



Securing your Future with your own Hands

CP08 SEMESTER 5

Organisational Behaviour
and Project Management
(OBPM)

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1.0 Introduction to organization behaviour

1.1 Organizational Behaviour, Nature of Organization, Concepts, Features.

Organizational Behaviour

Organizational Behaviour (OB) is the study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself.

One of the main goals of organizational behaviour is to revitalize organizational theory and develop a better conceptualization of organizational life.

“Organizational behaviour is directly concerned with the understanding, prediction, and control of human behaviour in organizations.”

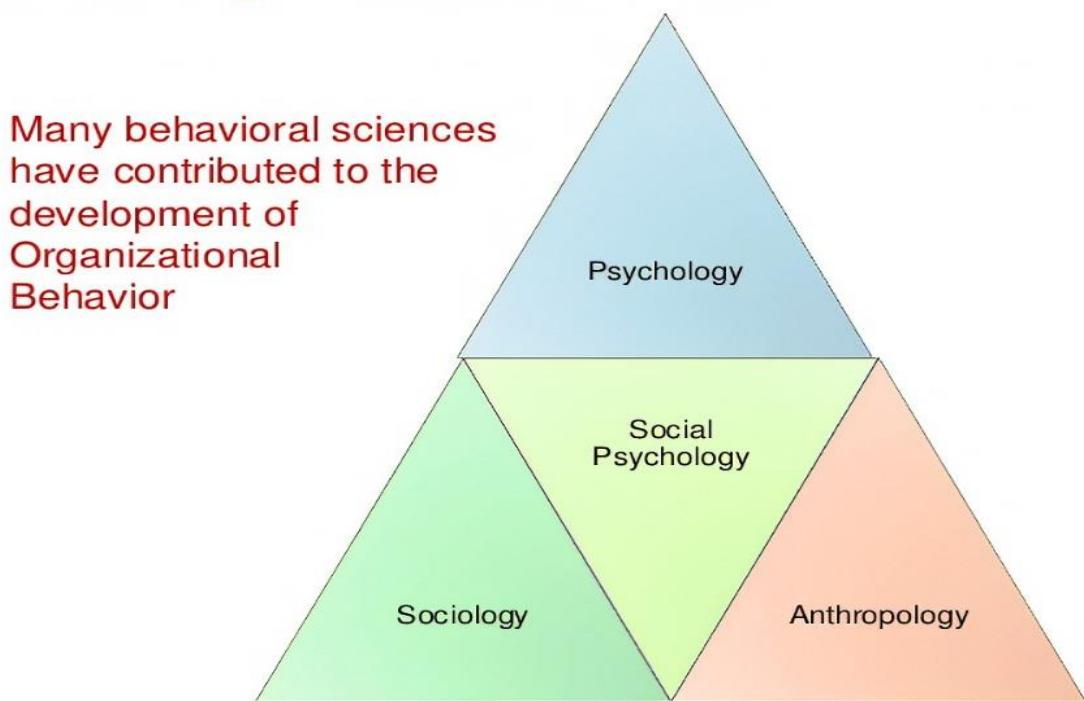
For example, when we review topics such as personality and motivation, we will again review studies from the field of psychology. The topic of team processes relies heavily on the field of sociology.

Although there is still considerable debate as to the relative importance of change, there appears to be general agreement that OB includes the core topics of motivation, leader behavior, and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.

Nature of Organizational Behaviour

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

Nature of Organizational Behaviour



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 on 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 of 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.

Concepts of Organizational Behavior

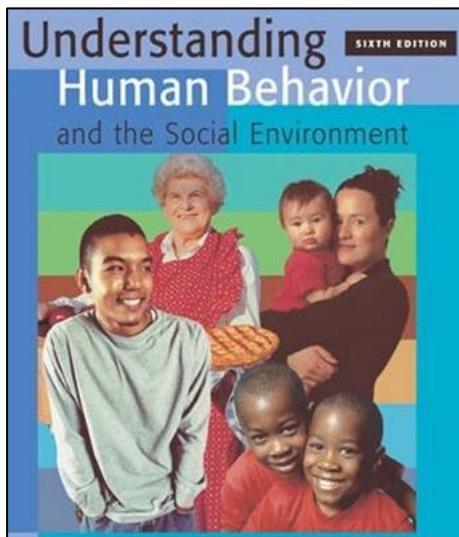
Organization Behavior is based on a few concepts which revolve around the nature of people and organizations.

- 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.

Features of Organizational Behaviour

- ✓ Organizational Behaviour is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.
- ✓ That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.
- ✓ Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

1.2 Understanding of Human Behaviour



- ✓ It is very essential to understand human behaviour in today's world as the existence of the organization depends on the employees/individuals. Without understanding human behaviour it is very difficult to work in an organization. All organizations are composed of individuals, with different personalities, attitudes, values, perceptions, motives, aspirations and abilities. In contrast, modern theories of human behavior are based upon the differences among people and how those differences can affect the organization. Individual differences are many for example some employees are motivated to work and some are not.
 1. Individual Differences
 2. A Whole Person
 3. Caused Behaviour (Motivation)
 4. Value of the Person (Human Dignity)

1.3 Management Functions, Management Roles, Management Skills.

Functions, Roles, and Skills of a Manager

- ✓ An individual engaged in management activities is called a manager. Managers supervise, sustain, uphold, and assume responsibility for the work of others in his or her work group, team, department, or the organization, in general. It is therefore, safe to assume that organizational success is dependent on managers who practice optimal utilization of their human and material resources, and who encourage high levels of performance, effectiveness, and efficiency among the individuals under their care.

Managerial Roles and Functions

Organizations typically have three levels of management with their respective managers—top-level managers, middle-level managers, and frontline or lower-level managers.

Top-level Managers

- ✓ Top-level managers are the general or strategic managers who focus on long-term organizational concerns and emphasize the organization's stability, development, progress, and overall efficiency and effectiveness. They, too, are concerned with the organization's inter-relationships with their external environment. Chief executive officers (CEOs), chief operating officers (COOs), presidents, and vice presidents are examples of top-level managers in big corporations; they have authority over all other human resources of their organization. Traditionally, top-level executives set the company's general direction by designing strategies and by controlling various resources. At present, however, they, too, must act as organizational guides who must elaborate on the wider purpose of their organizational existence, so that their subordinates could identify and be committed to its success.



The three levels of management are best illustrated in an organization chart.

Middle-level Managers

- ✓ Middle-level managers are the tactical managers in charge of the organization's middle levels or departments. They formulate specific objectives and activities based on the strategic or general goals and objectives developed by top-level managers. Their traditional role is to act as go-betweens between higher and lower levels of the organization; they announce and interpret top management priorities to human resources in the middle hierarchical level of the company. It

has been observed that the middle-level managers are more aware of the company's problems compared to managers in the higher level because of their closer contacts with customers, frontline managers, and other subordinates. To be an ideal middle-level manager, one must be creative so that they could provide sound ideas regarding operational skills as well as problem-solving skills that will help keep the organization afloat.

Frontline or Lower-level Managers

✓ Lower-level managers are also known as operational managers and are responsible for supervising the organization's day-to-day activities; they are the bridges between management and non-management employees. Traditionally, they are controlled and instructed by top- and middle-level managers to follow their orders in support of the organization's major strategy. Lately, however, their role has been expanded in some large companies, as they are now encouraged to be more creative and intuitive in the exercise of their functions, so that they, too, could contribute to their company's progress and the development of new projects. Managerial roles are classified into three types: interpersonal, informational, and decision-making. Henry Mintzberg, professor at McGill University, conducted a research on what real managers do. See the table below for the managerial roles Mintzberg came up with.

Managerial Roles according to Mintzberg	
Interpersonal	<ul style="list-style-type: none">• leader• liaison• figurehead
Informational	<ul style="list-style-type: none">• spokesperson• monitor• disseminator
Decisional or Decision-making	<ul style="list-style-type: none">• disturbance handler• resource allocator• negotiator• entrepreneur

Managerial Skills

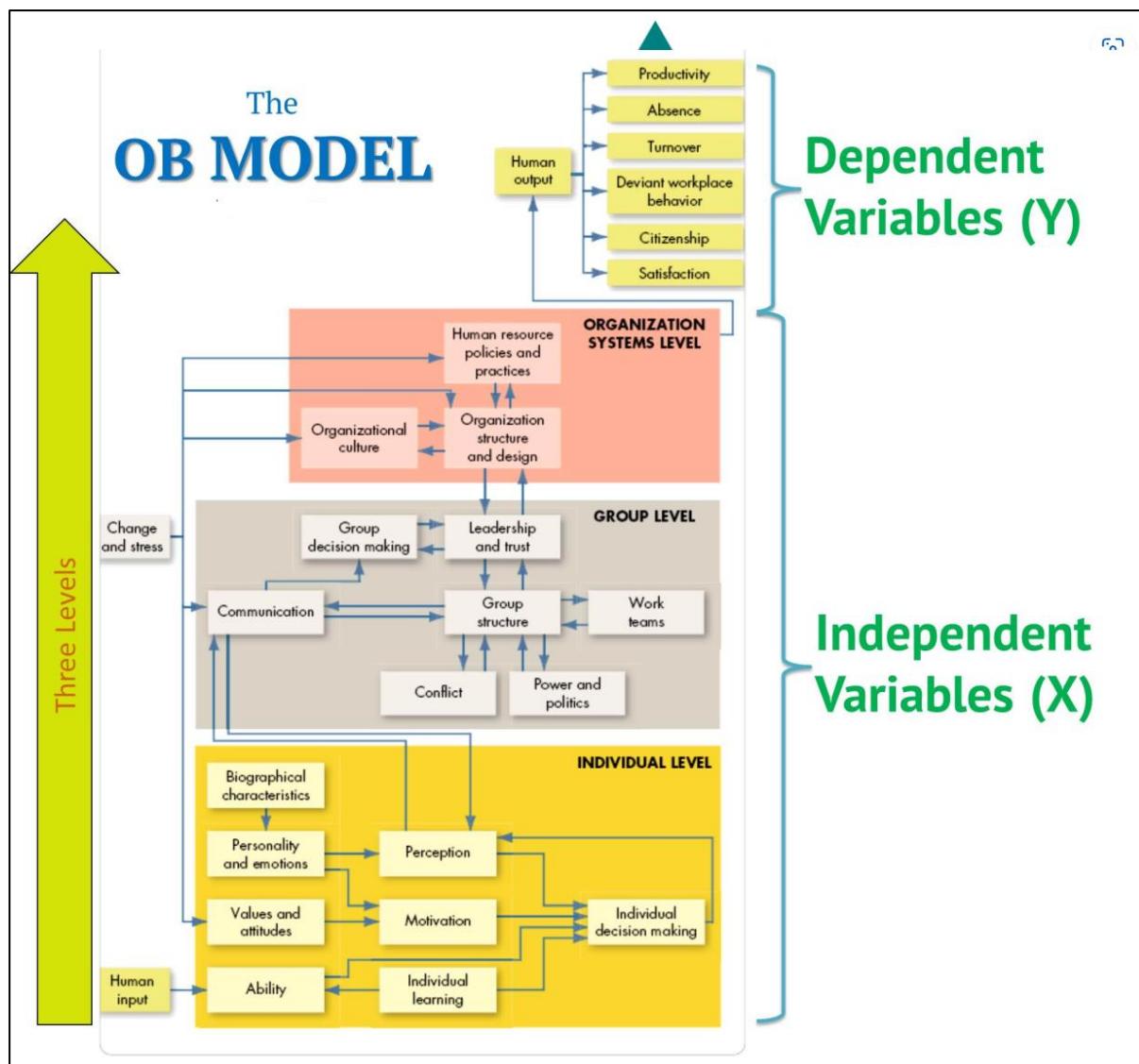
Managerial skills may be classified as conceptual, human, and technical.

❖ **Conceptual Skills.** Conceptual skills enable managers to think of possible solutions to complex problems. Through their ability to visualize abstract situations, they develop a holistic view of their organization and its relation to the wider external environment surrounding it. Top-level managers must have these conceptual skills in order to be successful in their work.

- ❖ **Human Skills.** Human skills enable managers in all levels to relate well with people. Communicating, leading, inspiring, and motivating them become easy with the help of human skills. Dealing with people, both in the organization's internal and external environment, is inevitable, so it is necessary for managers to develop these human skills.
- ❖ **Technical Skills.** Technical skills are also important for managers for them to perform their tasks with proficiency with the use of their expertise. Lower-level managers find these skills very important because they are the ones who manage the non-management workers who employ varied techniques and tools to be able to yield good quality products and services for their company.

1.4 Challenges and Opportunities of Behaviour

- ✓ Organizational behavior (OB) simply is understanding the behavior of people in the workplace. It is OB that helps managers to predict, understand, and control employees' behavior within the workplace. However, applying practices of organizational behavior the manager is not far from its emerging challenges.
- ✓ Due to the unpredictable and ever-growing changes in management practices, today managers are knowingly or unknowingly facing behavioral challenges and issues in their organizations. These concerns made them how to embrace these challenges and grab positive aspects from them.
 - ❖ Globalization
 - ❖ Managing Workforce Diversity
 - ❖ Quality and Productivity
 - ❖ Improving Employees Skills
 - ❖ Empowerment of Employees
 - ❖ Managing Organizational Change
 - ❖ Maintain Ethical Behavior
 - ❖ The Emergence of Information Technology



The above figure presents the skeleton on which constructed the OB model.

- ✓ The OB model Shows the 3 levels, Individual-level, Group level, and Organization System-level and how they impact the elements of human output.
- ✓ It proposes that there are three levels of analysis in OB and that, as we move from the individual level to the organization systems level, we add systematically to our understanding of behaviour in organizations.
- ✓ The three basic levels are analogous to building blocks; each level is constructed on the previous level.
- ✓ Group concepts grow out of the foundation laid in the individual section; we overlay constraints on the individual and group in order to arrive at organizational behaviour.

Organizational Goals:

Goal is the expected outcome from the activities performed in the organization. It is the reason behind existence of the organization.

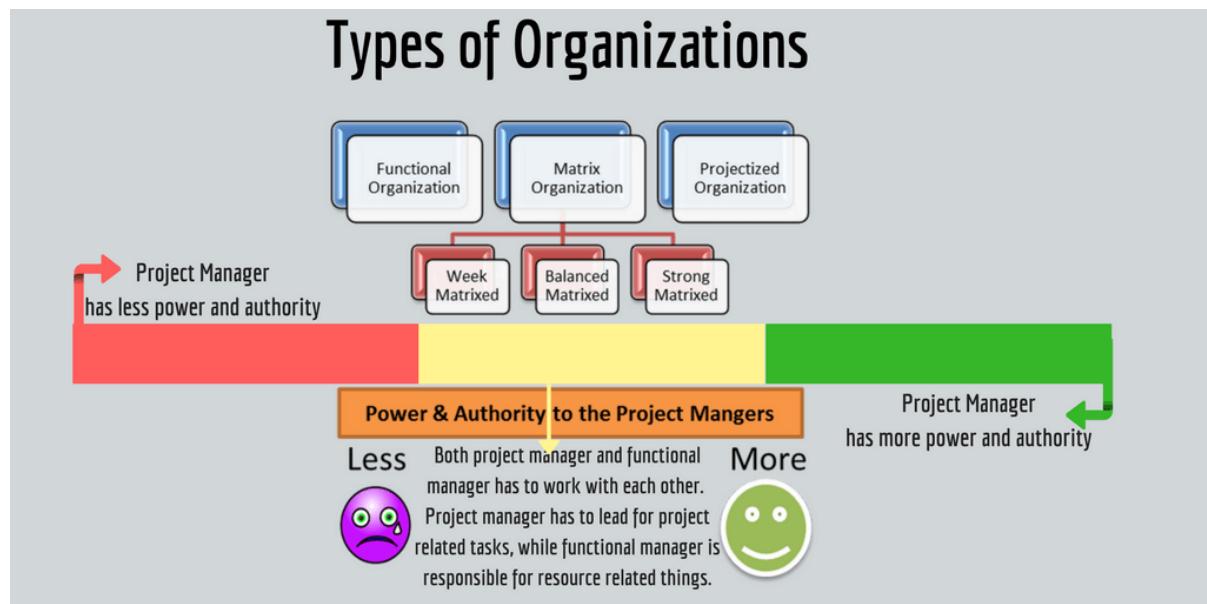
- ✓ According to A. Etzioni, “**Goal may be defined as a desired state of affairs that organizations attempt to realize**”,
- ✓ Similarly, according to Koontz and Wehrich “**Goals are the ends towards which activity is aimed –they are the result to be achieved.**”

Thus, goal is a desired end that organization wants to achieve in future by performing several activities.

- **Vision:** A general statement of its intended direction that generate strong emotional feelings in organizational members
- **Mission:** It states who the company is, what it does, and where it headed.



1.5 Types of Organization.



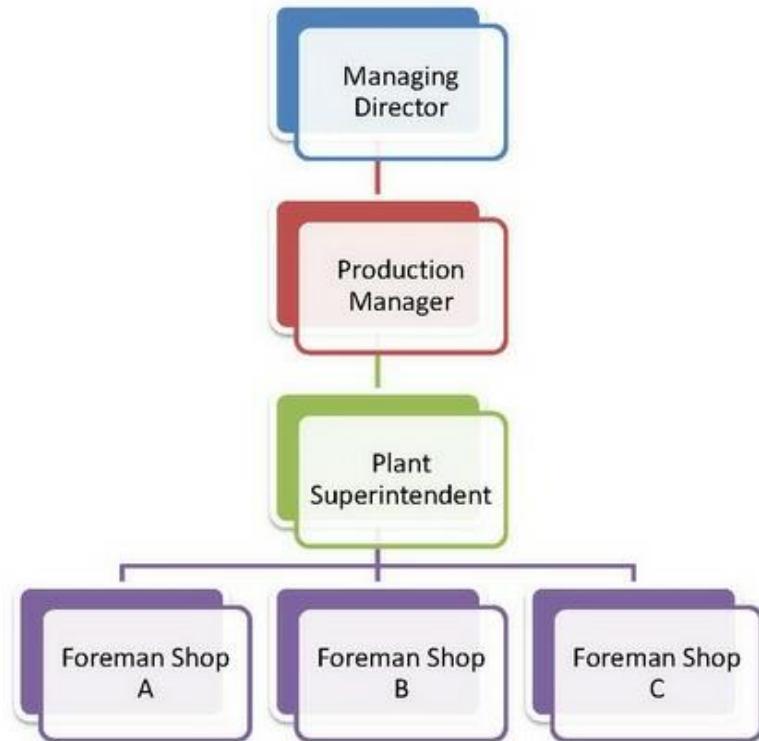
What are the types of organization?

There are 5 types of organizations such as **Line Structure Organization**, **Line and Staff Organization**, **Functional Structure Organization**, **Matrix Structure Organization** and **Project Structure Organization**.

1. Line Structure Organization

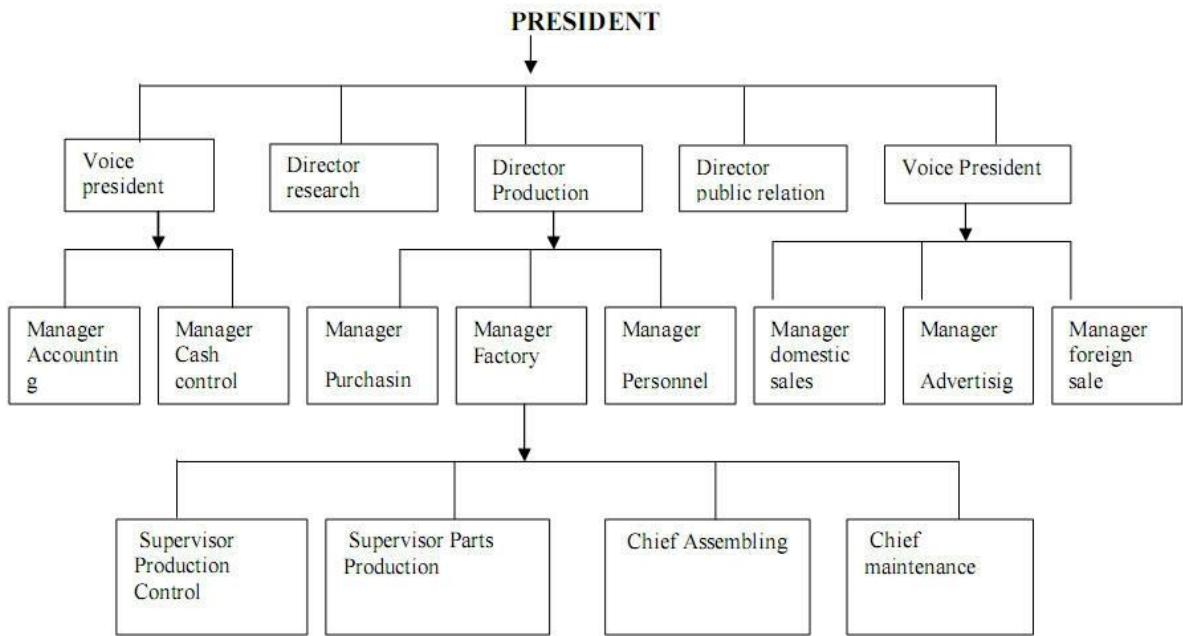
Line structure organization is the **simplest and oldest form** of organization structure. It is called as a **scalar type of military or divisional or organization**. Under this system, authority

flows directly and vertically downward from the top of the managerial hierarchy to different levels of managers and subordinates, and down to the operative level of workers. It is also known as the chain of command or scalar principle.



2. Line and Staff Organization

Line and staff organization, in management, approach authorities (For example: – managers) establish goals and instructions that are then met by employees and other workers. A line and staff organizational structure attempts to present a large and complex enterprise in a more flexible way without sacrificing managerial authority. Staff groups support those who are engaged in the central productive activity of the enterprise. They back up their work. Staff groups help the organisation in analysing, researching, counselling, monitoring, and in evaluating activities.



3. Functional Structure Organization

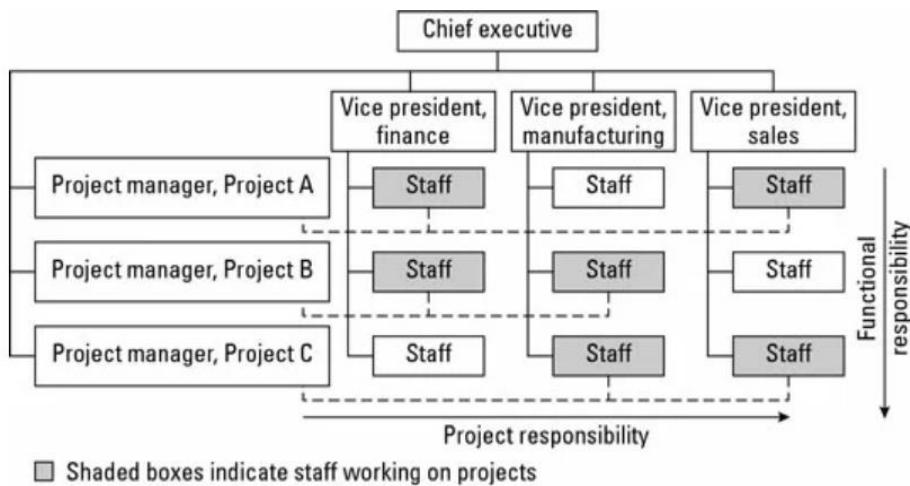
Functional Structure Organization is one of the most common structures of organization. They are grouped based on their **specific skills and knowledge**. Under this structure, the employees are divided into groups by the organization according to a particular or group of tasks. Where functional structures operate well in stable environments, where business strategies have little inclination for change or mobility, the level of bureaucracy makes it difficult for organizations to react quickly to market changes.



4. Matrix Structure Organization

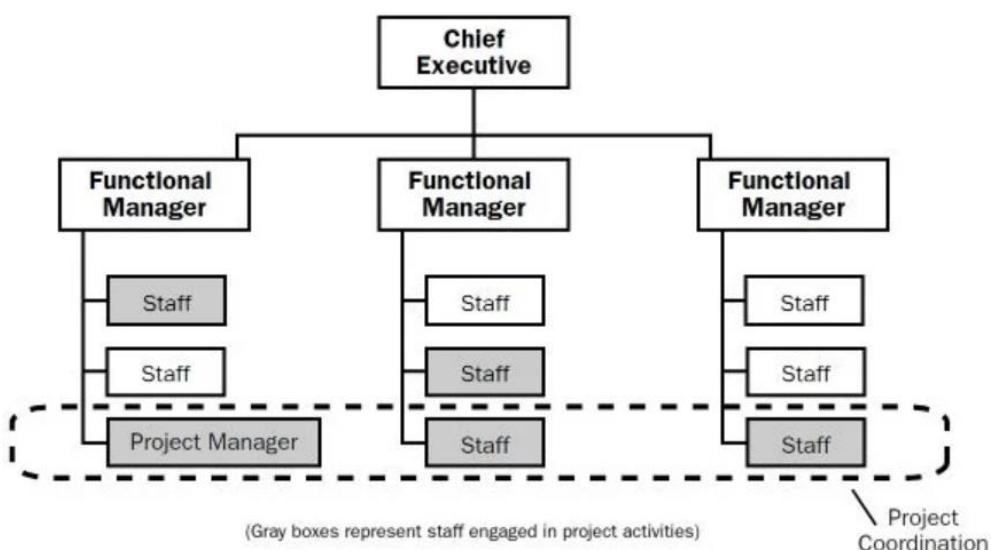
A **matrix organizational structure** is a structure of organization in which some **individuals report to more than one supervisor** or leader, which is described as solid line or dotted line reporting. More broadly, it can also describe the management of cross-functional, cross-

business groups and other work models that do not maintain rigid business units or silos grouped by function and geography. For example, an employee may have a primary manager they report to as well as one or more project managers they work under.



5. Project Structure Organization

A **project structure organizational structure** is used to determine the **hierarchy and authority of people** involved in a specific project. This organizational structure is temporarily created for specific projects for a particular period, for the project to achieve the goal of developing a new product, specialize in various functional departments such as production, engineering, quality control, marketing research etc. and will be ready to work together. These specialists return to their duties as soon as the project is completed. In fact, the project organization is established with the aim of overcoming the major weakness of functional organization, such as absence of unity of command, delay in decision making and lack of coordination.



By Mrinmoy Kumar Mahato

2.0 CONFLICT

2.1 Interpersonal Conflict

What Is Interpersonal Conflict?

- ✓ Interpersonal conflict is a normal, common occurrence in relationships. Anytime more than one person is involved, there are going to be different values, opinions, and thoughts. These differences are what make people individuals. Interpersonal conflict can be healthy; sometimes, it can even result in a mutually beneficial solution and a closer, healthier relationship. On the other hand, when conflict escalates or is chronic and unresolved, this can be unhealthy and stressful, causing more overall conflict in a relationship.

Types of Interpersonal Conflict

1. Pseudo Conflict

This type of conflict is based on a difference of opinion or a misunderstanding. An example might be when one person interprets what another person said as something other than their intention. Usually, these types of conflicts can be worked through quickly by talking through the situation and clarifying needs and meaning.

2. Fact Conflict

A fact conflict occurs when two or more people disagree on the facts about something. For example, one person is convinced that gas prices are higher than ever before. Another person remembers a time that they were higher. A fact conflict can be resolved by checking the facts.

3. Value Conflict

This type of conflict occurs when people have very different values about something. These are usually things that people feel strongly about, like gun control, abortion, education, or religious beliefs. Generally, these beliefs are deep-rooted and this is not a conflict that is easily resolved.

4. Policy Conflict

Policy conflicts occur when people disagree on what type of policy, rule or procedure is best for addressing a certain problem. There are many factors that go into why someone believes a certain approach may be the best one. One way to work toward resolution is to remember the common goal and look for areas of agreement. Remember that everyone is on the same team.

5. Ego Conflict

This type of conflict happens when disagreements get personal and egos are involved. People may lash out or become defensive and triggered. People may get stubborn and refuse to back down. These types of agreements can go around and around without resolution.

6. Meta Conflict

A meta conflict is when people argue about arguing. Things like "You never listen to me! You make everything about you! Don't talk to me that way!" The argument then spirals into an argument about the argument, and the initial conflict is no longer even being discussed.

Strategies for Managing Interpersonal Conflict

The five most common conflict resolution strategies are:

1. Avoiding It

This happens when one or more people withdraw from the conflict and avoid addressing it, which is called avoidance behaviour. Sometimes, they bury their feelings and move on. A person in an argument with their partner may storm out of the room or leave. Other times, they respond in more indirect ways like making passive-aggressive comments, complaining to other people, or responding in a snippy or sarcastic way.

2. Accommodating

Accommodating is when one or more people decide to let the other person “win” this time. For example, if there is a disagreement about where to eat, one partner may decide to bow out and let the other decide, or take turns. This can be a helpful way to deal with conflict, as long as one person is not in a pattern of ignoring their own needs just to keep the peace.

3. Compromising

Compromise happens when everyone agrees to give a little and meet in the middle. Maybe one person wants blue, the other wants red but they both like purple, so they go with that. Compromise is usually regarded as a great way to resolve conflict because everyone gets their needs at least somewhat met, and the relationship stays intact.

4. Competing

Competing is when one person in a conflict becomes more aggressive or coercive, and either forces their will on others or bullies them into doing things their way. An example is someone who says, “It’s my way or the highway”. This leaves others feeling powerless, disregarded, and resentful. While competition has its place, resolving conflicts is not the time for it.

5. Collaborating

This involves working together as a team to solve the problem. If a couple is in a disagreement about parenting, collaboration would involve sitting down, communicating, listening to each other’s concerns and coming up with a solution together. This approach is often not a quick-fix, but ultimately it is the best solution for all involved.

2.2 Horizontal and vertical conflicts.

Horizontal channel conflict is centred around partners of the same level. This tends to focus on competition over leads and customers, overlapping sales networks, and channel saturation.

Example of Horizontal Channel Conflict

- ✓ A common example of horizontal channel conflict is a lead being in discussion with two resellers at the same time.
- ✓ This leads to an obvious conflict as the lead can only go with one or the other, making it impossible for one of the two partners to get their worth out of the deal.

Vertical channel conflict takes place between two or more partner types conflicting across multiple channels. This could be a disagreement between provider and reseller, a customer acquisition conflict between a primary business and an affiliate, and other parallels.

We can think of vertical conflict as 2 partners working in parallel:

1. An affiliate (blogger, influencer, etc.)
2. A reseller (VAR, MSP, etc.)

Example of Vertical Conflict

- ✓ A reseller with a small and personalized business network A wants to nurture potential leads personally to achieve high-quality results and guarantee themselves long-lasting income through lifetime % commissions on recurring revenue from a software provider.
- ✓ On the other hand, an affiliate with an indirect and large-scale business network B aggressively targets a large portion of the market - indirectly targeting many of the prospects in network A.
- ✓ The reseller learns about this during their nurturing sessions or via personal research.

2.3 Group Conflict.

Group conflict, or hostilities between different groups, is a feature common to all forms of human social organization (e.g., sports teams, ethnic groups, nations, religions, gangs), and also occurs in social animals. Although group conflict is one of the most complex phenomena studied by social scientists, the history of the human race evidences a series of group-level conflicts that have gained notoriety over the years. For example, from 1820 to 1945, it has been estimated that at least 59 million persons were killed during conflicts between groups of one type or another. Literature suggests that the number of fatalities nearly doubled between the years 1914 to 1964 as a result of further group conflict.



2.4 Inter-group and Intra group Conflict.

Group conflict can be separated into two sub-categories of conflict: **inter-group conflict** (in which distinct groups of individuals are at odds with one another), and **intra-group conflict** (in which select individuals that are part of the same group clash with one another).



Inter-group conflict

Social psychology, specifically the discontinuity effect of inter-group conflict, suggests that "groups are generally even more competitive and aggressive than individuals". Two main sources of intergroup conflict have been identified: "competition for valued material resources, according to realistic conflict theory, or for social rewards like respect and esteem...as described by relative deprivation theory"

Intra-group conflict

- **Task conflict:** Task conflict arises when intra-group members disagree on issues that are relevant to meeting shared goals. Effective groups and organizations make use of these conflicts to make plans, foster creativity, solve problems and resolve misunderstandings. However, people who disagree with the group do so at their own peril, even when their position is reasonable. Dissenters often receive a high level of animosity from other group members, are less well-liked, assigned low-status tasks, and are sometimes ostracized.
- **Process conflict:** Process conflict refers to disagreement over the methods or procedures the group should use in order to complete its tasks. It occurs when strategies, policies, and procedures clash. For example, some group members may suggest discussing conflicting ideas, while other group members prefer to put conflicting ideas to a vote. In essence, during procedural conflicts, group members disagree on how to disagree.

Situations of procedural conflict can be pre-emptively minimized by adopting formal rules (e.g., bylaws, constitutions, statements of policies) that specify goals, decisional processes, and responsibilities.

- **Personal conflict:** Personal conflicts, also known as affective conflicts, personality conflicts, emotional conflicts, or relationship conflicts, are conflicts that occur when group members dislike one another. Personal dislikes do not always result in conflict, but people often mention their negative feelings toward another group member when complaining about their groups. Also, there is evidence that a large proportion of group conflicts are indeed personal conflicts. One study of high-level corporate executives revealed that 40% of disputes were due to "individual enmity between the principals without specific reference to other issues". Criticism, when one person evaluates another, or his/her work negatively, is one common cause of personal conflict.

3.0 Leadership

3.1 Concept of Leadership.

- ✓ Leadership is a skill that involves someone guiding others to achieve target goals and encouraging people on a team to act as a united group in their efforts. The idea of leadership is that having one person who coordinates the activities of everyone else in a group will enable that group to be more successful and empowered.
- ✓ Of course, not all leadership processes are equally impactful, so some leadership concepts can produce better results than others. Good leadership involves not only having a designated leader but making sure that the leader can adapt to the needs of their team and provide the correct form of motivation for each situation. Just like good leaders can rally a team to surpass achievement goals, poor leaders can derail an already successful group and cause discord within an organization.

3.2 Theories of Leadership

3.2.1 Trait Theory

- ✓ The Trait Theory is very similar to the Great Man Theory. It is founded on the characteristics of different leaders – both the successful and unsuccessful ones. The theory is used to predict effective leadership. Usually, the identified characteristics are compared to those of potential leaders to determine their likelihood of leading effectively.
- ✓ Scholars researching the trait theory try to identify leadership characteristics from different perspectives. They focus on the physiological attributes such as appearance, weight, and height; demographics such as age, education, and familial background; and intelligence, which encompasses decisiveness, judgment, and knowledge.

3.2.2 Behaviour Theory

In Behavioral Theory, the focus is on the specific behaviors and actions of leaders rather than their traits or characteristics. The theory suggests that effective leadership is the result of many learned skills.

Individuals need three primary skills to lead their followers – technical, human, and conceptual skills. Technical skills refer to a leader's knowledge of the process or technique; human skills means that one is able to interact with other individuals; while conceptual skills enable the leader to come up with ideas for running the organization or society smoothly.

3.2.3 Situational Theory

- ✓ The Situational Theory is similar to the Contingency Theory as it also proposes that no one leadership style supersedes others. As its name suggests, the theory implies that leadership depends on the situation at hand. Put simply, leaders should always correspond their leadership to the respective situation by assessing certain variables such as the type of task, nature of followers, and more.

- ✓ As proposed by US professor **Paul Hersey** and leadership guru **Ken Blanchard**, the situational theory blends two key elements: the leadership style and the followers' maturity levels. **Hersey and Blanchard** classified maturity into four different degrees:
 - ❖ **M1** – Team members do not possess the motivation or tactical skills to complete necessary jobs.
 - ❖ **M2** – Team members are willing and ambitious to achieve something, but they lack the necessary ability.
 - ❖ **M3** – Team members possess the skills and capacity to accomplish tasks, but they're not willing to take accountability.
 - ❖ **M4** – Team members possess all the right talents and are motivated to complete projects.



3.3 Leadership Styles, Motivational styles, Power Styles

What are Leadership Styles?

- ✓ Leadership styles refer to the behavioural approach employed by leaders to influence, motivate, and direct their followers. A leadership style determines how leaders implement plans and strategies to accomplish given objectives while accounting for stakeholder expectations and the wellbeing and soundness of their team.

1. Democratic Leadership

A democratic leadership style is where a leader makes decisions based on the input received from team members. It is a collaborative and consultative leadership style where each team member has an opportunity to contribute to the direction of ongoing projects. However, the leader holds the final responsibility to make the decision.

Democratic leadership is one of the most popular and effective leadership styles because of its ability to provide lower-level employees a voice making it equally important in the organization. It is a style that resembles how decisions are made in company boardrooms. Democratic leadership can culminate in a vote to make decisions.

2. Autocratic Leadership

Autocratic leadership is the direct opposite of democratic leadership. In this case, the leader makes all decisions on behalf of the team without taking any input or suggestions from them. The leader holds all authority and responsibility. They have absolute power and dictate all tasks to be undertaken. There is no consultation with employees before a decision is made. After the decision is made, everyone is expected to support the decision made by the leader. There is often some level of fear of the leader by the team.

The autocratic type of leadership style can be very retrogressive as it fuels employee disgruntlement since most decisions would not be in the employees' interests. An example can be a unilateral increase in working hours or a change in other working conditions unfavourable to employees but made by leadership to increase production. Without employee consultation, the manager may not be fully aware of why production is not increasing, thereby resorting to a forced increase in working hours. It can lead to persistent absenteeism and high employee turnover.

3. Laissez-Faire Leadership

Laissez-faire leadership is accurately defined as a hands-off or passive approach to leadership. Instead, leaders provide their team members with the necessary tools, information, and resources to carry out their work tasks. The "let them be" style of leadership entails that a leader steps back and lets team members work without supervision and free to plan, organize, make decisions, tackle problems, and complete the assigned projects.

4. Transformational Leadership

Transformational leadership is all about transforming the business or groups by inspiring team members to keep increasing their bar and achieve what they never thought they were capable of. Transformational leaders expect the best out of their team and push them consistently until their work, lives, and businesses go through a transformation or considerable improvement.

5. Transactional Leadership

Transactional leadership is more short-term and can best be described as a "give and take" kind of transaction. Team members agree to follow their leader on job acceptance; therefore, it's a transaction involving payment for services rendered. Employees are rewarded for exactly the work they would've performed. If you meet a certain target, you receive the bonus that you've been promised. It is especially so in sales and marketing jobs.

5 Types of Leadership Styles



The illustration shows five people in green shirts and dark trousers forming a human pyramid. One person is at the base, four are stacked above him, and one is at the very top reaching for a large yellow star.

- 1 Laissez-Faire**
A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style.
- 2 Autocratic**
The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees.
- 3 Participative**
Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader.
- 4 Transactional**
Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Employees receive rewards, such as bonuses, when they accomplish goals.
- 5 Transformational**
The transformational leadership style depends on high levels of communication from management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

Motivational Styles

The 7 Dimensions

- Aesthetic:** A drive for balance, harmony and form
- Altruistic:** A drive for humanitarian efforts or to help others altruistically
- Economic:** A drive for economic or practical returns
- Individualistic:** A drive to stand out as independent and unique
- Power:** A drive to be in control or have influence
- Regulatory:** A drive to establish order, routine and structure
- Theoretical:** A drive for knowledge, learning & understanding

Power Styles

- ❖ **Impression management** is a competitive power style in which information is controlled and manipulated in order to influence peoples' attitudes to events, policies, or

personalities. This reliance on presentation and ‘spin’ may at times amount to actual deceit.

- ❖ **Consensus and charismatic power styles** are forms of the collective use of power. The consensus power style involves participative decision making and joint problem solving, whereas the charismatic style makes use of the manager's personality to inspire the members of an organization to work together for a common purpose.
- ❖ A **transactional power style** involves the use of negotiation and contingent reinforcement (rewards and penalties) to influence others; it can be either competitive or collective, depending on the decision maker. Cooperation is needed for any transaction to take place: if that transaction involves the use and allocation of scarce resources it could become very competitive.

3.4 Orientation Styles consideration and Initiating

Consideration or People Oriented

Consideration is the extent to which a leader exhibits concern for the welfare of the members of the group.

This factor is oriented towards interpersonal relationships, mutual trust and friendship.

This leadership style is people-oriented.

Some of the statements used to measure this factor in the LBDQ are:

- being friendly
- treating all group members as his/her equal
- looking out for the personal welfare of group members
- making him/herself accessible to group members

Initiating structure or Task Oriented

Initiating Structure is the extent to which a leader defines leader and group member roles, initiates action, organizes group activities and defines how tasks are to be accomplished by the group.

This leadership style is task-oriented.

Some of the statements used to measure this factor in the LBDQ are:

- letting group members know what is expected of them
- maintaining definite standards of performance
- scheduling the work to be done
- checking that group members follow standard rules and regulations

3.5. Styles based on authority

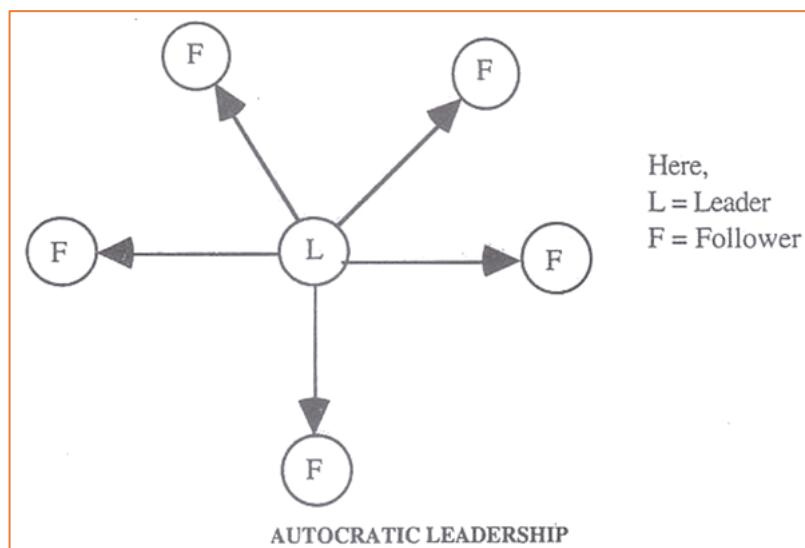
- ✓ Leadership style is the results of a leader’s philosophy, personality, and experience and value system.
- ✓ Leadership styles based on authority can be 4 types:

1. Autocratic Leadership,

2. Democratic or Participative Leadership,
3. Free-Rein or Laisse-Faire Leadership, and
4. Paternalistic Leadership.

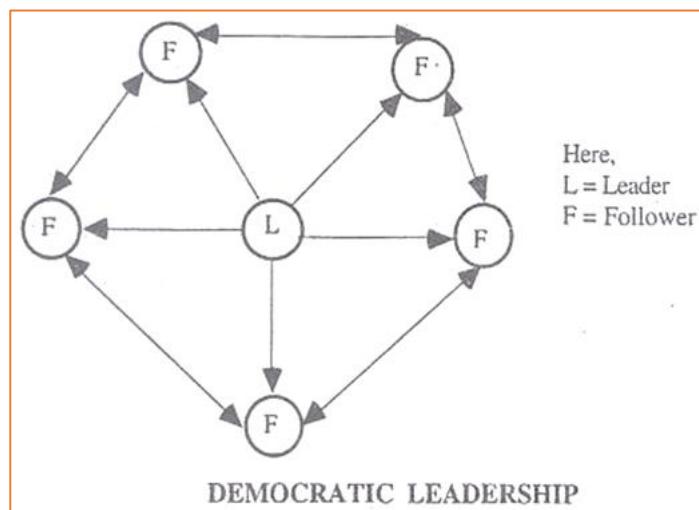
1. Autocratic Leadership

- ❖ Autocratic Leadership relies on coercion, and its style is paternalism, arbitrariness, command, and compliance. The autocratic leader gives orders which must be obeyed by the subordinates.
- ❖ He determines policies for the group without consulting them and does not give detailed information about plans, but simply tells the group what immediate steps they must take.



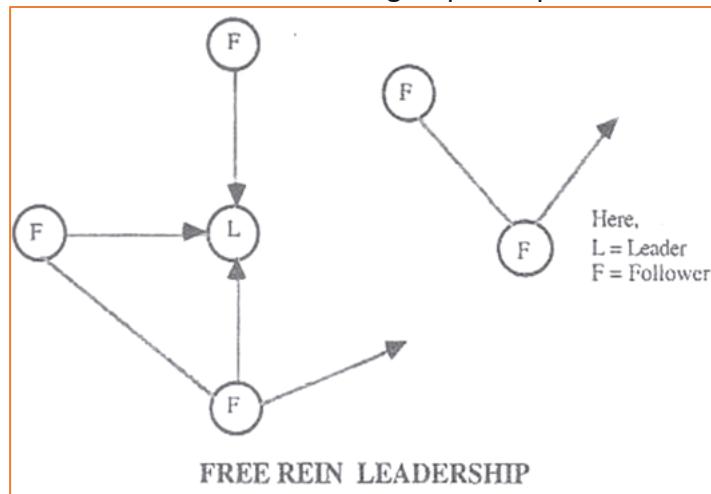
2. Democratic or Participative Leadership

- ❖ The style of leadership that uses legitimate power can be classified as democratic leadership.
- ❖ A democratic leader usually gives instructions only after consulting with the group. He sees to it that policies are worked out in group discussion and with the acceptance of the group.



3. Free-Rein Leadership

- ❖ The leadership style which allows maximum freedom to followers may be called free-rein leadership. It gives employees a high degree of independence in their operations.
- ❖ A free rein leader completely abdicates his leadership position, to give all responsibility of most of the work entrusted to him to the group which he is supposed to lead, limiting his authority to maintain the contact of the group with persons outside the group.

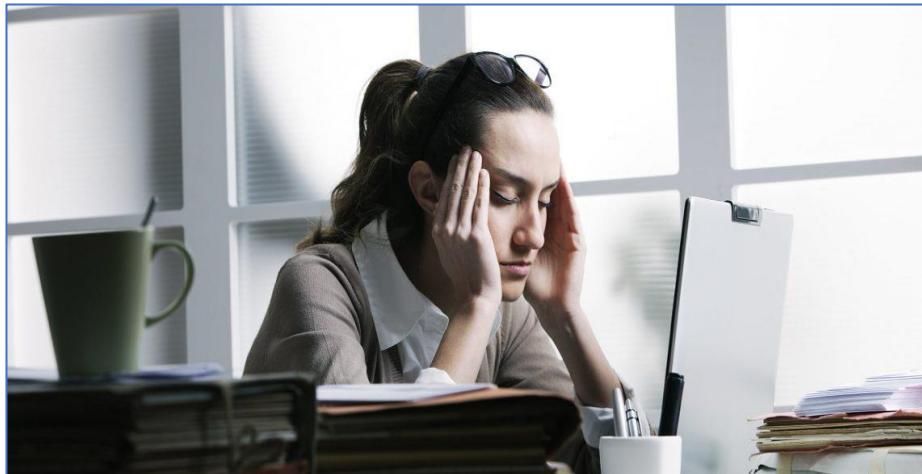


4. Paternalistic Leadership

- ❖ Under Paternalistic Leadership, the leader assumes that his function is paternal or fatherly.
- ❖ His attitude is that of treating the relationship between the leader and the group as that of a family with the leader as the head of the family.
- ❖ He works to help, guide, protect, and keep his followers happily working together as members of a family.

4.0 Stress Management & Group Discussion

4.1 Stress, positive/negative stress



- ✓ Experiencing stress is a natural part of the human condition. It's your body's response to a perceived threat or challenging situation. Temporary periods of stress are not detrimental to your health. It can offer benefits by increasing alertness and energy to meet competitive or confronting events.
- ✓ Stress can present both internally (illness, mindset) or externally (social, environmental, diet) and may be triggered by our surroundings or unrealistic demands we place on ourselves. It becomes problematic when we experience a persistent state of elevated stress, known as chronic stress, and we are unable to physiologically return to a state of homeostasis (internal equilibrium.)

Positive Vs. Negative Stress

- ✓ **Positive stress** occurs in situations such as when working to meet a deadline, sitting an exam, or reacting to a dangerous situation. It can help boost energy, focus, and productivity, ultimately increasing your performance. A complete lack of stress can result in reduced motivation or achievement.
- ✓ **Negative stress** can be the result of excessive work expectations, conflict within interpersonal relationships, financial worries, or fatalities. These types of situations have the potential to impede or overwhelm our ability to cope, producing feelings of tension, anxiety, withdrawal, inability to decompress, or insomnia. Recognizing a cumulative effect and engaging a resilience strategy is integral to preventing the tipping point.

4.2 Causes for stress and how to manage stress

Causes of Stress

1. Work & Education

Our jobs, education, and goals provoke a lot of pressure, between deadlines, responsibilities, doubt, poor communication, and task overload. While this kind of stress contributes to our growth, it can also lead to burnout.

Students, especially, are discovering new stressors daily as they learn to balance growing responsibilities and relationships. Teens need extra support to combat sleeplessness, agitation, and restlessness so they can lay the foundation for stress management.

2. Financial Stress

From covering bills and taxes to preparing for the future, money ripples throughout our entire lives. And what about the expenses we can't see coming?

Financial stress contributes to health, relationship, and work stress. Those who suffer from **financial stress** are more likely to experience sleep issues, headaches, relationship strains, heart disease, high blood pressure, depression, and anxiety.

3. Relationship Stress

Stress is a major contributing factor to relationship issues, whether romantic or not. Misdirected stress can affect communication and spark fights. Unmanaged stress is known to influence sex life in terms of erectile dysfunction and low sex drive, which, for obvious reasons, can lead to more stress.

4. Time Management

If you struggle with managing your time, it likely seems to get worse the more you work at it. But time management is the solution, not the issue. Poor time management practices contribute to the inability to focus and other major symptoms of stress.

5. Health Stress

Health anxiety affects between **4-5%** of people in this digital age of unlimited health forums, WebMD, and other resources (accurate or not). While some are educational and even preventative, many amplify anxiety (not to mention screen addiction and fatigue).

Ways to manage stress.



- ✓ **Start a calendar:** Prioritizing is key. Break tasks into chunks, with deadlines and personal goals to help you paint the big picture.
- ✓ **Give yourself breaks — you deserve it:** Take time for yourself to reset your mind. Don't neglect the hobbies and passions that make you who you are.
- ✓ **Exercise and practice mindfulness:** Under stress, your body releases chemicals that increase your energy. If you don't get this energy out, it builds up in negative ways. Stress relief doesn't have to take up much time. Incorporate breath work, stretching, mindful practices, and exercise into your day that will refocus your energy on what needs to get done, rather than overwhelm your brain.
- ✓ **Cut out caffeine:** While it's something many of us rely on, your brain can benefit from friendlier stimulants with fewer side effects, like functional mushrooms and adaptogens.

4.3 What is G.D, Types of G.D

Group Discussion

- ✓ **Group Discussion or GD** is a type of discussion that involves people sharing ideas or activities. People in the group discussion are connected with one basic idea. Based on that idea, everyone in the group represents his/her perspective.
- ✓ GD is a discussion that tests the candidate's skills, such as **leadership skills, communication skills, social skills and behavior, politeness, teamwork, listening ability, General awareness, confidence, problem-solving skills**, etc.



Types Of GD

There are two types of Group Discussion, which are listed below:

- Topic-Based Group Discussion
- Case Study Based Group Discussion

✓ **Topic-Based Group Discussion**

There are few candidates in a group, where each group is given any topic. The group members discuss the topic, which is called a Group Discussion.

The topic-based Group Discussion can be further classified as:

1. Controversial Topics
2. Knowledge-Based topics
3. Abstract Topics
4. Conceptual topics

Controversial Topics

The discussion on controversial topics becomes a debate. Such topics are given to judge the participants' temper and how they can handle the discussion without losing their calm. It shows that how a candidate can represent his/her views without arguing with other participants.

The example of the controversial topics can be Reservation System, Religion equality, etc.

Knowledge-Based topics

The participants should have a proper understanding of the topic before proceeding for a discussion. The information should be enough to convince the panelists. The essential thing is to be confident. Do not initiate the discussion if you are not aware of the topic.

The examples of Knowledge-Based topics can be 'CAT vs. GATE' and 'Government jobs vs. Private jobs'.

Abstract Topics

The abstract topics test the creativity and thinking of a candidate. It also tests the communication skills.

The example of Abstracts topics can be 'A walk to remember'.

Conceptual topics

The conceptual topics are widely used today by companies. It tests the knowledge, logical, and aptitude skills of a candidate. The topic for the discussion is randomly selected, giving

panelists a space to judge the participants' creative thinking and ability to handle the situation.

The example of Conceptual topics can be 'Life is a Puzzle.'

✓ **Case Study Based Group Discussion**

The Case study based Group Discussion is generally followed by the MBA Institutes, such as IIM, etc. In such a discussion, a problem is given, and the participants are asked to resolve them. The preparation time is also higher as compared to other discussions. The panelists test the teamwork and decision-making skills of the participants.

The participants need to active and updated with the things around them. It also tests the observation capability of the participants.

The example of Case study based topics can be 'Discussion between boss and manager'.

4.4 Uses of groups in an organisation

Informal groups are important not only from the point of view of their members; they have a great utility from organisation's point of view also.

1. Filling in Gaps in Manager's Abilities:

Informal organisation may act to fill in gaps in a manager's abilities. For example, if a manager is weak in planning, one of his subordinates may help him informally in such a situation.

2. Solving work problems:

Informal organisation helps in solving the work problems of members. It allows sharing job knowledge and taking decisions which affect a number of jobs.

3. Better coordination:

Informal groups evolve short-cuts and eliminate red tapism. They facilitate smooth flow of information and quick decision-making. All these ensure better coordination among various individuals and departments.

4. Channel of Communication:

Informal groups act to fill up the communication gaps which might arise in the organisation. Informal communication cuts across the hierarchical and departmental boundaries and transmits information with greater speed.

Management can use informal channels to share information with the workers and get their reaction to management's proposals. Informal communication can be of great use to organisation, if it is handled by the management properly.

5. Restraint on Managers:

Informal groups do not allow the managers to cross their limits. They restrict them from getting unlimited power and from using their power injudiciously.

6. Better relations:

A manager can build better relations with his subordinates through informal contacts. He can consult the informal leaders and seek their cooperation in getting the things done from the workers.

7. Norms of Behaviour:

Informal groups develop certain norms of behaviour which differentiate between good and bad conduct and between legitimate and illegitimate activities. These bring discipline and order among the employees of the organisation.

8. Developing Future Executives:

Informal groups recognise talented workers as their leaders. Such leaders can be picked by the management to fill vacancies at the junior executive level in the future.

4.5. Why a group fails?

1. Lack of commitment. Some people **think** they want to be a part of a small group. But in reality, they don't. They're not **really** ready to make the commitment necessary to truly be a part of a small group. Whether they're not **really** ready to give up a night of their week, or not **really** ready to be open and honest, or not really ready to participate in the discussion, or not really ready to make an investment in someone else's life...the truth is, they're not **really** ready for small group. And a group with uncommitted group members quickly dries up.

2. The gap theory. When there's too large of a gap between when a small group launches, and when they meet for the first time, vital energy is lost. When there is more than a 3 week gap, most groups will have a tough time ever getting off of the ground.

3. Relationships don't form. I give a group 8 weeks. If after that amount of time, there's no "gelling" going on, we can just about guarantee that the group is either going to eek along for the rest of its life or die a quick death. We can have the greatest small group leader of all time facilitating the discussion...but if the relationships don't form, get ready to throw in the towel.

4. Time. Some groups need to start over. They've been together so long that the relationships are at a level of comfort that's not conducive to growth. In our context, we've found that time period to be around 15-18 months. At that point, it's time for the group to multiply and start new groups.

5. Lack of vision. If the group doesn't know how to measure success, they will constantly feel like they're in a state of failure. But with a healthy vision, an expectation of what a group "win" looks like, groups can aim for, and accomplish, the goal.

6. Lack of fun. If a group **only** studies the lesson every week, it's going to crumble. I tell our group leaders that if they don't actively try to make their group fun, people won't come back. Boring groups aren't very attractive. Just like a boring version of Christianity isn't very attractive. Christians can, and should, have fun...what better place to do that than in a small group environment?

7. Lack of serving others. A group **should** focus on itself. If relationships aren't built among group members, the group will remain shallow and fake. But if they **only** focus on building relationships with themselves, they get, in a sense, **fat**. Serving others is like spiritual exercise...putting our faith in action.

5.0 Motivation

5.1 Definition of Motivation.

Motivation is driving force which stimulates an individual to initiate and sustain a behaviour.

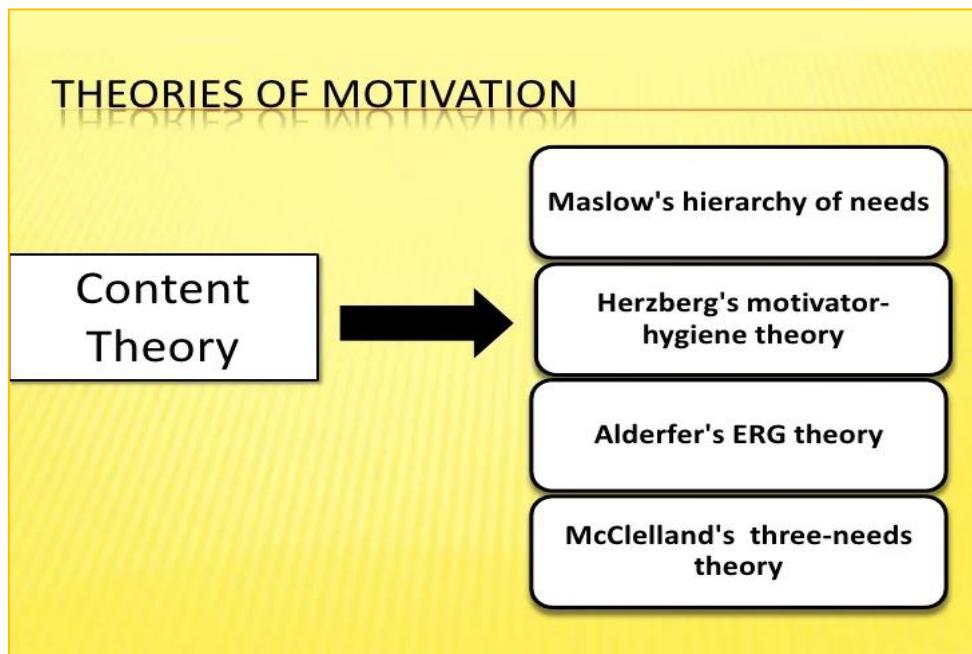
Or

Motivation is a biological, social or psychological state that drives a person towards a specific action.

Or

Motivation is a desire that fuels an individual to perform or continue an action based on needs and wants of the individual.

5.2 Theories of Motivation



Motivation is a state of mind, filled with energy and enthusiasm, which drives a person to work in a certain way to achieve desired goals. **Motivation** is a force that pushes people to work with a high level of commitment and focus, even if things are going against them. **Motivation** translates into a certain kind of human behaviour. In short, motivation is the driving force behind human actions.

Motivation theory is a way of looking at the motivation of a person and how this influences their behaviour, whether for personal or professional reasons. It's important to every aspect

of society but is especially relevant to business and management. **Motivation** is the key to more profitable employees, as a motivated employee is more productive.

5.3 Maslow's need hierarchy

[Abraham Maslow](#) postulated that a person will be motivated when all his needs are fulfilled. People do not work for security or money, but they work to contribute and to use their skills. He demonstrated this by creating a pyramid to show how people are motivated and mentioned that ONE CANNOT ASCEND TO THE NEXT LEVEL UNLESS LOWER-LEVEL NEEDS ARE FULFILLED.

Below is the hierarchy of needs:

- **Physiological needs:** are basic needs for survival such as air, sleep, food, water, clothing, sex, and shelter.
- **Safety needs:** Protection from threats, deprivation, and other dangers (e.g., health, secure employment, and property)
- **Social (belongingness and love) needs:** The need for association, affiliation, friendship, and so on.
- **Self-esteem needs:** The need for respect and recognition.
- **Self-actualization needs:** The opportunity for personal development, learning, and fun/creative/challenging work. Self-actualization is the highest-level need to which a human being can aspire.



The leader will have to understand at what level the team members are currently, and seek out to help them to satisfy those specific needs and accordingly work to help fulfill those needs. This will help the team members perform better and move ahead with the project. Also, as their needs get fulfilled, the team members will start performing, till the time they start thinking of fulfilling the next upper level of need as mentioned in the pyramid.

5.4 Herzberg's Motivation Model

Hertzberg classified the needs into two broad categories; namely hygiene factors and motivating factors:

- Poor hygiene factors may destroy motivation but improving them under most circumstances will not improve team motivation.
- Hygiene factors only are not sufficient to motivate people, but motivator factors are also required.

Herzberg's two-factor principles		
Influenced by Hygiene Factors (Dis-satisfiers)	Improving motivator factors increases job satisfaction	Influenced by motivator factors (Satisfiers)
<ul style="list-style-type: none">• Working condition• Coworker relations• Policies & rules• Supervisor quality	<p>Improving the hygiene factors decreases job dissatisfaction</p>	<ul style="list-style-type: none">• Achievements• Recognition• Responsibility• Work itself• Personal growth

6.0 Personality

6.1 Concept of Personality

- ✓ At its most basic, personality is the characteristic patterns of thoughts, feelings, and behaviours that make a person unique. It is believed that personality arises from within the individual and remains fairly consistent throughout life.
- ✓ Examples of personality can be found in how we describe other people's traits. For instance, "She is generous, caring, and a bit of a perfectionist," or "They are loyal and protective of their friends."

Key Points:-

- ❖ Personality is unique.
- ❖ Personality refers to the relatively stable qualities of an individual.
- ❖ Personality represents a dynamic orientation of an organism to the environment.
- ❖ Personality is greatly influenced by social interaction.



6.2 Theories of Personality

Type theories suggest that there are a limited number of personality types that are related to biological influences.

One theory suggests there are four types of personality. They are:

- ✓ **Type A (Trait):** Perfectionist, impatient, competitive, work-obsessed, achievement-oriented, aggressive, stressed.
- ✓ **Type B (Psychodynamic):** Low stress, even-tempered, flexible, creative, adaptable to change, patient, tendency to procrastinate.
- ✓ **Type C (Humanistic):** Highly conscientious, perfectionist, struggles to reveal emotions (positive and negative).
- ✓ **Type D (Social- Cognitive):** Worrying, sad, irritable, pessimistic, negative self-talk, avoidance of social situations, lack of self-confidence, fear of rejection, appears gloomy, hopeless.

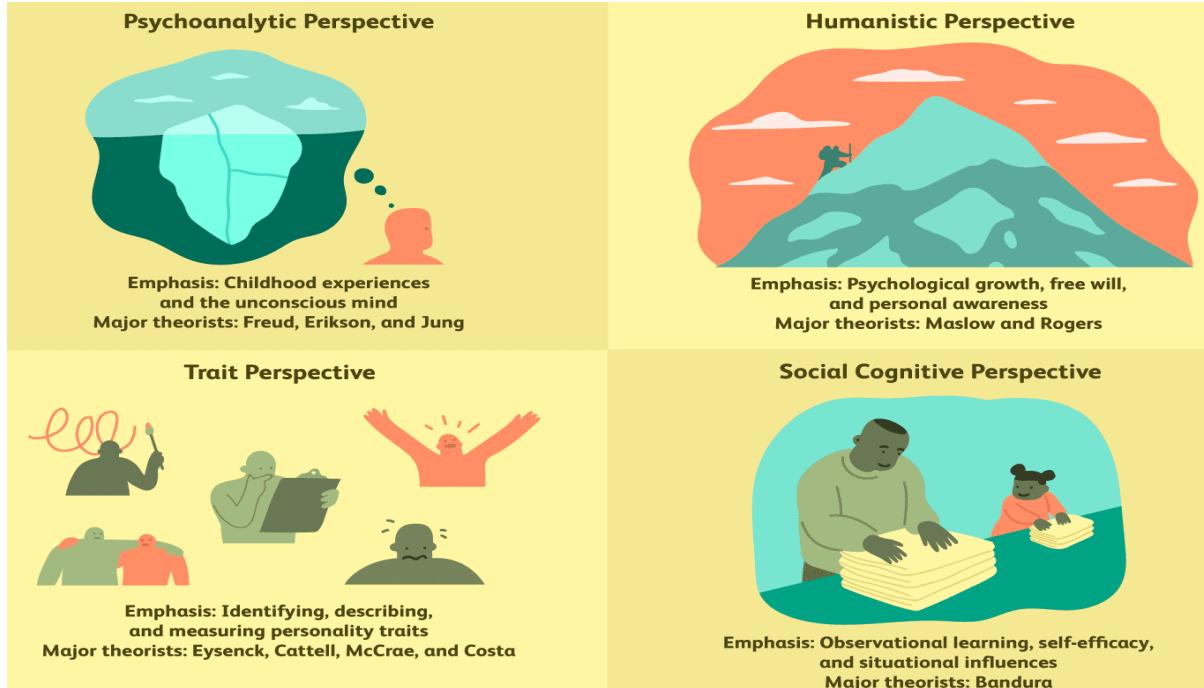
Types of Personality Theories

Trait Theories: Attempt to learn what traits make up personality and how they relate to actual behavior

Psychodynamic Theories: Focus on the inner workings of personality, especially internal conflicts and struggles

Humanistic Theories: Focus on private, subjective experience and personal growth

Social-Cognitive Theories: Attribute difference in personality to socialization, expectations, and mental processes



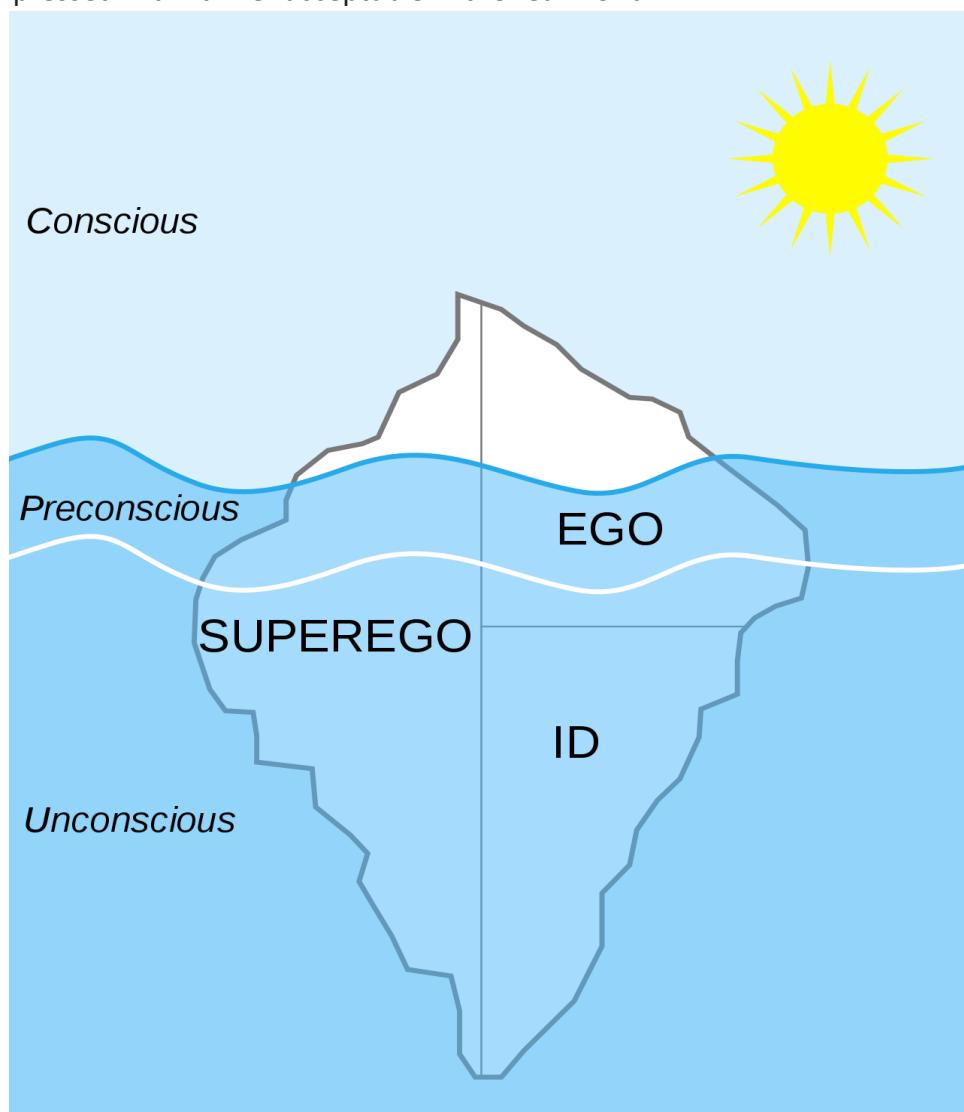
6.3 Psycho-Analytical theory the ID, the Ego

❖ What is an ID?

- ✓ The **id** is the primitive and instinctive component of personality. The id is a part of the unconscious that contains all the urges and impulses, including what is called the libido, a kind of generalized sexual energy that is used for everything from survival instincts to appreciation of art. The id is also kind of stubborn, for it responds only to what Freud called the pleasure principle (if it feels good, do it), and nothing else.

❖ What is EGO?

- ✓ The **ego** is 'that part of the id which has been modified by the direct influence of the external world.' The **ego** develops from the id and ensures that the impulses of the id can be expressed in a manner acceptable in the real world.



6.4 Super Ego Socio-Psychological personality theory

- The personality to develop is the superego.

- ✓ According to Freud, the superego begins to emerge at around age five.
- ✓ The superego holds the internalized moral standards and ideals that we acquire from our parents and society (our sense of right and wrong).
- ✓ The superego provides guidelines for making judgments.

The superego has two parts:

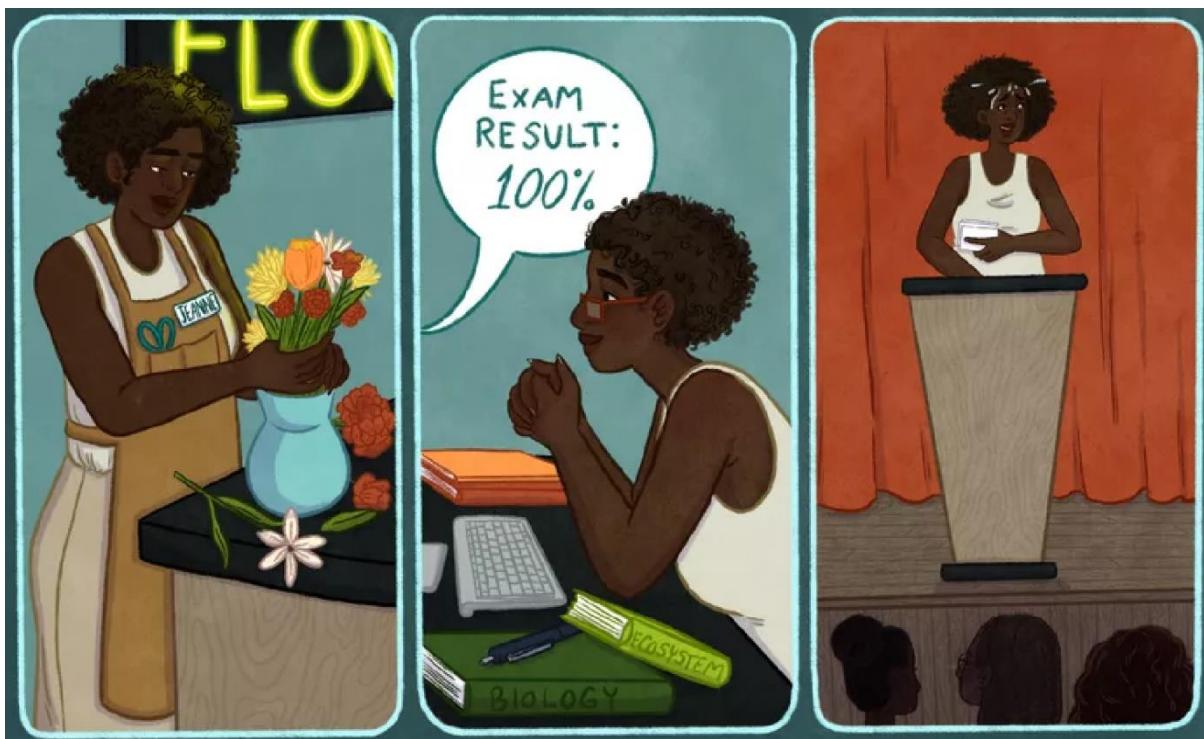
- ❖ The **conscience** includes information about things that are viewed as bad by parents and society. These behaviours are often forbidden and lead to bad consequences, punishments, or feelings of guilt and remorse.
- ❖ The **ego ideal** includes the rules and standards for behaviours that the ego aspires to.



- ❖ The superego tries to perfect and civilize our behaviour. It works to suppress all unacceptable urges of the id and struggles to make the ego act upon idealistic standards rather than upon realistic principles. The superego is present in the conscious, preconscious, and unconscious.

6.5 Trait theory Self theory Self-image, Ideal self

- ❖ The trait theory of personality suggests that people have certain basic traits and it is the strength and intensity of those traits that account for personality differences. The way psychologists have thought about personality-defining traits has evolved over time.



Self Image

- ✓ One's self-image is their view or concept of themselves. Self-image is a fundamental aspect of someone's personality that can determine the success of relationships and a sense of general well-being. A negative self-image can be caused by self-abuse, self-defeating, or self-destructive behaviour.
- ✓ For example, It says that the three elements of self-image are:
 - ❖ The way a person perceives or thinks of themselves;
 - ❖ What a person thinks others think about themselves;
 - ❖ and, the way a person would like to be, or their ideal self.
- ✓ Self-image is the product of thought patterns developed through the social influences of those around someone from childhood on.
- ✓ Self-image is a product of learning. Early childhood influences, as well as one's experiences with others on the individual and societal scales can influence one's image of themselves

Ideal self

- ✓ The ideal self is the part of a person's self-concept that consists of their desires, hopes, and wishes. It is a part of the self that is highly prized by the individual; thus, the ideal self is considered to be a motivator within a person's self-concept.



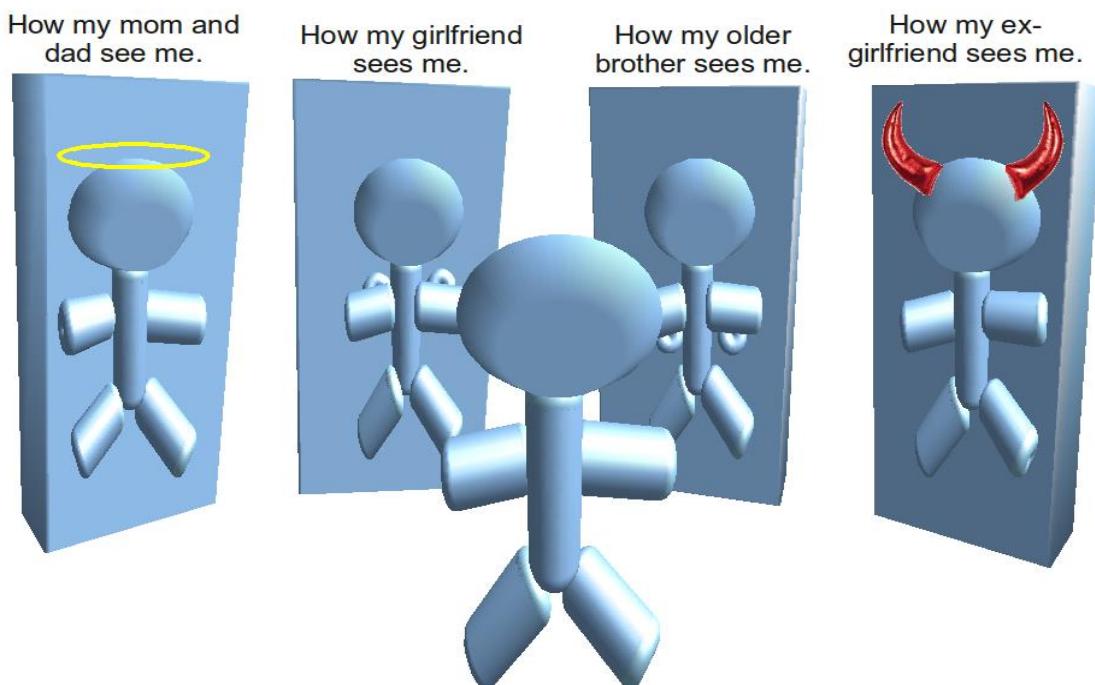
Ideal Self

A person's ideal self may not be consistent with what actually happens in life and experiences of the person. Hence, a difference may exist between a person's ideal-self and actual experience. This is called **incongruence**.

6.6 Looking glass self, Real self

- ✓ The term looking-glass self, first introduced by Charles Cooley (1902), refers to the dependence of one's social self or social identity on one's appearance to others.
- ✓ The looking-glass self, first coined by Charles Cooley, describes how one's self or social identity is dependent on one's appearance to others. This initial theory was based on Cooley's observations of childhood social development.
- ✓ The ideas and feelings that people have about themselves — their self-concept or self image — are developed in response to their perception and internalization of how others perceive and evaluate them (Chandler and Munday, 2011).

The Looking Glass Self

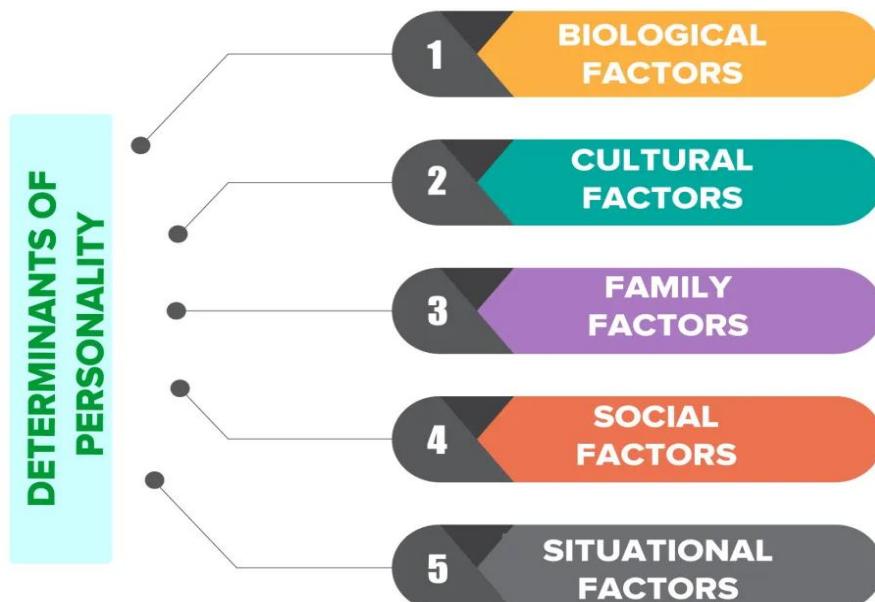


Real Self

- ✓ The individual grows up and evolves influenced by his genetic characteristics and by the events that he has experienced during his life, in various contexts in which he lives; perceptions that the individual harvested from his experiences form his own inner world.
- ✓ When reality reaches awareness (and is psychologically represented), it substantiates the perceptions set that represent individual experiences; we must therefore focus that the human being does not react to reality as it is, but he reacts to his own perception of reality itself: therefore, each person can develop a different perception of a specific situation, and in general of the surrounding world, this process is also based on the concept that a person has of himself.
- ✓ At the development beginning, the child recognizes a part of his own experience as "me", "I", "myself": this is the first part of "self "; therefor emerges the awareness of existing: the set of perceptions relating to oneself, which influence the perception of the surrounding reality.

6.7 Determinates of personality

- ✓ Man is not born a person. At birth he is an infant possessing the potentiality of becoming a person. After birth he associates with other human beings and comes under the influence of their culture. As a result of a variety of experiences and social influences he becomes a person and comes to possess a personality.
- ✓ The term 'personality' is derived from the Latin word 'persona' which means a mask. According to [K. Young](#), "Personality is a patterned body of habits, traits, attitudes and ideas of an individual, as these are organised externally into roles and statuses, and as they relate internally to motivation, goals, and various aspects of selfhood." [G. W. Allport](#) defined it as "a person's pattern of habits, attitudes, and traits which determine his adjustment to his environment."



6.8 Personality and behaviours

Parameter of Comparison	Behaviour	Personality
Definition	It is how a person acts or reacts to others and the surroundings in general.	It refers to an amalgamation of qualities like cognitions and emotional and behavioural patterns that has evolved through a combination of genetic and environmental factors.
Related to	It may relate to human beings, animals, insects, microorganisms, elements etc.	It is used to describe only human beings.
Expressed through	It is expressed through what a person does that is his/her actions.	It finds expression through one's thinking, emotions and behaviour.
Prone to Change	It is based on the situation and therefore changes a lot.	It is inherent and therefore remains stable.
Nature of Change	It tends to be temporary.	It tends to be permanent.

Personality VS Human Behavior

PERSONALITY	BEHAVIOR
<p>what we ARE CANNOT CHANGE a stable, consistent pattern of thoughts, behaviors and emotions.</p>	<p>what we DO CAN CHANGE is an expression of personality in context.</p>

- What is a Behaviour? https://youtu.be/lGnC_TMEG-s
- What is Personality? <https://youtu.be/o72551HqNlw>

6.9 Self-concept and self esteem

Self-concept:

- ✓ Self-concept is the overall idea or the knowledge a person has about him/her own self. Hence, self-concept answers the question 'Who am I?'. Thus, this is a reflection on one's own self. In brief, self- concept is one's self-identity.

- ✓ Self-concept, therefore, includes knowledge about one's gender, name, personality, physical appearance, race, beliefs, nationality, schooling, family, career, accomplishments, preferences, strengths, flaws, likes and dislikes, temperaments, principles, behavioural patterns, etc. In brief, self-concept refers to the detailed idea about who one is. Moreover, some people have strong self-concepts while some don't. Hence self-concept is built upon the pillars of one's social interactions.

Self-esteem:

- ✓ Self-esteem is the self-evaluation of a person about him/her own self. It describes the extent of how much one values their own self. In other words, it is the attitude one holds on one's own self. Hence, this is how one rates themselves, and it is also known as 'self-evaluation.'
- ✓ Therefore, self-esteem always involves a certain degree of evaluation; accordingly, one may have either a positive or a negative view of ourselves. This results in having high self-esteem from a positive evaluation and having low self esteem from a negative evaluation. Therefore, there is a high sense of comparison in self-esteem.



Difference Between Self Concept and Self Esteem

Definition

- ✓ Self-concept is the idea of the self-constructed from the beliefs one holds about oneself and the responses of others. On the other hand, self-esteem is one's overall subjective emotional evaluation of his or her own self-worth.

Self-Evaluation

- ✓ Self-concept is more of a cognitive aspect about self while self-esteem is more of an evaluation of one's self. Thus, this is the basic difference between self-concept and self-esteem.

Principles

- ✓ Moreover, principles are related to self-concept while self-esteem is evaluated on these principles one has about himself.

Comparison

- ✓ Since self concept is primarily the cognitive knowledge about own self, there is no comparison whereas comparison is a major part in self-esteem, which influences evaluating one's own self in comparison to others. This is a major difference between self-concept and self-esteem.

Self-Worth

- ✓ Another difference between self-concept and self-esteem is the self-worth. Self-concept highlights information about one's own self; thus, it does not consider valuing who they are. Conversely, self-esteem basically is about finding worth or value in one's own self.

6.10 Need patterns, Machiavellianism, Locus of control

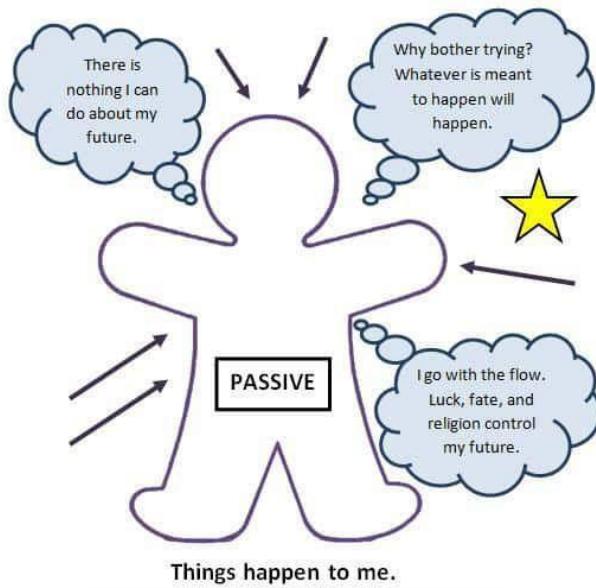
- ✓ In recent decades, the relationship between Machiavellianism and Locus of Control has received increasing attention in psychological research. Machiavellianism, which is one of the key traits of the dark triad, offers a keen interest in the study of self-identity traits of a person. The objective of the present study is to examine the Locus of Control and the Machiavellianism trait among 100 undergraduate students (18-21 yrs). Subjects consisted of 50 male and 50 female students of HNB Garhwal University, Srinagar (Uttarakhand). Locus of Control was assessed using Rotter's Locus of Control Scale (Dr. N. Hasain & Dr. D. D. Joshi, 1992), and Machiavellianism was assessed using A Scale of Machiavellianism (Mach IV) by Dr. S. N. Rai & Dr. Manjula Gupta. Pearsonian correlation analysis of the variables (Locus of Control and Machiavellianism) on subjects' scores revealed a negative correlation. No significant difference was found across the genders. Mean scores indicated the male students to be slightly higher on the Machiavellianism trait, and female students showed a higher mean score on Locus of Control indicating an internal Locus of Control.
- ✓ Human personality is an idiographic entity, which is an interplay of various unique traits that process and form our behaviours. Individual differences can be noted on similar traits among people belonging to the same section of society. But very often, one trait can be related to another defining trait in a person. In personality psychology, Locus of Control is crucial in determining the impact of social learning in shaping a person's overall personality, while Machiavellianism, is typically a personality trait of a person who does not mind 'using someone' to achieve their goals, completely disregarding what others may feel about it or how their own motives affect the people who are involved. In recent

decades, the relationship between both the constructs has received increasing attention in psychological literature. The most likely reason could be that Machiavellianism, which is one of the three traits of the dark triad, offers a keen interest in the study of self-identity traits of the person.

Internal Locus of Control



External Locus of Control



6.11 Tolerance of Ambiguity, Type A and B

- ✓ **Tolerance of Ambiguity** is the ability to perceive ambiguous situations as desirable, accept some uncertainty while making decisions, and a tendency to avoid thinking in a rigid manner. It is the degree to which we are comfortable with uncertainty, unpredictability, conflicting directions, and multiple demands. It manifests itself in our ability to operate effectively in an uncertain environment.
- ✓ **Tolerance of Ambiguity** is seen as an important criterion for development of flexible, integrative, and independent thinking. Also, a significant and positive relationship has been found between creativity and tolerance of ambiguity.

Tolerance Of Ambiguity In Action

The person will be able to:

- Stay patient when being a part of an activity that they do not totally understand.
- Participate in a setting that is composed of people that do not share similar values.
- Enjoy working with people who have different values than themselves.
- Enjoy travelling and adjusting to new and unfamiliar situations.
- Manage their emotions in unpredictable and unfamiliar situations.

Tolerance for Ambiguity

“Comfortable dealing with uncertainty or incomplete instructions”



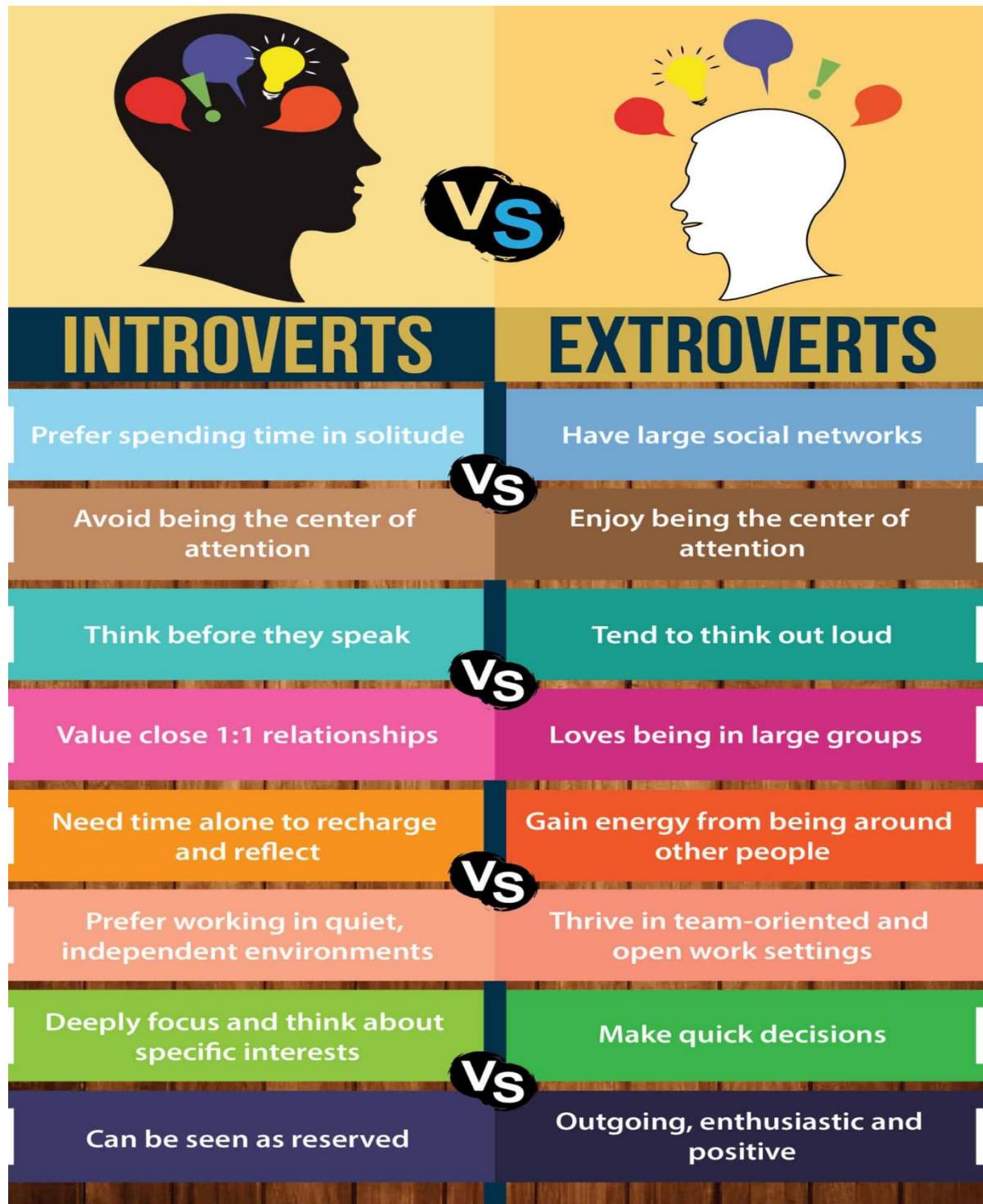
6.12 Introversion and extroversion

Introversion – Definition

- ✓ Introversion refers to a general tendency to remain shy, quiet, and reticent almost all the time. It is a propensity to remain in one's thoughts and feelings and not be carried away by external happenings. An introvert is oriented towards a private world that belongs only to them.

Extroversion – Definition

- ✓ Extroversion refers to a tendency to live an outgoing and socially active life. Extroverts derive their mental energy from external stimulation, being with others, participating in social activities. They are talkative, gregarious, lively, and full of life.



7.0 Principles of Management

7.1 Concept of Management

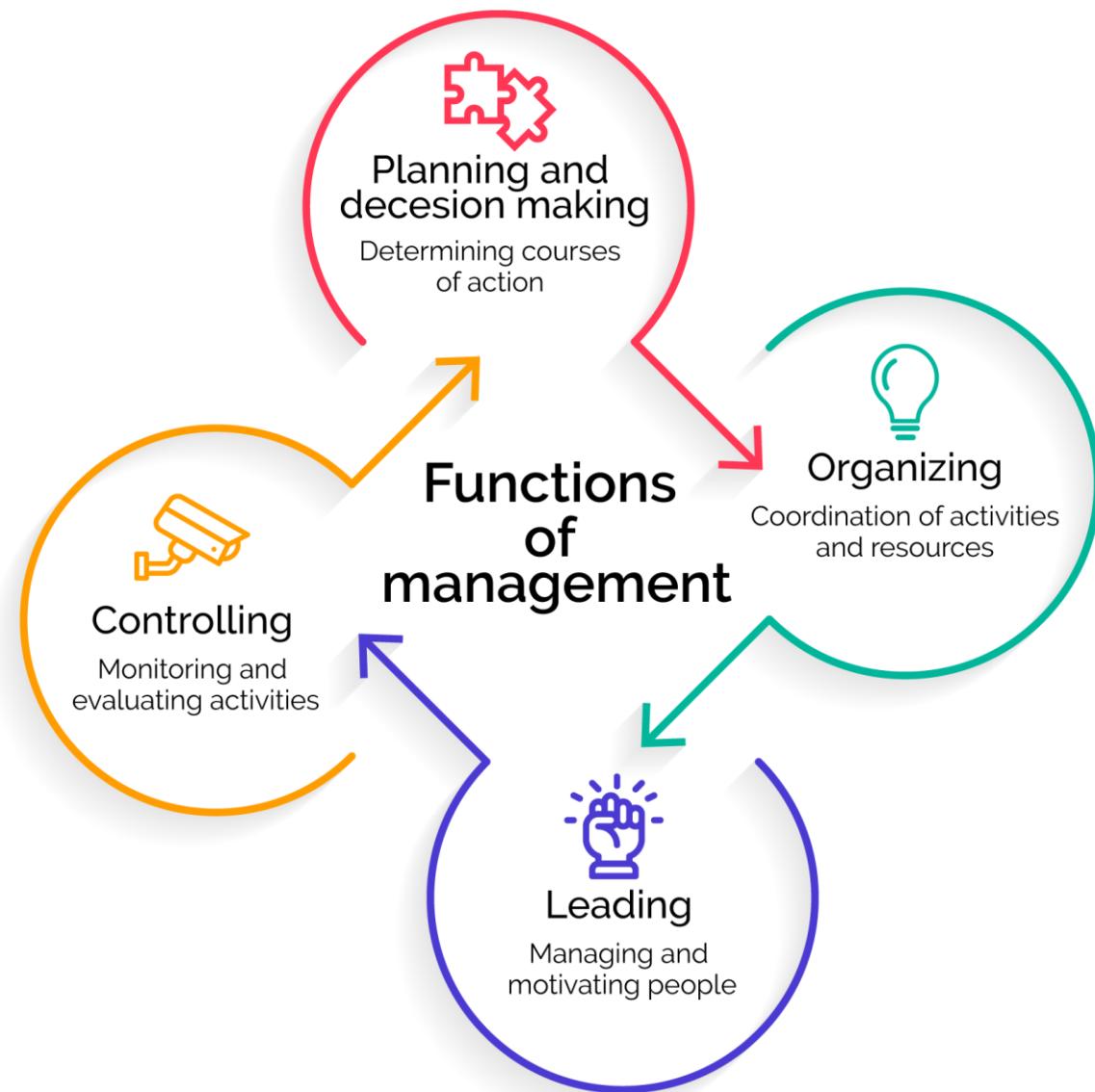
- ✓ The concept of Management can be defined as the process of achieving things fully intent on achieving goals effectively and productively. Management is the process of working with individuals and other organizational assets and arriving at organizational goals.
 - ❖ According to [Harold Koontz](#) and [Heinz Wehrich](#), Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.
 - ❖ According to [Robert L. Trewelly](#) and [M. Gene Newport](#), Management is defined as the process of planning, organising, actuating and controlling an organisation's operations in order to achieve coordination of the human and material resources essential in the effective and efficient attainment of objectives.
 - ❖ According to [Kreitner](#), "Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment.
 - ❖ According to [George R Terry](#), Management consists of planning, organising, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources.

Meaning of management

- ✓ Management is the act of directing something or someone to act in the desired way. The word "management" comes from the Latin word "manager", which means "to guide". The act of managing something is done in order to achieve an end. It is the process of directing an object or person to achieve a goal.



7.2 Management functions/principles



Planning

- ✓ One main role of a manager is creating a plan to meet company goals and objectives. This involves allocating employee resources and delegating responsibilities, as well as setting realistic timelines and standards for completion. Planning requires those in management roles to continuously check on team progress in order to make small adjustments when necessary, while still maintaining a clear picture of a company's larger aims and goals.
- ✓ Much of one's planning function consists of working independently to determine what responsibilities must be given to which employees, setting priority levels for certain tasks, and creating timelines. However, communication also plays an important role. For example, managers deal with planning when they meet with company leadership to

discuss short and long-term goals, and when they communicate the specifics of a new project to their team or check-in periodically to ensure individual objectives are being met on time.

Organizing

- ✓ Along with planning, a manager's organizational skills can help to ensure a company or departmental unit runs smoothly. From establishing internal processes and structures to knowing which employees or teams are best suited for specific tasks, keeping everyone and everything organized throughout daily operations are important functions of management.

- ✓ Organization isn't just about delegating tasks efficiently and making sure employees have what they need to accomplish their tasks, however. Managers also need to be able to reorganize in response to new challenges. This could come into practice in the form of slightly adjusting the timeline for a project or re-allocating tasks from one team to another. Or, it could mean significantly altering a team's internal structure and roles in response to company growth.

Leading

- ✓ Managers should be comfortable and confident commanding their team members' daily tasks as well as during periods of significant change or challenge. This involves projecting a strong sense of direction and leadership when setting goals and communicating new processes, products and services, or internal policy.

- ✓ Leadership can manifest itself in a number of ways, including recognizing when employees need an extra boost of reinforcement and praise to handling conflicts between team members fairly and decisively. Often, managers may function as leaders even during small personal interactions by modeling supportive, encouraging, and motivational qualities.

Controlling

- ✓ To ensure all of the above functions are working toward the success of a company, managers should consistently monitor employee performance, quality of work, and the efficiency and reliability of completed projects. Control (and quality control) in

management is about making sure the ultimate goals of the business are being adequately met, as well as making any necessary changes when they aren't.

Principals:

The organisational principle is the great and overall direction for determining the performance. For instance, while ascertaining about the promotion of an employee, a manager may contemplate seniority, whereas the other may follow the principle of quality.

Importance of Understanding Principles of Management:

(1) Providing Managers With Useful Insights Into Reality

- The application of principles of management helps the managers to take right decisions at the right time.
- These principles of management help managers to tackle the diverse problems in a dynamic business environment.

(2) Optimum Utilisation of Resources & Effective Administration

- Resources are always scarce and limited.
- By applying the management principles, the managers can focus on optimum use of available resources so as to achieve productive results at minimum cost and maximum profits.
- It results in effective administration by channelising resources (human and material) into the best possible way.

(3) Scientific Decisions

- Application of principles of management makes the manager more realistic, thoughtful, justifiable and free from personal bias.
- The decisions taken on the basis of principles of management are subject to evaluation and objective assessment.

(4) Meeting Changing Business Environment

- Although the principles are in the nature of general guidelines, they are modified and help managers to meet the changing requirements of the environment.

Example:

With the rapid rise of online market sellers, offline vendors have also started selling their goods on online platforms.

(5) Fulfilling Social Responsibility

- Principles of management not only help in achieving the goals of the organisation effectively and efficiently, but they also guide the managers to fulfil their commitment towards its employees and society.

Example:

Principles of fair remuneration and equity ensure social justice to employees and compliance with government norms towards corporate social responsibility which improves the company's image in the society.

(6) Management Training, Education and Research

- Proper understanding of principles is the base of training, research and development in the field of management.
- Management is taught on the basis of these principles, which help the management institutes prepare future managers.
- These Principles help managers to take decisions and actions in the right manner.
- Application of these principles by the managers brings innovation in the field of management.

Example:

It is the result of such training, education and research that Sunil Mittal could run Airtel in a successful way.

7.3 Planning objectives, policies, procedures, rules

- ❖ Planning is one of the most important and the first function of management. It is an activity that managers of all levels have to perform. So according to the level of management, the type of plan will differ. Let us see the different types of plan in management.

Objectives

- ✓ This is the first step in planning the action plan of the organization. Objectives are the basics of every [company](#) and the desired objective/result that the company plans on achieving, so they are the endpoint of every planning activity.
- ✓ For example one of the objectives of an organization could be to increase sales by 20%. So the manager will plan all activities of the [organization](#) with this end objective in mind. While framing the objectives of the organization some points should be kept in mind.
 - Objectives should be framed for a single activity in mind.
 - They should be result oriented. The objective must not frame any actions
 - Objectives should not be vague, they should be quantitative and measurable.
 - They should not be unrealistic. Objectives must be achievable.

Strategy

- ✓ This obviously is the next type of plan, the next step that follows objectives. A strategy is a complete and all-inclusive plan for achieving said objectives. A strategy is a plan that has three specific dimensions
 - i. Establishing long-term objectives
 - ii. Selecting a specific course of action
 - iii. allocating the necessary resources needed for the plan
- ✓ Forming strategy is generally reserved for the top level of management. It actually defines all future decisions and the company's long-term scope and general direction.

Policy

- ✓ Policies are generic statements, which are basically a guide to channelize energies towards a particular strategy. It is an organization's general way of understanding, interpreting and implementing strategies. Like for example, most companies have a return policy or recruitment policy or pricing policy etc.
- ✓ Policies are made across all levels of management, from major policies at the top-most level to minor policies. The managers need to form policies to help the employees navigate a situation with predetermined decisions. They also help employees to make decisions in unexpected situations.

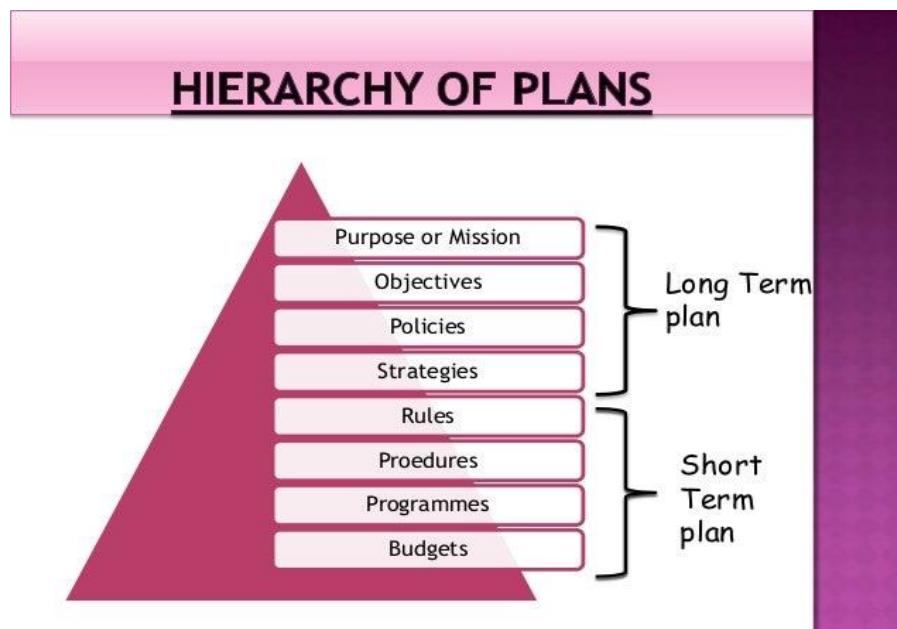
Procedure

- ✓ Procedures are the next types of plan. They are a stepwise guide for the routine to carry out the activities. These stepwise sequences are to be followed by all the employees so the activities can be fulfilled in an organized manner.
- ✓ The procedures are described in a chronological order. So when the employees follow the instructions in the order and completely, the success of the activity is pretty much guaranteed.
- ✓ Take for example the procedure of admission of a student in a college. The procedure starts with filling out an application form. It will be followed by a collection of documents and sorting the applications accordingly.

Rules

- ✓ Rules are very specific statements that define an action or non-action. Also, rules allow for no flexibility at all, they are final. All employees of the organization must compulsorily follow and implement the rules. Not following rules can have severe consequences.

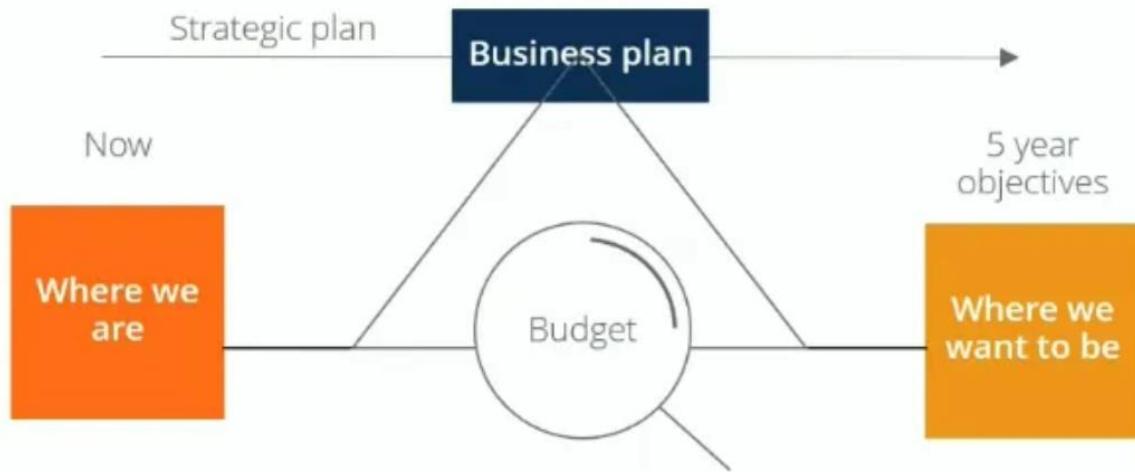
- ✓ Rules create an environment of discipline in the organization. They guide the actions and the behaviour of all the employees of the organization. The rule of “no smoking” is one such example.



7.4 Budgets Planning

- ✓ Budgeting planning is the act of creating and maintaining a budget, then using it to make strategic business decisions and guide organizational changes across various departments. With correct budgetary planning, company stakeholders can have a more substantial idea of the organization's financial standing and current and future financial needs.
- ✓ The process of budget planning can include these steps:
 - **Planning:** In the planning phase, company executives discuss and decide on the organization's financial goals for a certain time period, usually five years or fewer.
 - **Budgeting:** Budgeting includes a plan for how stakeholders will adhere to the budget, and consists of a company's earnings and expenses, debts and any forecasted revenue.

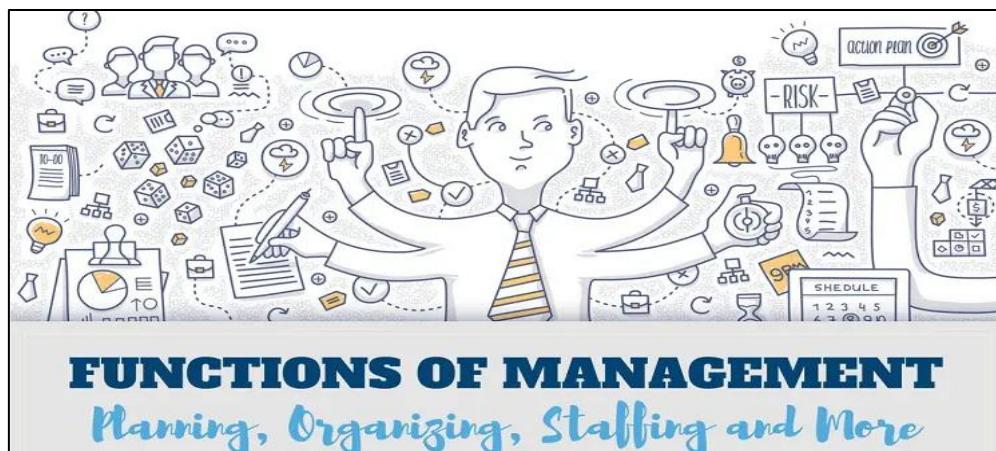
- **Forecasting:** The forecasting part of the budgetary planning process involves using the historical financial data of the company and the current state of the market to determine how much money the business will likely make in the next couple of months or years.



Translating Strategy into Targets and Budgets

Objectives	Strategies	Measures	Targets
What are you trying to achieve? <ul style="list-style-type: none"> • Increase spend per customer 	How are you going to achieve it? <ul style="list-style-type: none"> • Expand product offering • Source new suppliers • Promotion and marketing • Pricing 	What are the input and output measures? <ul style="list-style-type: none"> • Average weekly spend/customer • Spend by product type • Average price changes 	Quantifiable and time-based <ul style="list-style-type: none"> • \$ increase • Volume increase • % staff trained in new products

7.5 Steps in planning, Organizing, Staffing



- ✓ Management is an aspect of the business that doesn't have the same specific duties some of the other parts of the business have. While an accountant will always know quite clearly the expertise and responsibilities he or she has, a manager needs to have a much broader set of skills, with the tasks ranging depending on the business. Yet, management like all the other parts of the business have certain functions to guide the operations.
- ✓ Management is a process with a social element. It requires the efficient use of resources combined with the guidance of people in order to reach a specific organizational objective. It involves responsibility to achieve the objectives and to fulfil specific organizational purposes through economical and effective planning and regulation. It's about taking charge and ensuring focus is placed on the things and aspects of the business that help achieve the vision and the goals.
- ✓ Three key characteristics define the process of management.
 - ❖ First, management is **a process of continuing and related activities**. Each of the functions is related to each other and the functions complement each other. It is hard to consider the functions in isolation, as management requires each activity to complement one another. When you as a manager engage in one function, you in effect also start the process of another function.
 - ❖ The second core characteristic of management is about it **involving and concentrating on organizational goals**. Management is largely focused on achieving the key mission of the organization, its vision. Whilst there are detailed objectives it might focus on; management is mainly interested in identifying the wider organizational goals and using the different functions in order to achieve the objectives. Each function takes the organization closer to achieving its vision.
 - ❖ Finally, management **achieves the organizational goals by working with people and organization resources**. You might use different financial resources or physical equipment as part of the process, while also directing and guiding the staff towards the objectives. The manager is in charge of supporting the people and connecting the right person with the right resources.
- ✓ Efficient staffing involves the following activities or steps:
 - ❖ **Manpower Planning** – This is the first step in the process of staffing. It is concerned with determining the number and types of staff required for the organisation.
 - ❖ **Employment of Personnel** – It involves recruitment and selection of personnel as needed in the organisation. Recruitment refers to identification of the sources of manpower availability and making of efforts to secure applicants for the various job positions in the organisation.
Selection is the process of choosing and appointing the right candidates for various jobs in the organisation. It includes receiving and screening of applications, employment tests, interview and medical examination of candidates.

- ❖ **Placement** – When a new employee reports for duty, he is to be placed on the job for which he is best suited. Placement is a very important process as it can ensure ‘right person doing the right job’. If a new employee is not able to adjust on his job, he may be given some training or transferred to some other job.
- ❖ **Induction** – Induction is concerned with the process of introducing or orienting a new employee to the organisation. The new employees are familiarised with their units, supervisors and fellow employees. They are also to be informed about the working hours, tea or coffee breaks, lunch period, procedure for availing leaves, safety precautions, medical facilities, transport facilities, etc.
- ❖ **Training** – Systematic training helps in increasing the skills and knowledge of employees in doing their job. Various methods of training can be used to enhance the knowledge and skills of the employees. On-the-job methods are more useful for the operative employees and off-the-job methods can also be employed for the supervisory personnel.
- ❖ **Compensation** – Remuneration of workers involves fixation of their wages and salaries depending upon their level, nature of work, degree of risk involved, etc.
- ❖ **Performance Appraisal** – It is concerned with the rating or evaluation of the performance of the employees. Transfer and promotion of the staff are based on performance appraisal.

Staffing Process

The managerial function of staffing is defined as filling, and keeping filled, positions in the organisation structure. This is done by identifying the work-force requirements, inventorying the people available, and recruiting, selecting, placing, promoting, appraising, planning the careers of, compensating, and training or otherwise developing both candidates and current jobholders so that they can accomplish their tasks effectively and efficiently.

7.6 Leading, Controlling, Establishing standards

Leading

Leading involves the social and informal sources of influence that you use to inspire action taken by others. If managers are effective leaders, their subordinates will be enthusiastic about exerting effort to attain organizational objectives.

The behavioural sciences have made many contributions to understanding this function of management. Personality research and studies of job attitudes provide important information as to how managers can most effectively lead subordinates. For example, this

research tells us that to become effective at leading, managers must first understand their subordinates' personalities, values, attitudes, and emotions.

Studies of motivation and motivation theory provide important information about the ways in which workers can be energized to put forth productive effort. Studies of communication provide direction as to how managers can effectively and persuasively communicate. Studies of leadership and leadership style provide information regarding questions, such as, "What makes a manager a good leader?" and "In what situations are certain leadership styles most appropriate and effective?"

Leading	Controlling
<ol style="list-style-type: none">1. Leadership2. Decision Making3. Communications4. Groups/Teams5. Motivation	<ol style="list-style-type: none">1. Systems/Processes2. Strategic Human Resources

Controlling

- ✓ Controlling involves ensuring that performance does not deviate from standards. Controlling consists of three steps, which include (1) establishing performance standards, (2) comparing actual performance against standards, and (3) taking corrective action when necessary. Performance standards are often stated in monetary terms such as revenue, costs, or profits but may also be stated in other terms, such as units produced, number of defective products, or levels of quality or customer service.
- ✓ The measurement of performance can be done in several ways, depending on the performance standards, including financial statements, sales reports, production results, customer satisfaction, and formal performance appraisals. Managers at all levels engage in the managerial function of controlling to some degree.

Establishing Standards:

The first step in the control process is establishment of standards of performance. A standard is a target against which subsequent performance is to be compared.

We know how important it is for the manager to set objectives that channel the efforts of the entire organisation. In fact, we have discussed in detail goal setting and management by

objectives (MBO). A standard is a measuring device, quantitative or qualitative, that is designed to help monitor the performance of people, capital goods or processes.

For the purpose of control, a standard is defined as a unit of measurement that can serve as a reference point for evaluating results. Thus, in a broad sense, goals, objectives, quotas, and performance targets will also serve as 'standard' in the control process. Some specific standards are—sales quotas, budgets, job deadlines, market share and profit margins.

The exact nature of standards to be used largely depends on what is being monitored. Standards for comparison apply to personnel, marketing, production, financial operations and so on.

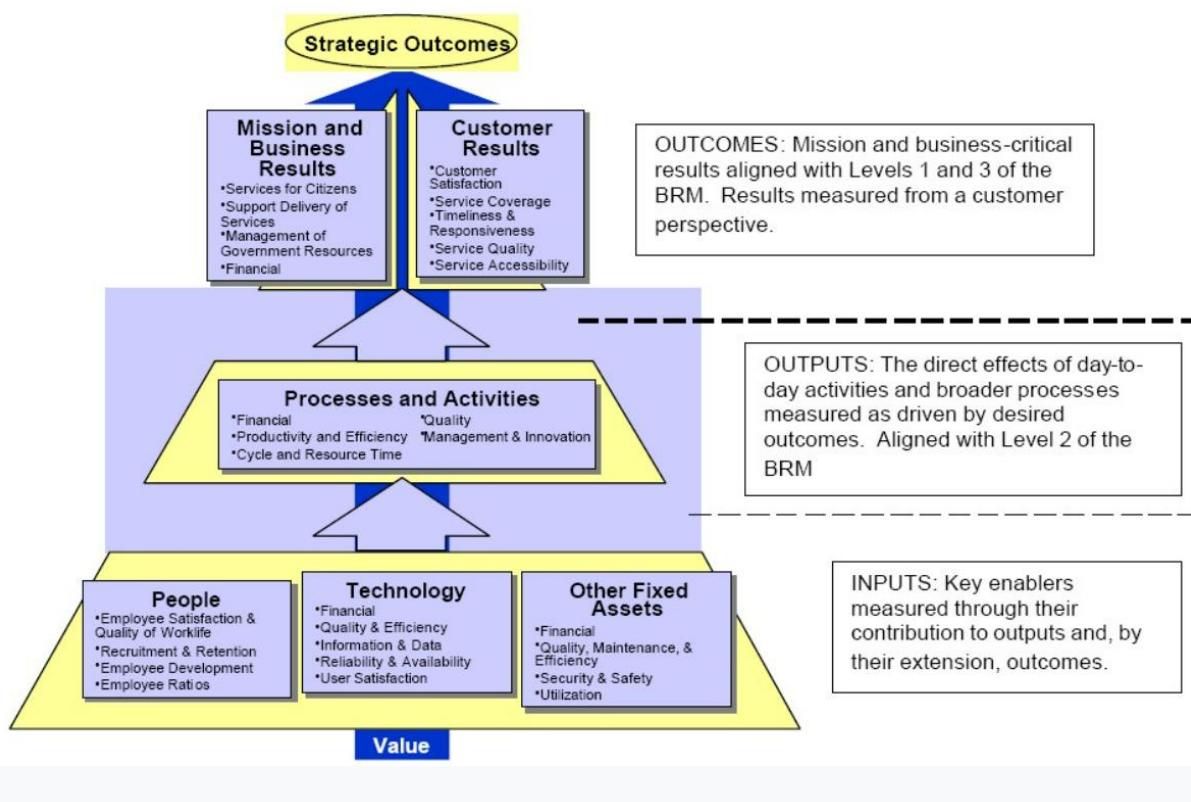
To the extent possible, standards established for control purposes should be derived from the organisation's goals. Like business objectives, they should be expressed in measurable term. On a broader level, control standards reflect organisational strategy.

A final aspect of establishing standards is to decide which performance indicators are relevant. When, for example, a new product is introduced, its manufacturer should have some idea in advance whether the first month's sales figures will accurately indicate long-term growth or whether sales will take some time to pick up.

7.7 Measurement of performance

- ✓ **Performance measurement** is a process where valuable information about the performance of a system, group, individual, or organization is gathered, analysed, and reported. It is a useful tool used to estimate and track the progress which has been made in the organization.
- ✓ **Performance measurement** is the process of collecting, analysing and/or reporting information regarding the performance of an individual, group, organization, system or component (is this wrong?).
- ✓ Definitions of performance measurement tend to be predicated upon an assumption about why the performance is being measured.
 - **Moullin** defines the term with a forward-looking organisational focus—"the process of evaluating how well organisations are managed and the value they deliver for customers and other stakeholders".
 - **Neely et al.** use a more operational retrospective focus—"the process of quantifying the efficiency and effectiveness of past actions".

- In 2007 the Office of the Chief Information Officer in the USA defined it using a more evaluative focus—"Performance measurement estimates the parameters under which programs, investments, and acquisitions are reaching the targeted results".



Performance Reference Model of the Federal Enterprise Architecture, 2005.

- ✓ Beyond a simple agreement about it being linked to some kind of measurement of performance there is little consensus about how to define or use performance measures. In the light of this what has happened is the emergence of organising frameworks that incorporate performance measures and often also proscribe methods for choosing and using the appropriate measures for that application. The most common such frameworks include:
 - **Balanced scorecard**—used by organisations to manage the implementation of corporate strategies
 - **Key performance indicator**—a method for choosing important/critical performance measures, usually in an organisational context
- ✓ The information that performance measures drive is considered very informative and helpful. It becomes possible to create valuable reports around it and share the information with important stakeholders for future growth and development. These measures include a broad range of criteria like
 - ❖ People measures.
 - ❖ Process measures.
 - ❖ Customer measures.

- ❖ Financial measures.

7.8 Correction of deviations

- ✓ Correction of Deviation is the final step in the control process. Correction of deviation should be made before deviations damage the system. The reasons of deviations should be investigated and identified and appropriate corrective action should be taken to remedy the deviations.
- ✓ Is a process of monitoring actual performance and taking corrective measures if there are deviation?
- ✓ The control function can be viewed as a five-step process:
 - (1) Establish standards,
 - (2) Measure performance,
 - (3) Compare actual performance with standards and identify any deviations,
 - (4) Determine the reason for deviations, and
 - (5) Take corrective action, if needed.
- ✓ How are deviations revealed in controlling process?
 - ❖ There are two things you see when you measure a work performance, ie, the standard set for the task and the actual results achieved. Therefore, when the actual results vary from the standards is what is deviation. This is measured when the step of controlling is being performed.
- ✓ What means the observation of action and its comparison with plans and the correction of any deviations?
 - ❖ Control is a tool that helps an organization measures and compares its actual progress with the established plan. Thus, control ensures what is done is what is intended. It is to be exercised by everyone in the organization, from top level to bottom level.
- ✓ Which among the steps in the control process where managers may correct deviations?

- ❖ Adopting Corrective Measures: The final step in the control process involves taking remedial actions so that deviations may not occur again and the objectives of organization are accomplished.

- ✓ **How is deviation handling related to quality risk management?**
 - ❖ Quality Risk Management and Deviations Quality Risk Management (QRM) gives the possibility of determining the impact of a deviation in a process or product in an objective manner, in order to categorize it and facilitate its treatment.

- ✓ **When do you need a deviation handling procedure?**
 - ❖ Deviations should require a higher level of analysis and documentation, and are usually covered by a deviation handling procedure. At this point, a decision needs to be made to categorize the deviation as Minor, Major or Critical.

- ✓ **Why are we making progress in accident prevention?**
 - ❖ The credit for progress has to be given to systems management. After understanding that humans, their tasks, their equipment and the environment make up a dynamic system, we have made considerable progress towards more effective accident prevention. The following examples demonstrate the dynamic nature of people and work.

- ✓ **How are minor deviations handled in a business?**
 - ❖ Minor deviations are normally addressed by Corrections which are taken to correct and contain the problem (including immediate actions), based on sufficient documented evidence. Corrections are immediate actions taken based on a simplified analysis of the deviation.

7.9 Principles of management

- ✓ The organisational principle is the great and overall direction for determining the performance. For instance, while ascertaining about the promotion of an employee, a manager may contemplate seniority, whereas the other may follow the principle of quality. One may define principles of management from those of pure science. Management principles are not as firm as postulates of pure science. They deal with human traits and, hence, are to be employed creatively given the requirements of the position. Human behaviour is never inactive and so also technology, which business. Therefore, all the principles have to keep step with these changes. For instance,

- ❖ In the absenteeism of Information and Communications Technology (ICT), a manager could manage only a small workforce that too within a restricted geographical area.
- ❖ The approach of ICT has developed the ability of the managers to control over large business domains scattered across the globe.
- ❖ In promoting an understanding of the application of principles of management, it is also helpful to comprehend what these are not.
- ❖ The principles of management should be selected from techniques of management. Techniques are methods or techniques, which include a group of steps to be taken to achieve sought goals.
- ❖ Principles are guidelines to make judgements or actions while studying techniques. Moreover, principles should also be comprehended as being different from values.

Difference Between Techniques of Management and Principles of Management

Basis	Techniques of Management	Principles of Management
Definition	Techniques are procedures or methods, which involve a series of steps to be taken to accomplish the desired goals.	Principles of management are broad and general guidelines for decision-making behaviour.
Example	The technique of loading iron onto a vehicle.	Principle of Fayol and Taylor.
Nature	Chronological.	Flexible, broad and general.
Application	Specific- They can be applied only to a specific situation.	General- They can be applied to different situations.

✓ Importance of Understanding Principles of Management:

(1) Providing Managers With Useful Insights Into Reality

- The application of principles of management helps the managers to take right decisions at the right time.
- These principles of management help managers to tackle the diverse problems in a dynamic business environment.

(2) Optimum Utilisation of Resources & Effective Administration

- Resources are always scarce and limited.
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- Principles of management not only help in achieving the goals of the organisation effectively and efficiently, but they also guide the managers to fulfil their commitment towards its employees and society.

Example:

Principles of fair remuneration and equity ensure social justice to employees and compliance with government norms towards corporate social responsibility which improves the company's image in the society.

(6) Management Training, Education and Research

- Proper understanding of principles is the base of training, research and development in the field of management.
- Management is taught on the basis of these principles, which help the management institutes prepare future managers.
- These Principles help managers to take decisions and actions in the right manner.
- Application of these principles by the managers brings innovation in the field of management.

Example:

It is the result of such training, education and research that Sunil Mittal could run Airtel in a successful way.



7.10 Classical management theory

- ✓ Classical management theory is based on the belief that workers only have physical and economic needs. Unlike more modern workplace management theories, it does not take into account social needs or job satisfaction. Instead, classical management theory advocates a specialization of labour, centralized leadership and decision-making, and profit maximization.
- ✓ Designed solely to streamline operations, increase productivity and enhance the bottom line, this management theory arose in the late 19th century and gained prominence through the first half of the 20th century. While not as widely subscribed to in modern times, the classical management theory offers some principles that remain valid, to an extent, in small business settings in regard to manufacturing.

Three Main Concepts of the Classical Management Theory

- ✓ Classical management theory outlines an ideal workplace as one that rests on three main concepts: hierarchical structure, specialization and incentives.
 - **Hierarchical Structure**
 - Under the classical model, workplaces are divided into three distinct layers of management in a hierarchical structure. At the very top are the owners, board of directors and executives that set the long-range objectives for a firm. Middle management takes on the responsibility of overseeing supervisors while setting goals at the department level to fit within the confines of the managers' budget. At the lowest level of the chain are supervisors, who manage day-to-day activities, address employee problems and provide training.

- **Specialization**
 - The classical management theory involves an assembly line view of the workplace in which large tasks are broken down into smaller ones that are easy to accomplish. Workers understand their roles and typically specialize in a single area. This helps increase productivity and efficiency while eliminating the need for employees to multi-task.
- **Incentives**
 - The classical theory believes that employees are motivated by financial rewards. It proposes that employees will work harder and be more productive if they are awarded incentives based on their work. Employers who can motivate their employees with incentives may be able to achieve increased production, efficiency and profit.