar stimulus or something new. When we attend to one specific thing in our environment—whether it is a smell, a feeling, a sound, or something else entirely—it becomes the attended stimulus.

## Organization

Once we have chosen to attend to a stimulus in the environment (consciously or unconsciously, though usually the latter), the choice sets off a series of reactions in our brain. This neural process starts with the activation of our sensory receptors (touch, taste, smell, sight, and hearing). The receptors transduce the input energy into neural activity, which is transmitted to our brains, where we construct a mental representation of the stimulus (or, in most cases, the multiple related stimuli) called a [percept](https://www.boundless.com/psychology/definition/percept/). An ambiguous stimulus may be translated into multiple percepts, experienced randomly, one at a time, in what is called "multistable perception."

## Interpretation

After we have attended to a stimulus, and our brains have received and organized the information, we interpret it in a way that makes sense using our existing information about the world. Interpretation simply means that we take the information that we have sensed and organized and turn it into something that we can categorize. For instance, in the Rubin's Vase illusion mentioned earlier, some individuals will interpret the sensory information as "vase," while some will interpret it as "faces." This happens unconsciously thousands of times a day. By putting different stimuli into categories, we can better understand and react to the world around us.

**PERSONALITY.**

## Sigmund Freud’s Psychoanalytic Theory

This theory is based on the belief that man is encouraged more by unforeseen forces than the conscious and logical thought. Freud believed that most of the things in life are not present at the conscious level but they are present at an unconscious level.

The features of Freud’s theory include three attributes − Id, Ego, and Superego.

* **Id** − It defines the innate component of personality. It is the impulsive and unconscious part of mind that seeks immediate satisfaction. **Example** − A hungry baby cries till he/she is fed.
* **Ego** − It is derived from Id and assists in dealing with the external world. It also helps in translating the inner needs into expressions. It deals with practical and rational thinking process. **Example** − We have a fight with our friend and expect the friend to talk first, even though both of us want to talk.
* **Superego** − It is different from ego and is partially unconscious. It includes the traditional values of society as interpreted by our parents. It also helps in the integral vision of punishment. **Example** − Ram came late today so he is grounded for a week.

## Erikson’s Theory of personality

This theory states that personality is groomed throughout lifetime. He presents eight distinct stages each with two possible outcomes. Successful completion of each stage leads to a healthy personality. These stages are −

* **Infancy** − It is the period between 0-1 years of age. In this stage, children learn the ability to trust others depending on their caregivers. Unsuccessful completion in this stage results in anxiety and insecurity. **Example** − Children of this age are more comfortable with those faces they see more often and not with strangers.
* **Early Childhood** − It is the period between 1-3 years of age. In this stage, children learn to be independent. If given support, they become more confident else they become dependent over others. **Example** − Children in this age are taught how to walk, how to talk etc.
* **Play Age** − It is the period between 3-6 years of age. In this stage, children assert themselves frequently. The failure leads to development of a sense of guilt among them. **Example** − Children in this age group, need to be taught how to behave and should be taught to be focused.
* **School Age** − It is the period between 6 years of age till puberty. In this stage, children become more innovative. They feel confident and want to achieve their goals. If not encouraged they may feel inferior. **Example** − Teenagers should be protected and parents need to understand them and should handle them patiently.
* **Adolescence** − This stage is a transformation from childhood to adulthood. Here children find their own identity and should be guided and supported in order to help them choose the right direction. **Example** − Decision such as which stream to choose science or commerce etc. happens during this stage.
* **Young Childhood** − This stage is also known as young adulthood. Here, they begin to open up and become more intimate with others. **Example** − Making close friends.
* **Adulthood** − In this stage, they focus on establishing career and settling down with relationships that are important. **Example** − Applying for jobs.
* **Mature Adulthood** − In this stage, a person is old and thus in this stage the productivity slows down. **Example** − Taking care of the family.

## Sheldon’s Physiognomy Theory

This theory was proposed by William Sheldon. He presents personalities by classifying individuals into convenient categories based on their body shapes. They are −

* Endomorphs
* Mesomorphs
* Ectomorphs

### Endomorphs

In this category, the body is soft and spherical. People with this kind of personality love comfort, eat a lot, like to be around people and desire affection. Some common endomorph features are large amount of fat accumulation, insatiable appetite, larger frame etc.

### Mesomorphs

In this category, the body is hard and rectangular physique. People with this kind of personality like to take risk, are courageous and have power. Some common mesomorph features are wide shoulders, small waist, low body fat.

### Ectomorphs

In this category, the body is fragile, flat chest and delicate body. People with this kind of personality are anxious, ambitious and dedicated. Some common ectomorph features are narrow frame, low body fat, etc.

**Attitude and job satisfaction.**

An **attitude** refers to our opinions, beliefs, and feelings about aspects of our environment. ... At work, two particular job **attitudes** have the greatest potential to influence how we behave. These are job satisfaction and **organizational** commitment. Job satisfaction refers to the feelings people have toward their job.

* Have a positive attitude about it. Your personality is a big part of your happiness. If you are always looking for the negative side of everything, you will find it.
* A good fit with the job and company is important to your happiness. This starts with knowing yourself: What do you want from the job? What do you enjoy doing? Be honest with yourself and do a self-assessment.
* Get accurate information about the job and the company. Ask detailed questions about what life is like in this company. Do your research: Read about the company, and use your social network to understand the company’s culture.
* Develop good relationships at work. Make friends. Try to get a mentor. Approach a person you admire and attempt to build a relationship with this person. An experienced mentor can be a great help in navigating life at a company. Your social network can help you weather the bad days and provide you emotional and instrumental support during your time at the company as well as afterward.
* Pay is important, but job characteristics matter more to your job satisfaction. Don’t sacrifice the job itself for a little bit more money. When choosing a job, look at the level of challenge, and the potential of the job to make you engaged.
* Be proactive in managing organizational life. If the job is stressful, cope with it by effective time management and having a good social network, as well as being proactive in getting to the source of stress. If you don’t have enough direction, ask for it!
* Know when to leave. If the job makes you unhappy over an extended period of time and there is little hope of solving the problems, it may be time to look elsewhere.

Organisational commitment.

Organisational commitment is the individual’s psychological attachment to an organisation.

Usually organisational commitment and job satisfaction are closely correlated together with lower levels of intention to leave the organisation.

**3 types of organisational commitment**

Researcher’s have identified three types of organisational commitment:

1. **Affective commitment**: Affective committment where the employee has an emotional bond with the organisation. They ‘want’ to be there.
2. **Continuance commitment**: Continuance commitment refers to the situation where an individual feels that they will lose more by leaving than they will gain. In effect continuance commitment is a fear of loss if they left. The loss can be in any domain such as prestige, income, friendships or social loss.
3. **Normative commitment**: This is where an individual feels they should stay for some reason. Usually this is because of a sense of obligation to the organisation. This sense of obligation can stem from the moral (working for a charity that is doing important work), ethical, because the organisation spent time and money training you or paying college fees etc.

**Learning**.

**Learning** can be defined as the permanent change in **behavior** due to direct and indirect experience. It means change in **behavior**, attitude due to education and training, practice and experience. It is completed by acquisition of knowledge and skills, which are relatively permanent.

## Learning Process

The[**learning process**](https://www.geektonight.com/what-is-learning/#learning-process)has thefollowing steps:

1. [Stimuli](https://www.geektonight.com/what-is-learning/#stimuli)
2. [Attention](https://www.geektonight.com/what-is-learning/#attention)
3. [Recognition](https://www.geektonight.com/what-is-learning/#recognition)
4. [Translation](https://www.geektonight.com/what-is-learning/#translation)
5. [Reinforcement](https://www.geektonight.com/what-is-learning/#reinforcement)
6. [Behavior](https://www.geektonight.com/what-is-learning/#behavior)
7. [Reward](https://www.geektonight.com/what-is-learning/#reward)
8. [Habits](https://www.geektonight.com/what-is-learning/#habits)
9. [Motives](https://www.geektonight.com/what-is-learning/#motives)
10. [Efforts](https://www.geektonight.com/what-is-learning/#efforts)

### Stimuli

[Stimuli](https://www.geektonight.com/what-is-learning/#stimuli) are any objects and language which draw the attention of people. Employees get stimuli from the actions of their superiors. Superiors tell and advice employees who pay attention to these stimuli. All the stimuli may not be fully attended to.

### Attention

The degree of [attention](https://www.geektonight.com/what-is-learning/#attention) depends upon the nature of stimuli. All stimuli are not paid attention to. Technical and interesting stimuli are highly attended. Career-oriented stimuli are generally accepted by employees. The personality levels of employees influence their desires to learn, motives for need fulfilment and tension reduction.

### Recognition

Attention-paid stimuli are [recognised](https://www.geektonight.com/what-is-learning/" \l "recognition) as acceptable factors of improvement and new life styles. Employees paying attention to stimuli are recognising the stimuli for learning purposes. The levels of recognition depend upon the levels of values, preferences, needs and desires of the employees.

### Translation

The [translation](https://www.geektonight.com/what-is-learning/#translation) and evaluation process is a crucial point for implementing the stimuli in behaviour through reinforcement. Employees behave properly through attitude changes, objectivity, mental and physical development. It is observed in better performances.

### Reinforcement

[Reinforced](https://www.geektonight.com/what-is-learning/#reinforcement-2) perception is learning. The perception process includes stimuli, attention, recognition, translation and behaviour. Perception leads to learning, but perception itself is not learning unless it is reinforced.

Repeated action is reinforcement. Reinforcement may be positive, negative, punishment and extinction. Learners learn as per their perception levels. Generally positive reinforcement is more effective for making permanent changes in behaviour.

### Behavior

Learning changes [behaviour](https://www.geektonight.com/what-is-learning/" \l "behavior) through reinforcement of perceived knowledge. It makes permanent changes in behaviour. A temporary change in behaviour is not learning. Positive behaviour gives rewards to employees.

### Reward

Employees expect [rewards](https://www.geektonight.com/what-is-learning/#reward) for learning. If the translated behaviour provides a reward, it is accepted, otherwise it is not accepted. Employees develop their behaviour into habits. Rewards may be monetary or non-monetary.

### Habits

A permanent change in behaviour becomes a [habit](https://www.geektonight.com/what-is-learning/#habits) which helps continuous improvement in behaviour and performance. Employees develop the habit of selfappraisal and development. It helps to instil creativity and confidence in employees who are encouraged to behave properly again and again.

### Motives

[Motives](https://www.geektonight.com/what-is-learning/#motives) depend on the level of satisfaction. Employees getting more satisfaction through learning develop high motives. Less satisfied learners have low motives. Learning is complete only when motives are fully realised and translated into efforts.

### Efforts

Habits help achieve good efforts and performance. This is a continuous process. [Efforts](https://www.geektonight.com/what-is-learning/#efforts) are the automatic outcome of good habits which are acquired through the learning process. Self-development is possible through self-effort. Employees willing to develop themselves are self-motivated and effort-oriented.

**WHAT IS MOTIVATION.**

## The Definition of Motivation

Internal and external factors that stimulate desire and [energy](http://www.businessdictionary.com/definition/energy.html) in people to be continually interested and committed to a [job](http://www.businessdictionary.com/definition/job.html), [role](http://www.businessdictionary.com/definition/role.html) or subject, or to make an effort to attain a [goal](http://www.businessdictionary.com/definition/goal.html).

Motivation [results](http://www.businessdictionary.com/definition/result.html) from the interaction of both conscious and unconscious [factors](http://www.businessdictionary.com/definition/factor.html) such as the (1) intensity of desire or [need](http://www.businessdictionary.com/definition/need.html), (2) [incentive](http://www.businessdictionary.com/definition/incentive.html) or [reward](http://www.businessdictionary.com/definition/reward.html) [value](http://www.businessdictionary.com/definition/value.html) of the goal, and (3) [expectations](http://www.businessdictionary.com/definition/expectation.html) of the [individual](http://www.businessdictionary.com/definition/individual.html) and of his or her peers. These factors are the reasons one has for behaving a certain way. An example is a student that [spends](http://www.businessdictionary.com/definition/spend.html) extra time studying for a [test](http://www.businessdictionary.com/definition/test.html) because he or she [wants](http://www.businessdictionary.com/definition/want.html) a better [grade](http://www.businessdictionary.com/definition/grade.html) in the [class](http://www.businessdictionary.com/definition/class.html).

NATURE OF MOTIVATION

#### 1. Motivation is a Psychological Concept:

Motivation has to come from within each individual. There are two desiring factors in motivation-(a) Fundamental needs, such as food, clothes and shelter and (6) Ego-satisfaction including self-esteem, recognition from others, opportunities for achievements, self-development and self actualization which act as powerful though unconscious, motivator of behaviour. Inner motivation can be more decisive for behaviour than any external influence.

#### 2. Motivation affects the Whole Individual, not part of Him /Her:

A person’s basic needs determine to a great extent what he will try to do at any given time. All these needs are inter-related because each individual is an integrated organised whole.

#### 3. Motivation is never an Unending Process:

Man is a social animal. As a social animal he has innumerable wants which induce him to work. If one basic need is adequately satisfied for a given individual it loses power as a motivator and does into determine his current behaviour but at the same time others needs continue to emerge.

Wants are innumerable and cannot be satisfied at one time. It is an unending process so the process of motivation is also unending to induce the person to satisfy his innumerable wants. The importance of motivation is to keep it alive and not to let it dwindle.

#### 4. Non-fulfilment of Basic Needs Makes a Man Sick:

If anybody fails in trying to meet a need which he feels is essential for him, he becomes to some extent mentally ill and such frustrated man cannot be motivated any further until his essential need is satisfied.

#### 5. Goals are Motivators:

Goals and motives are inseparable. Man works to achieve the goals. A soon as the goal is achieved he would be no longer interested in work. Therefore, it is very essential for the management to know his goal to push him to work.

#### 6. The Self-concept as a Unifying Force:

According to Geller-man unifying forces run through each individual’s history. Unifying force means the drive to activate his/her image of him-herself. The outline of a person’s self image is fairly well checked in early childhood and thereafter does not act ordinarily change. Thus, two things that individual is always trying to do are (a) to act like the person; he thinks he is, and (b) to get what he thinks, he can.

#### 7. Motivation is a complex phenomenon:

Motivation being an internal feeling cannot be observed directly. Since motives themselves are dynamic, it further adds to complexity.

#### 8. Motivation is different from Satisfaction, Inspiration, and Manipulation:

Motivation refers to the drive and efforts to satisfy a want or goal, whereas satisfaction refers to the contentment experienced when a want is satisfied. In contrast, inspiration is bringing about a change in the thinking pattern. On the other hand Manipulation is getting the things done from others in a predetermined manner.

**SIGNIFICANCE OR IMPORTANCE OF MOTIVATION.**

### Puts human resources into action

Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

### Improves level of efficiency of employees

The level of a subordinate or a employee does not only depend upon his qualifications and abilities. For getting best of his work performance, the gap between ability and willingness has to be filled which helps in improving the level of performance of subordinates. This will result into-

* 1. Increase in productivity,
  2. Reducing cost of operations, and
  3. Improving overall efficiency.

### Leads to achievement of organizational goals

The goals of an enterprise can be achieved only when the following factors take place :-

* 1. There is best possible utilization of resources,
  2. There is a co-operative work environment,
  3. The employees are goal-directed and they act in a purposive manner,
  4. Goals can be achieved if co-ordination and co-operation takes place simultaneously which can be effectively done through motivation.

### Builds friendly relationship

Motivation is an important factor which brings employees satisfaction. This can be done by keeping into mind and framing an incentive plan for the benefit of the employees. This could initiate the following things:

* 1. Monetary and non-monetary incentives,
  2. Promotion opportunities for employees,
  3. Disincentives for inefficient employees.

In order to build a cordial, friendly atmosphere in a concern, the above steps should be taken by a manager. This would help in:

Effective co-operation which brings stability,

Industrial dispute and unrest in employees will reduce,

The employees will be adaptable to the changes and there will be no resistance to the                change,

This will help in providing a smooth and sound concern in which individual interests will                coincide with the organizational interests,

               This will result in profit maximization through increased productivity.

### 5. Leads to stability of work force

Stability of workforce is very important from the point of view of reputation and goodwill of a concern. The employees can remain loyal to the enterprise only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees as well as employees. This will lead to a good public image in the market which will attract competent and qualified people into a concern. As it is said, “Old is gold” which suffices with the role of motivation here, the older the people, more the experience and their adjustment into a concern which can be of benefit to the enterprise.

From the above discussion, we can say that motivation is an internal feeling which can be understood only by manager since he is in close contact with the employees. Needs, wants and desires are inter-related and they are the driving force to act. These needs can be understood by the manager and he can frame motivation plans accordingly. We can say that motivation therefore is a continuous process since motivation process is based on needs which are unlimited. The process has to be continued throughout.

We can summarize by saying that motivation is important both to an individual and a business. **Motivation is important to an individual as:**

1. Motivation will help him achieve his personal goals.
2. If an individual is motivated, he will have job satisfaction.
3. Motivation will help in self-development of individual.
4. An individual would always gain by working with a dynamic team.

Similarly, **motivation is important to a business as:**

1. The more motivated the employees are, the more empowered the team is.
2. The more is the team work and individual employee contribution, more profitable and successful is the business.
3. During period of amendments, there will be more adaptability and creativity.
4. Motivation will lead to an optimistic and challenging attitude at work place.

**THEORIES OF MOTIVATION.**

**MASLOW’S HIERARCHY OF NEEDS THORY.**

According to Maslow, human motivation is a hierarchy of five needs.  
The five basic categories are psychological, safety, social, esteem needs, self actualization needs.  
These needs form a hierarchy or laddle and each need becomes active or aroused when the next lower need is reasonably satisfied.  
(1) Physiological needs  
This is the first level in the Marlow’s hierarchy of needs. These are the basic needs anyone has eg, food, drink, shelter and rest. These are the most basic needs and the people will be motivated to fulfils them first.   
(2) Safety needs  
When the physiological needs are satisfied then the needs become activated. The safety needs are mainly job security, protection against danger and the need for security.  
(3) Social needs include the need to be liked by others, to be wanted member, developing meaningful relationship on he job and becoming a prominent member of the informal organisation.  
(4) Esteem needs  
If includes, need for self respect a sense of achievement and recognition from others.  
Desire for Status and prestige is an important aspect of need fore self esteem. These types of needs are rarely satisfied.  
(5) Self satisfaction  
This is the ultimate need which dominates a persons behavior when all lower needs are satisfied.

**THEORY X AND Y**

Douglas McGregor, an American social psychologist, proposed his famous X-Y theory in his 1960 book 'The Human Side Of Enterprise'. Theory x and theory y are still referred to commonly in the field of management and motivation, and whilst more recent studies have questioned the rigidity of the model, Mcgregor's X-Y Theory remains a valid basic principle from which to develop positive management style and techniques. McGregor's XY Theory remains central to organizational development, and to improving organizational culture.

McGregor's X-Y theory is a salutary and simple reminder of the natural rules for managing people, which under the pressure of day-to-day business are all too easily forgotten.

McGregor's ideas suggest that there are two fundamental approaches to managing people. Many managers tend towards theory x, and generally get poor results. Enlightened managers use theory y, which produces better performance and results, and allows people to grow and develop.

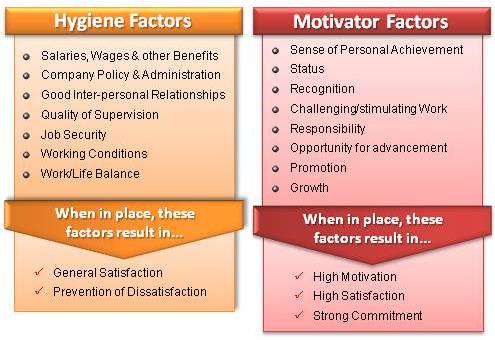
McGregor's ideas significantly relate to modern understanding of the Psychological Contract, which provides many ways to appreciate the unhelpful nature of X-Theory leadership, and the useful constructive beneficial nature of Y-Theory leadership.

THEORY X.

This theory is based on traditional view in which management or authority do not trust the workers. Management considers that work, could be extractor from labour through fear, strict disciplines and rebukes, there cooperation should not be taken in management. Authority or power in thought to be superior.  
Assumptions of X-theory  
Most people just do not like to do work. They are lazy and try to avoid work if they can. To get work from an employee, he should have fear.  
The workers are less ambitions, avoid responsibility and do not try to improve their works through interest, but always wait for instructions.  
Workers want Security  
Workers act on the basis of financial geed if they are paid rose wages, they will take move interest in work.  
Management doesn’t give importance to labour, they think them to be an instrument of machines.  
This theory has authority for superior. Theory X implies one way communication decision at top level only, minimum delegation and centralized control. This theory presents a pessimistic view.

THEORY Y.

Opposite to X-theory  
Labour is a part of management  
Theory believes that workers have self control and self direction  
Assumptions of Y theory  
(i) Every work is not disinfesting  
(ii) They seeks responsibility if conditons are favourable.  
(iii) For executive of work, it is necessary that it should be recognised. Recognition of work is a great prize.  
(iv) This based on democratic principles, where everybody has equal chances.  
(v) Labour can also co-operate to solve the problems of enterprise.  
(vi) Management treats all personal on equal footing for advices.

**FREDERICK HERZBERG’S THEORY OF MOTIVATION.**

**WHAT IS LEADERSHIP.**

**Peter Drucker: “The only definition of a leader is someone who has followers.”**

The ability of a company's management to make sound decisions and inspire others to perform well. Effective leaders are able to set and achieve challenging goals, to take swift and decisive action even in difficult situations, to outperform their competition, to take calculated risks and to persevere in the face of failure. Strong communication skills, self-confidence, the ability to manage others and a willingness to embrace change also characterize good leaders.

**QUALITIES OF A GOOD LEADER.**

Many leaders are competent but few qualify as remarkable. If you want to join the ranks of the best of the best, make sure you embody all these qualities all the time. It isn't easy, but the rewards can be truly phenomenal.

**1. Awareness**There is a difference between management and employees, bosses and workers. Leaders understand the nature of this difference and accept it; it informs their image, their actions, and their communication. They conduct themselves in a way that sets them apart from their employees--not in a manner that suggests they are better than others, but in a way that permits them to retain an objective perspective on everything that's going on in their organization.

**2. Decisiveness**All leaders must [make tough decisions](http://www.amazon.com/Decisive-Make-Better-Choices-Life/dp/0307956393/?tag=jf74973-20) It goes with the job. They understand that in certain situations, difficult and timely decisions must be made in the best interests of the entire organization, decisions that require a firmness, authority, and finality that will not please everyone. Extraordinary leaders don't hesitate in such situations. They also know when not to act unilaterally but instead foster collaborative decision-making.

**3. Empathy**Extraordinary leaders praise in public and address problems in private. [a genuine concern](http://www.inc.com/peter-economy/5-steps-to-keeping-top-performers.html) The best leaders guide employees through challenges, always on the lookout for solutions to foster the long-term success of the organization. Rather than making things personal when they encounter problems, or assigning blame to individuals, leaders look for constructive solutions and focus on moving forward.

**4. Accountability**Extraordinary leaders take responsibility for everyone's performance, including their own. They follow up on all outstanding issues, check in on employees, and monitor the effectiveness of company policies and procedures. When things are going well, they praise. When problems arise, they identify them quickly, seek solutions, and get things back on track.

**5. Confidence**Not only are the best leaders confident, but their confidence is contagious. Employees are naturally drawn to them, seek their advice, and feel more confident as a result. When challenged, they don’t give in too easily, because they know their ideas, opinions and strategies are well-informed and the result of much hard work. But when proven wrong they take responsibility and quickly act to improve the situations within their authority.

**6. Optimism**The very best leaders are [source of positive energy.](http://www.inc.com/peter-economy/17-daily-affirmations-for-managers.html) They communicate easily. They are intrinsically helpful and genuinely concerned for other people’s welfare. They always seem to have a solution and always know what to say to inspire and reassure. They avoid personal criticism and pessimistic thinking, and look for ways to gain consensus and get people to work together efficiently and effectively as a team.

**7. Honesty**Strong leaders treat people how they want to be treated. They are extremely ethical and believe that honesty, effort, and reliability form the foundation of success. They embody these values so overtly that no employee doubts their integrity for a minute. They share information openly and avoid spin control.

**8. Focus**Extraordinary leaders plan ahead and they are supremely organized. They think through multiple scenarios and the possible impacts of their decisions, while considering viable alternatives and making plans and strategies--all targeted toward success. Once prepared, they establish strategies, processes, and routines so that high performance is tangible, easily defined, and monitored. They communicate their plans to key players and have contingency plans in the event last-minute changes require a new direction (which they often do).

**9. Inspiration**Put it all together and what emerges is a picture of the truly inspiring leader: someone who communicates clearly, concisely, and often, and by doing so motivates everyone to give their best all the time. They challenge their people by setting high but attainable standards and expectations, and then giving them the support, tools, training, and latitude to pursue those goals and become the best employees they can possibly be.

**10. Open-Minded**  
Work to consider all options when making decisions. A strong leader will evaluate the input from all interested parties and work for the betterment of the whole.  
 **11. Resourceful**  
Utilize the resources available to you. If you don't know the answer to something find out by asking questions. A leader must create access to information.  
 **12. Rewarding**  
An exceptional leader will recognize the efforts of others and reinforce those actions. We all enjoy being recognized for our actions!  
 **13. Well Educated**  
Knowledge is power. Work to be well educated on community policies, procedures, organizational norms, etc. Further, your knowledge of issues and information will only increase your success in leading others.  
  
**14. Open to Change**  
A leader will take into account all points of view and will be willing to change a policy, program, cultural tradition that is out-dated, or no longer beneficial to the group as a whole.  
  
**15. Interested in Feedback**  
How do people feel about your leadership skill set?  How can you improve?  These are important questions that a leader needs to constantly ask the chapter. View feedback as a gift to improve.

**16. Consistent**  
Confidence and respect cannot be attained without your leadership being consistent. People must have confidence that their opinions and thoughts will be heard and taken into consideration.  
 **17. Delegator**  
An exceptional leader realizes that he/she cannot accomplish everything on his own. A leader will know the talents and interests of people around him/her, thus delegating tasks accordingly.

**LEADERSHIP STYLES.**

At some point, in your career, you may take on a leadership role in some capacity. Whether you’re leading a meeting, a project, a team or an entire department, you might consider identifying with or adopting a defined leadership style.

Most professionals develop their own style of leadership based on factors like experience and personality as well as the unique needs of their company and its organisational culture. While every leader is different, there are ten leadership styles commonly used in the workplace.

## Why are leadership styles important?

As you develop leadership skills, you’ll likely use different processes and methods to achieve your employer’s objectives and meet the needs of the employees who report to you. To be effective as a manager, you might use several different leadership styles at any given time.

By taking the time to familiarise yourself with each of these types of leadership, you might recognise certain areas to improve upon or expand your own leadership style. You can also identify other ways to lead that might better serve your current goals and understand how to work with managers who follow a different style than your own.  
Here are the ten most common leadership styles:

### 1. Coach

A coaching leader is someone who can quickly recognise their team members’ strengths, weaknesses and motivations to help each individual improve. This type of leader often assists team members in setting smart goals and then provides regular feedback with challenging projects to promote growth. They’re skilled in setting clear expectations and creating a positive, motivating environment.

The coach leadership style is one of the most advantageous for employers as well as for the employees they manage. Unfortunately, it’s often also one of the most underutilised styles—largely because it can be more time-intensive than other types of leadership.

Example: A sales manager gathers his team of account executives for a meeting to discuss learnings from the previous quarter. They start the meeting by completing an assessment together of strengths, weaknesses, opportunities and threats regarding the team’s performance. The manager then recognises specific team members for exceptional performance and goes over the goals achieved by the team. Finally, the manager closes the meeting by announcing a contest to start the next quarter in order to motivate the sales people to reach their goals.

### 2. Visionary

Visionary leaders have a powerful ability to drive progress and usher in periods of change by inspiring employees and earning trust for new ideas. A visionary leader is also able to establish a strong organisational bond. They strive to foster confidence among direct reports and colleagues alike.

This type of leadership is especially helpful for small, fast-growing organisations or larger organisations experiencing transformations or corporate restructuring.

Example: A teacher starts a group at work for colleagues who want to help resolve anxieties and issues students have outside of school. The goal is to help students better focus on and succeed at school. He has developed testing methods so they can find meaningful ways to help students in a quick and efficient way.

### 3. Servant

Servant leaders live by a people-first mindset and believe that when team members feel personally and professionally fulfilled, they’re more effective and more likely to produce great work regularly. Because of their emphasis on employee satisfaction and collaboration, they tend to achieve higher levels of respect.

A servant leader is an excellent leadership style for organisations of any industry and size but is especially prevalent within nonprofits. These types of leaders are exceptionally skilled in building employee morale and helping people re-engage with their work.

Example: A product manager hosts monthly one-on-one coffee meetings with everyone who has concerns, questions or thoughts about improving or using the product. This time is meant for her to address the needs of and help those who are using the product in any capacity.

### 4. Autocratic

Also called the authoritarian style of leadership, this type of leader is focused almost entirely on results and efficiency. They often make decisions alone or with a small, trusted group and expect employees to do exactly what they’re asked. It can be helpful to think of these types of leaders as military commanders.

This leadership style can be useful in organisations with strict guidelines or compliance-heavy industries. It can also be beneficial when used with employees who need a great deal of supervision such as those with little to no experience. However, this leadership style can stifle creativity and make employees feel confined.

Example: Before an operation, the surgeon carefully recounts the rules and processes of the operation room with every team member who will be helping during the surgery. She wants to ensure everyone is clear on the expectations and follows each procedure carefully and exactly so the surgery goes as smoothly as possible.

### 5. Laissez-faire or hands-off

This leadership style is the opposite of the autocratic leadership type focusing mostly on delegating many tasks to team members and providing little to no supervision. Because laissez-faire leaders do not spend their time intensely managing employees, they often have more time to dedicate to other projects.

Managers may adopt this leadership style when all team members are highly experienced, well trained and require little oversight. However, it can also cause a dip in productivity if employees are confused about their leader’s expectations or if some team members need consistent motivation and boundaries to work well.

Example: When welcoming new employees, Keisha explains that her engineers can set and maintain their own work schedules as long as they are tracking towards and hitting goals that they set together as a team. They are also free to learn about and participate in projects that they might be interested in outside their team.

### 6. Democratic

The democratic leadership style (also called the participative style) is a combination of the autocratic and laissez-faire types of leadership. Democratic leaders ask for input and consider feedback from their team before making a decision. Because team members feel that their voice is heard and their contributions matter, a democratic leadership style is often credited with fostering higher levels of employee engagement and workplace satisfaction.

Because this type of leadership drives discussion and participation, it’s an excellent style for organisations focused on creativity and innovation such as those in the technology industry.

Example: As a store manager, Jack has hired many brilliant and focused team members who he trusts. When deciding on storefronts and floor design, Jack acts only as the final moderator for his team to move forward with their ideas. He is there to answer questions and present possible improvements for his team to consider.

### 7. Pacesetter

The pacesetting leadership style is one of the most effective for driving fast results. These leaders are primarily focused on performance. They often set high standards and hold their team members accountable for hitting their goals.

While the pacesetting leadership style is motivational and helpful in fast-paced environments where team members need to be energised, it’s not always the best option for team members who need mentorship and feedback.

Example: The leader of a weekly meeting recognised that an hour out of everyone’s schedule, once a week, did not justify the purpose of the meeting. To increase efficiency, she changed the meeting to a 15-minute stand-up with only those she had updates for.

### 8. Transformational

The transformational leadership style is similar to the coach style in that it focuses on clear communication, goal setting and employee motivation. However, instead of placing majority of the energy into each employee’s individual goals, the transformational leader is driven by a commitment to the organisation’s objectives.

Because these types of leaders spend much of their time on the big picture, this style of leading is best for teams that can handle many delegated tasks without constant supervision.

Example: Reyna is hired to lead a marketing department. The CEO asks her to set new goals and organise teams to reach those objectives. She spends the first months in her new role getting to know the company and the marketing employees. She gains a strong understanding of current trends and organisational strengths. After three months, she has set clear targets for each of the teams that report to her and asked individuals to set goals for themselves that align with those.

### 9. Transactional

A transactional leader is someone who is laser-focused on performance similar to a pacesetter. Under this leadership style, the manager establishes predetermined incentives usually in the form of monetary reward for success and disciplinary action for failure. Unlike the pacesetter leadership style, transactional leaders are also focused on mentorship, instruction and training to achieve goals and enjoy the rewards.

While this type of leader is great for organisations or teams tasked with hitting specific goals such as sales and revenue, it’s not the best leadership style for driving creativity.

Example: A bank branch manager meets with each member of the team bi-weekly to discuss ways the team can meet and exceed monthly company goals to get their bonus. Each of the top 10 performers in the district receives a monetary reward.

### 10. Bureaucratic

Bureaucratic leaders are similar to autocratic leaders in that they expect their team members to follow the rules and procedures precisely as written.

The bureaucratic leadership style focuses on fixed duties within a hierarchy where each employee has a set list of responsibilities and there is little need for collaboration and creativity. This leadership style is most effective in highly regulated industries or departments such as finance, healthcare or government.

Example: Managers at the office of the department of motor vehicles instruct their employees to work within a specific, defined framework. They must take many steps to complete a task with strict order and rules.