

# ORGANIZATIONAL BEHAVIOUR

## UNIT-I

Introduction to OB - Definition, Nature and Scope –Environmental and organizational context – Impact of IT, globalization, Diversity, Ethics, culture, reward systems and organizational design on Organizational Behavior. Cognitive Processes-I : Perception and Attribution: Nature and importance of Perception – Perceptual selectivity and organization – Social perception – Attribution Theories – Locus of control –Attribution Errors – Impression Management.

### Introduction to OB - Definition, Nature and Scope:

. **O.B.** is the study of human behaviour at work in organizations. Accordingly, the **scope** of **O.B.** includes the study of individuals, groups and organization/structure. Organizational Behavior (OB) is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself. It is the multidisciplinary field that seeks knowledge of behaviour in organisational settings by objective based on studying individual, group and organisational processes. Informed by anthropology, psychology, and sociology, qualitative research became more acceptable in OB.

### Organizational Behaviour Definition

What is  
Organizational Behavior ??



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

**According to L. M. Prasad**, “Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems.”

Organizational behavior is the study of both group and individual performance and activity within an organization.

This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc. **Organisational Behaviour – Scope**

**The scope of the organizational behavior is as under:**

- ❖ Impact of personality on performance
- ❖ Employee motivation
- ❖ Leadership
- ❖ How to create effective teams and groups
- ❖ Study of different organizational structures
- ❖ Individual behavior, attitude and learning
- ❖ Perception
- ❖ Design and development of effective organization
- ❖ Job design
- ❖ Impact of culture on organizational behavior
- ❖ Management of change



**The nature it has acquired is identified as follows:**

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.

#### 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 accept organizational goals.

#### 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.

#### 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.



#### Environmental and organizational context:

That is why defining '**Organizational Context**' is so important

in **Environmental** Management System standards. **Context** is a thorough determination and understanding of the internal and external issues that can impact an **organisation** and its objectives.

Ensuring that this clause is fulfilled helps connect high-level company strategic goals to the tasks and work across all levels and functions. Although the standard doesn't prescribe the method for determining the context of the organization, there are some logical steps and milestones.



## What are internal and external issues?

Your organization's internal context is the environment in which you aim to achieve your objectives. Internal context can include your approach to governance, your contractual relationships with customers, and you're interested parties.

### Internal issues can include your:

- regulatory requirements
- strategies to conform to your policies and achieve your objectives
- relationship with your staff and stakeholders, including partners and suppliers
- resources and knowledge (e.g. capital, people, processes and technologies)
- risk appetite

To understand your external context, consider issues that arise from your social, technological, environmental, ethical, political, legal and economic environment. **External issues may include:**

- government regulations and changes in the law
- economic shifts in your market
- your competition
- environmental issues/perceptions
- events that may affect your corporate image
- changes in technology



## Impact of IT:

Technological progress is entering into all fields. Education was a big and important part of development and progress. Information technology has changed human life radically, and not necessarily, all of the changes are

positive. Some may be negative and have a detrimental **effect** on the individual and the community

### **Definition of Information technologies**

Information technology, widely known under its abbreviation (IT), is defined as “the science and activity of using computers and other electronic equipment to store and send information **Information technology** (IT) is "the study, design, development, implementation, support or management of computer-based **information** systems, particularly software applications, computer hardware and mobile devices."IT deals with the use of electronic computers and computer software to convert, store, protect, process,

Most modern businesses depend heavily on information systems, from employee e-mail to database management to e-commerce Web sites. Hospitals have large patient databases to maintain. Universities have sprawling networks to administer. Even a small, home-based cookie business needs an order-tracking system. The Information Technology Association of America reports that 92 percent of IT professionals work for non-IT companies **Impacts of information technologies**

#### **1. The political impact of (IT)**

Technology holds the role of power. Information technologies play a decisive role in the political landscape of countries. They have become widely used in electoral campaigns to influence public opinion and especially to involve young people in the political life. **2. The economic impact of (IT)**

Technological progress and organizational maturity have contributed to increased production, capital accumulation and the creation of intense competition among manufacturers. As a reflection of this competition, the R & D concept emerged as a strategy of innovation through the harmony of scientific ideas and their practical application by engineers and scientists making the R & D role into large sections with technical, legal and administrative skills in maintaining the industrial location and a reference to quality, productivity and cost.

#### **3. The social impact of (IT)**

It can be said that the social impact of information technology has two sides. It cannot be one hundred percent negative or hundred percent positive. It is a two-sided weapon. Sociologists likened the impact of information technology on society to transforming the world from vast continents separating people and relatives, to a very small village encompassing the entire world's population, which is called globalization.



## Globalization

The process by which businesses or other organizations develop international influence or start operating on an international scale.

**Globalization** is the connection of different parts of the world resulting in the expansion of international cultural, economic, and political activities. It is the movement and integration of goods and people among different countries

### A Simple Globalization Definition

Globalization means the speedup of movements and exchanges (of human beings, goods, and services, capital, technologies or cultural practices) all over the planet. One of the effects of globalization is that it promotes and increases interactions between different regions and populations around the globe.

**An Official Definition of Globalization by the World Health Organization (WHO)** According to WHO, globalization can be defined as "the increased interconnectedness and interdependence of peoples and countries. It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows."

### Examples of Globalization (Concept Map)

Because of trade developments and financial exchanges, we often think of globalization as an economic and financial phenomenon. Nonetheless, it includes a much wider field than just flowing of goods, services or capital. Often referred to as the *globalization concept map*, some examples of globalization are:

- **Economic globalization:** is the development of trade systems within transnational actors such as corporations or NGOs;
- **Financial globalization:** can be linked with the rise of a global financial system with international financial exchanges and monetary exchanges. Stock markets,

for instance, are a great example of the financially connected global world since when one stock market has a decline, it affects other markets negatively as well as the economy as a whole.

- **Cultural globalization:** refers to the interpenetration of cultures which, as a consequence, means nations adopt principles, beliefs, and costumes of other nations, losing their unique culture to a unique, globalized supra-culture;
- **Political globalization:** the development and growing influence of international organizations such as the UN or WHO means governmental action takes place at an international level. There are other bodies operating a global level such as NGOs like *Doctors without borders* or *Oxfam*;
- **Sociological globalization:** information moves almost in real-time, together with the interconnection and interdependence of events and their consequences. People move all the time too, mixing and integrating different societies;
  - **Technological globalization:** the phenomenon by which millions of people are interconnected thanks to the power of the digital world via platforms such as Facebook, Instagram, Skype or Youtube.
  - **Geographic globalization:** is the new organization and hierarchy of different regions of the world that is constantly changing. Moreover, with transportation and flying made so easy and affordable, apart from a few countries with demanding visas, it is possible to travel the world without barely any restrictions;
  - **Ecological globalization:** accounts for the idea of considering planet Earth as a single global entity – a common good all societies should protect since the weather affects everyone and we are all protected by the same atmosphere. To this regard, it is often said that the **poorest countries that have been polluting the least will suffer the most from climate change.**



### **Diversity:**

**A range of different things.**

**What is diversity in the workplace?**



To come up with a workplace diversity definition, we have to think about all the different characteristics that employees (could) have. First, we have the protected characteristics, such as race, age, gender and sexual orientation. And secondly, we have all the different:

- Experiences
- Talents
- Skills
- Opinions
- Personalities

These differences, for example employees' talents, are less obvious and require the organization's effort and proactiveness to shine.

**You need three (3) types of diversity to get the most productivity out of your teams:**

- Gender;
- Thinking style;
- Behavioural Style.

## **Ethics:**

Ethics is a system of moral principles. They affect how people make decisions and lead their lives. Ethics is concerned with what is good for individuals and society and is also described as moral philosophy.

The term is derived from the Greek word *ethos* which can mean custom, habit, character or disposition.

Ethics covers the following dilemmas:

- how to live a good life
- our rights and responsibilities
- the language of right and wrong
- Moral decisions - what is good and bad?

Our concepts of ethics have been derived from religions, philosophies and cultures. They infuse debates on topics like abortion, human rights and professional conduct

## **Ethical Principles for Business Executives**

**1. HONESTY.** Ethical executives are honest and truthful in all their dealings and they do not deliberately mislead or deceive others by misrepresentations, overstatements, partial truths, selective omissions, or any other means.



**2. INTEGRITY.** Ethical executives demonstrate personal integrity and the courage of their convictions by doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable and upright; they will fight for their beliefs.

**3. PROMISE-KEEPING & TRUSTWORTHINESS.** Ethical executives are worthy of trust. They are candid and forthcoming in supplying relevant information and correcting misapprehensions of fact, and they make every reasonable effort to fulfill the letter and spirit of their promises and commitments.

**4. LOYALTY.** Ethical executives are worthy of trust, demonstrate fidelity and loyalty to persons and institutions by friendship in adversity, support and devotion to duty; they do not use or disclose information learned in confidence for personal advantage..

**5. FAIRNESS.** Ethical executives are fair and just in all dealings; they do not exercise power arbitrarily, and do not use overreaching nor indecent means to gain or maintain any advantage nor take undue advantage of another's mistakes or difficulties.

**6. CONCERN FOR OTHERS.** Ethical executives are caring, compassionate, benevolent and kind; they like the Golden Rule, help those in needs, and seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good.

**7. RESPECT FOR OTHERS.** Ethical executives demonstrate respect for the human dignity, autonomy, privacy, rights, and interests of all those who have a stake in their decisions; they are courteous and treat all people with equal respect and dignity regardless of sex, race or national origin. **8. LAW ABIDING.** Ethical executives abide by laws, rules and regulations relating to their business activities.



Let's take the case of a car driver and an automobile engineer. The car driver knows how to drive a car, but he may not know the engine mechanism or design principles. However an automobile engineer is concerned with how the car works, and the principles involved.

Connecting the above example with ethics and morals, you can see that following morals is just like driving the car without understanding the working principles of the engine. But if you follow ethical principles – you

would be using reasoning and analysis (just like the automobile engineer in the above example) to understand the situation/case better. If the engine starts to create trouble, the engineer may be able to use the problem-solving approach as well.

### **Dimensions of Ethics**



Ethics is not just a theoretical science; it has a lot of applications in day to day life. Being multi dimensional in nature, ethics is divided into four main branches. They are:

1. Meta-Ethics (Ethics about Ethics)
2. Prescriptive Ethics (Normative Ethics)
3. Descriptive Ethics (Comparative Ethics)
4. Applied Ethics.

### **Culture:**

Organizational culture refers to a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behavior. These values have a strong influence on employee behavior as well as organizational performance. In fact, the term organizational culture was made popular in the 1980s when Peters and Waterman's best-selling book *In Search of Excellence* made the argument that company success could be attributed to an organizational culture that was decisive, customer-oriented, empowering, and people-oriented.

Culture is the systems of knowledge shared by a relatively large group of people. A culture is a way of life of a group of people--the behaviours, beliefs, values, and symbols that they accept, generally without thinking about them, and that are passed along by communication and imitation from one generation to the next.

### **ROLE OF CULTURE:**

The role of culture in an organisation is to:

1. Specify the goals and objectives of the organisation;
2. Specify the relations that exist within the organisation;
3. Specify what qualities are valued within organisations such as loyalty, Confidentiality, dynamism, hard work, and so on
4. Specify the wider context within which the organisation operates.

The success of any organisation is linked to an organisation culture in which people Are encouraged to work together and share resources as needed.

Organizational Culture Profile (OCP) where culture is represented by seven distinct values. [1] Figure 8.5 Dimensions of Organizational Culture Profile (OCP)



### Reward systems:



### Organizational design on Organizational Behaviour:

## Organizational Behavior

**Organizational Behavior** the study of human behavior, attitudes, and performance in organizations

### Value of OB:

- Helps people attain the competencies needed to become effective employees, team leaders/members, or managers

### Competency:

- An interrelated set of abilities, behaviors, attitudes, and knowledge needed by an individual to be effective in most professional and managerial positions



## Introduction of Organization Designs

- Organizational design** refers to the way managers structure their organization to reach the organization's goals.

### Structural elements include:

- Allocation of duties, tasks, and responsibilities between departments and individuals.
- Reporting relationships.
- Number of levels.



## Introduction of Organization Designs Conti...

- An incomplete picture because of informal arrangements and underlying behavioral processes.

### Two basic goals of organizational design

- Get information to decision makers.
- Coordinate the interdependent parts of an organization.



## Forms of Organizational Design

### Three major forms

- Functional,
- Divisional,
- Matrix.
- Combine functional and divisional designs to get a hybrid design
- Several variations of the divisional design
- Several evolving forms of organizational design



## Perception and Attribution:

### *Meaning and Definition of Perception:*

“Perception is the process through which the information from outside environment is selected, received, organised and interpreted to make it meaningful to you. This input of meaningful information results in decisions and actions.”

Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.”

**According to Joseph Reitz**, “Perception includes all those processes by which an individual receives information about his environment—seeing, hearing, feeling, tasting and smelling. The study of these perpetual processes shows that their functioning is affected by three classes of variables—the objects or events being perceived, the environment in which perception occurs and the individual doing the perceiving.”

## Definition of perception

Perception means perceiving, i.e., giving meaning to the environment around us. It can be defined as a process which involves seeing, receiving, selecting, organising, interpreting and giving meaning to the environment.

## Nature of perception

- (1) Perception is the intellectual process.
- (2) Perception is the basic cognitive or psychological process.
- (3) Perception becomes a subjective process and different people may perceive the same event differently.

## Nature of Perception

**(1) Mental Process:** Mental Process is the first Nature of Perception. Perception is a mental process. Under it an individual chooses, organises and interprets information available in the environment. No individual can get attracted towards all the stimuli available in the environment..

**(2) Activation Process:** Perception is a process of activating an individual. Prior to the process of perception there is some sensation. Under sensation an individual remains inactive. He simply feels and does not react in any way.

**(3) Subjective Process:** Subjectivity means interpreting some thing on the basis of individual interest and understanding and not on the basis of facts. In other words, subjective process means looking at an object by different individuals from different points of view. **(4) Unique Interpretation:**

Perception is a particular interpretation of a real situation and is not an actual representation of reality. In other words, it can be said that perception is not a photocopy presentation but is only a description of some object, event or individual according to an individual's understanding..

**(5) Wider than Sensation:** There is a difference between perception and sensation. Every individual has five sensory organs. Sensation is a response of these organs. Perception is wider than sensation. It is a mixture of sensation and cognitive process. **(6) Provides Meaning to Stimulus:** An individual gets information about stimulus through sensation, e.g., first of all an individual feels the smell, taste, touch, etc. On the basis of this information the meaning is found out under perception.

**(7) Affected by many Factors:** The concept of perception is influenced by many factors factors which affect it are as follows. Major

- (i) Internal Factors: These factors are related to the perceiver. They mainly include needs, values, experiences, understanding, etc.

· (ii) External Factors: These factors are related to external environment which chiefly includes intensity, size, repetition, motion, etc.

**(8) Provides check on Behaviour:** Understanding of perception has an important contribution in the anticipation and control of the behaviour of the employees. People's behaviour is according to their perception. If the manager can come to know how people perceive things, then he can anticipate organisational behaviour and can also control it.

The perceptual process adds to or/and subtracts from the sensory world. Perception is determined by both physiological and psychological characteristics, of the organism.. For managerial action, it is the latter which is important.

**Fig. 13.1: Perceptual Process.**

### **Perceptual Process**

Perception is a process of receiving, selecting, organising, interpreting, checking and reacting to stimuli. This is like an input-through put-output process in which the stimuli can be considered as 'inputs' transformation of 'input' through selection, organization and interpretation as 'through puts' and the ultimate behaviour/action as 'output'. The whole perceptual process can be presented as follows : These are explained one by one **1. Receiving Stimuli** : The first process in the perception is the presence of stimuli. The stimuli are received from the various sources. Through the five organs. It is a physiological aspect of perception process. Stimuli may be external to us (such as sound waves) and inside us (such as energy generation by muscles).

**2. Selection of Stimuli** : After receiving the stimuli or data, some are selected. Others are screened out. Two types of factors affect selection of stimuli for processing : external and internal factors. External factors relate to stimuli such as intensity of stimuli, its size, movement, repetition, etc..

**3. Organization of Stimuli:** Organising the bits of information into a meaningful whole is called "organization". There are three ways by which the selected data, i.e., inputs are organised. These are:

(i) Grouping, (ii) Closure and (iii) Simplification.

(i) **Grouping:** In grouping, the perceiver groups the various stimuli on the basis of their similarity or proximity. For example, all the workers coming from the same place may be perceived as similar on the basis of proximity.

(ii) **Closure:** When faced with incomplete information, people fill up the gaps themselves to make the information meaningful. This may be done on the basis of past experience, past data, or hunches.

(iii) **Simplification :** People identify main stimulus features and assesses how they are organized. He interprets a stimulus situation, the perceiver simplifies the information. **Perception in Organizational Behaviour**

Perception is simply defined as how a person sees the world around them and how they interpret that information. It's a subconscious thing that the mind does and is contingent on your ability to pay attention to your surroundings and your existing knowledge. **Attribution Theory**

Attribution is what happens when a person takes the information they perceived and determines a reason as to what happened. What you attribute things like success to depends

on your own perception and behaviours, which may be wrong due to being unrealistic or having the incorrect information for the situation.

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## UNIT – II

### Cognitive Processes-II

Personality and Attitudes - Personality as a continuum – Meaning of personality - Johor Window and Transactional Analysis - Nature and Dimension of Attitudes

– Job satisfaction and organizational commitment-Motivational needs and processes- Work Motivation Approaches Theories of Motivation- Motivation across cultures – Positive organizational behavior: Optimism – Emotional intelligence – Self-Efficacy.

#### **Personality and Attitudes:**

Every organization is a mix of individuals with a variety of personalities, values, and attitudes. Personality and characteristics determine an employee's behavior and ability to perform. Organizations hire people on the premise that they have certain knowledge, skills, abilities, personalities, and values which they bring to the workplace.

#### **Role of Personality and Attitude in Organization:**

Today, at the hiring stage itself many organizations are attempting to screen applicants who are more likely to fit with their company culture. Organizations want to hire individuals with positive traits and attitudes to create a healthy environment.

#### **Personality Traits – Self Variables**

These include self-monitoring, self-esteem, self-efficacy, etc.

- **Self-esteem** is the self-perceived competence and self-image. It is related to higher levels of job satisfaction and performance levels on the job. People with low self-esteem experience high levels of self-doubt and question their self-worth.

- **Self-monitoring** is the extent to which a person is capable of monitoring his or her actions and appearance in social situations.

- **Self-efficacy** is the belief in one's abilities that one can perform a specific task successfully. A person may have high self-efficacy in being successful academically, but low self-efficacy in relation to his/her ability to fix the car.

In a workplace environment, you can see where attitude is important. Someone's personality may be cheerful and upbeat. These are the prized employees because they help bring positive perspective to

the workplace. Likewise, someone with a negative attitude is usually someone that most people prefer not to work with. The problem with a negative attitude is that it has a devastating effect on everyone else

Now, count the number of true and false answers. The more false answers you have, the better attitude you tend to have. If you have many true answers, what are some ways to help you change to a more positive attitude?

### **Johari Window:**

**Definition:** The **Johari Window** is the psychological model developed by Joseph Luft and Harrington Ingham, that talks about the relationship and mutual understanding between the group members. In other words, a psychological tool that helps an individual to understand his relationship with himself and with other group members is called as a Johari Window.

The objective behind the creation of a Johari window is to enable an individual to develop trust with others by disclosing information about himself and also to know what others feels about himself through feedback.

The Johari Window model is made up of four quadrants that explain the overall relationship of an individual with himself and with other group members. These are as follows:

1. **Open Self:** This quadrant shows the behavior, motives, attitudes, and knowledge skills of an individual that he is aware of and is willing to share it with others. The open self is characterized as a state wherein the individual is open and straight forward to himself and others about what he is doing, how is he doing and what his intentions are.

2. **Blind Self:** The blind self shows the state of an individual known to others but not known to him. It usually happens, when an individual or a subject copies the behavior of some significant personalities unconsciously since his childhood.

3. **Hidden Self:** This quadrant of the Johari window shows the state of an individual known to him but not known to the others. This is generally seen in the individuals who are introvert and do not like to share their private lives with anyone. The individual keeps his feelings, ideas or thoughts to himself and do not disclose it in front of the others.

4. **Unknown Self:** the unknown self is not the mysterious state of an individual known to him, nor others know about it. Often the feelings, thoughts or ideas go so deep down the individual that it becomes difficult for the individual as well for the other people to understand it. The ultimate need is to enlarge the open self quadrant with the intent to establish a fruitful relationship with the

self as well with others such that the work can be performed efficiently when working as a team.

### **Nature and Dimension of Attitudes:**

#### **Nature of Attitude**

- Attitudes are a complex combination of things we tend to call personality, beliefs, values, behaviours, and motivations.
- An attitude exists in every person's mind. It helps to define our identity, guide our actions, and influence how we judge people.
- Although the feeling and belief components of attitude are internal to a person, we can view a person's attitude from his or her resulting behaviour.
- Attitude helps us define how we see situations, as well as define how we behave toward the situation or object.
- Attitude provides us with internal cognitions or beliefs and thoughts about people and objects.
- Attitudes cause us to behave in a particular way toward an object or person.

#### **Job satisfaction and organizational commitment:**

For the first time in several years, the number of employees who say they are satisfied with their current job took a big jump, rising from 81% in 2013 to 88% in 2016, according to the Employee Job Satisfaction and Engagement Report by the Society for Human Resource Management (SHRM). Most organizations strive for employee satisfaction, but not all attain this goal. That's why it's important for human resources professionals to know more about the factors that can increase employee satisfaction, and how it fits into a company's overall success.

#### **Factors of Workplace Satisfaction**

Keeping employees engaged and satisfied takes more than just good pay and benefits. The following list reveals some of the key job satisfaction aspects cited by employees:

- **Respect** – According to the SHRM report, employees rate respectful treatment of all employees as the most important factor in job satisfaction.
- **Trust** – Perhaps because of workplace uncertainty in the years following the Great Recession, employees indicated that trust between themselves and senior management was another highly important satisfaction factor.
- **Security** – If you've ever had to go to work each day wondering whether your job is secure, you know it can cause a great deal of anxiety. Organizations can provide a sense of security through honest communication and transparency about the company's health and long-term viability.

**Healthy Environment** – Workplaces that are free from stress, morale issues, harassment and discriminatory practices can create a positive and healthy environment for everyone. **How Important is Job Satisfaction?**

There is little doubt that great employees are an organization's number one resource. Keeping workers happy helps strengthen a company in many ways, including:

- **Lower Turnover** – Turnover can be one of the highest costs attributed to the HR department. Retaining workers helps create a better environment, and makes it easier to recruit quality talent and save money. The bottom line: satisfied employees are typically much less likely to leave.
- **Higher Productivity** – Irrespective of job title and pay grade, employees who report high job satisfaction tend to achieve higher productivity.
- **Increased Profits** – Keeping employees safe and satisfied can lead to higher sales, lower costs and a stronger bottom line.
- **Loyalty** – When employees feel the company has their best interests at heart, they often support its mission and work hard to help achieve its objectives. And, they may be more likely to tell their friends, which helps spread goodwill.

The PERMA theory, created by the founder of positive psychology Prof. Seligman, summarises the key ingredients of living a fulfilling life as follows:

- Positive emotion – feeling happy day-to-day.
- Engagement – challenging, absorbing tasks.
- Meaning – having a purpose higher than yourself.
- Relationships – connecting with others.
- Achievement – being good at something.

It isn't consensus that these factors *constitute* well-being, but it is widely agreed that they are important determinants of well-being.

Self-determination theory claims there are three fundamental parts to human well-being: 1. Competence – experiencing control and mastery

2. Relatedness – connecting with others

3. Autonomy – having choice and control

**What is organizational commitment?**

Organizational commitment is defined as a view of an organization's member's psychology towards his/her attachment to the organization that he/she is working for. Organizational commitment plays a pivotal role in determining whether an employee will stay with the organization for a longer period of time and work passionately towards achieving the organization's goal.

### **Theory of organizational commitment**

A distinguished theory in organizational commitment is the Three-Component Model (TCM). According to this theory, there are three distinct components of organizational commitment: **1.Affective commitment:** This is the emotional attachment an employee has towards the organization. This part of TCM says that an employee has a high level of active commitment, then the chances of an employee staying with the organization for long are high. Organization, proactive work ethics, etc.

**2.Continuanace commitment:** This is the level of commitment where an employee would think that leaving an organization would be costly. When an employee has a continuance in commitment level, they want to stay in the organization for a longer period of time because they feel they must stay because they have already invested enough energy and feel attached to the organization – attachment that is both mental and emotional.

**3.Normative commitment:** This is the level of commitment where an employee feels obligated to stay in the organization, where they feel, staying in the organization is the right thing to do. What are the factors that lead up to this type of commitment? Is it a moral obligation where they want to stay because someone else believes in them?

It is important to understand that the level of commitment depends on multiple factors and can vary from one individual to another. For example, hypothetically consider, an individual is working with a lucrative market research firm and is being paid handsomely.

### **Key benefits and advantages of organizational commitment**

Since organizational commitment determines how long employees will stay with your organization, committed employees are any and every organization's assets. Some of the key benefits and advantages of organizational commitment are as follows:

#### **1. High employee productivity**

Committed employees are highly productive. They believe in the organization, its goals, vision, mission, and the leadership team. These employees not only demonstrate high levels of productivity, but they also

ensure their colleagues and team members too display the same. **2. Reduced absenteeism**

A committed and motivated staff will report much lesser absenteeism than their peers. Committed employees look forward to going to work, completing their work, helping out projects, and contributing toward organizational goals.

### **3. Excellent team players**

Since dedicated employees are heavily invested in the organization, and it's success, they are great at collaborating with, and working in teams. They contribute significantly to boosting the team's productivity.

### **4. Strong advocates**

Dedicated and committed employees believe in their organization, and hence, are effective and positive advocates of their employers. They are strong believers and supporters of their employer's products, services, and policies.

### **How to improve organizational commitment?**

High levels of organizational commitments are related to superior business performance, increased profitability, improved productivity, employee retention, customer satisfaction metrics, reduced customer churn, and above all improving the workplace culture. That's the level of commitment an organization would expect from its employees. But how do we get there? Here are some tips to improve organizational commitment:

#### **1. Create a strong teamwork culture:**

Building a strong teamwork culture facilitates a healthy work environment. No two employees in an organization can be exactly the same. When people come from different backgrounds, there will be differences in the way they see and perceive things and the same holds true when people work in a team.

#### **2. Communicate clear goals and expectation to the employees**

Most employees want to be a part of an irresistible future, they want to know what is most important in their job and how can they achieve excellence in their job. For objectives to have meaning and be effective, employees should be communicated clearly the goals and expectations of the management.. **3.**

#### **Be transparent and encourage open communication**

Let employees be participative in what is happening within the organization, as well as how they can contribute more towards the development of the organization. When an organization is transparent

with its employees and shares numbers and figures with them, they are greater chances that employees feel valued and increased sense of belonging.

#### **4. Maintain work ethics**

Employees would want to feel good about the organization they are working with. Having high standards of work ethics makes employees feel motivated and respectful towards the organization. When employees know that an organization has high morals, they stay associated with the organization.

#### **5. Foster a positive work culture**

Positive work culture is where employees feel happy to be a part of the organization, where they feel motivated and encouraged to share new ideas and facilitate communication with the management without having the fear of being misunderstood. Encourage employees to find a personal fit with the organization's culture.

### **Motivation Theories**

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 which pushes a person to work with high level of commitment and focus even if things are against him. Motivation translates into a certain kind of human behaviour.

Motivation is a huge field of study. There are many theories of motivation. Some of the famous motivation theories include the following:

#### **1. Maslow's hierarchy of needs**

Abraham Maslow postulated that a person will be motivated when his needs are fulfilled. The need starts from the lowest level basic needs and keeps moving up as a lower level need is fulfilled. Below is the hierarchy of needs:

- Physiological: Physical survival necessities such as food, water, and shelter.
- Safety: Protection from threats, deprivation, and other dangers.
- Social (belongingness and love): The need for association, affiliation, friendship, and so on.
- Self-esteem: The need for respect and recognition.
- Self-actualization: The opportunity for personal development, learning, and fun/creative/challenging work. Self-actualization is the highest level need to which a human being .



The leader will have to understand the specific need of every individual in the team and accordingly work to help fulfil their needs.

## **2. Herzberg's two factor theory**

Herzberg classified the needs into two broad categories namely hygiene factors and motivating factors.

Hygiene factors are needed to make sure that an employee is not dissatisfied. Motivation factors are needed for ensuring employee's satisfaction and employee's motivation for higher performance. Mere presence of hygiene factors does not guarantee motivation, and presence of motivation factors in the absence of hygiene factors also does not work.

## **3. McClelland's theory of needs**

McClelland affirms that we all have three motivating drivers, and it does not depend on our gender or age. One of these drives will be dominant in our behaviour. The dominant drive depends on our life experiences.

The three motivators are:

**Achievement:** a need to accomplish and demonstrate own competence People with a high need for achievement prefer tasks that provide for personal responsibility and results based on their own efforts. They also prefer quick acknowledgement of their progress.

**Affiliation:** a need for love, belonging and social acceptance People with a high need for affiliation is motivated by being liked and accepted by others. They tend to participate in social gatherings and may be uncomfortable with conflict.

**Power:** a need for control own work or the work of others People with a high need for power desire situations in which they exercise power and influence over others. They aspire for positions with status and authority and tend to be more concerned about their level of influence than about effective work performance.

## **Vroom's theory of expectancy**

Victor Vroom stated that people will be highly productive and motivated if two conditions are met: 1) people believe it is likely that their efforts will lead to successful results and 2) those people also believe they will be rewarded for their success.

## **McGregor's theory X and theory Y**

Douglas McGregor formulated two distinct views of human being based on participation of workers. The first is basically negative, labelled as Theory X, and the other is basically positive, labelled as Theory Y. Both kinds of people

exist. Based on their nature they need to be managed accordingly. **Theory X:** The traditional view of the work force holds that workers are inherently lazy, self-centred, and lacking ambition. Therefore, an appropriate management style is strong, top-down control. **Theory Y:** This view postulates that workers are inherently motivated and eager to accept responsibility. An appropriate management style is to focus on creating a productive work environment coupled with positive rewards and reinforcement.

**Figure 4. Vroom's expectancy theory (Source: Author's own figure)**

A person who doesn't see the connection between effort and performance will have zero expectancy. A person who can't perceive the link between performance and reward will have zero instrumentality. For a person who doesn't value the anticipated outcome, reward will have zero valence.

*Figure 5. Adams' equity theory (Source: Author's own figure)*

At the workplace the workers put inputs into the job, such as education, experience, effort, energy, and expect to get some outcomes such as salary, reward, promotion, verbal recognition, and interesting and challenging work each in equal amounts (Figure 6).

*Figure 6. Examples for the inputs and outcomes in the equity theory (Source: Author's own figure)* *Figure 7. Process of motivation according to goal-setting theory (Source: Author's own figure)*

**What Is Emotional Intelligence?**

Emotional intelligence or EI is the ability to understand and manage your own emotions, and those of the people around you. People with a high degree of emotional intelligence know what they're feeling, what their emotions mean, and how these emotions can affect other people.

For leaders, having emotional intelligence is essential for success. After all, who is more likely to succeed – a leader who shouts at his team when he's under stress, or a leader who stays in control, and calmly assesses the situation?

According to **Daniel Goleman**, an American psychologist who helped to popularize emotional intelligence, there are five key elements to it:

1. Self-awareness.
2. Self-regulation.
3. Motivation.
4. Empathy.

## 5. Social skills.

The more that you, as a leader, manage each of these areas, the higher your emotional intelligence. So, let's look at each element in more detail and examine how you can grow as a leader. **Emotional Intelligence in Leadership**

### 1. Self-awareness

If you're self-aware, you always know how you feel, and you know how your emotions and your actions can affect the people around you. Being self-aware when you're in a leadership position also means having a clear picture of your **strengths and weaknesses**, and it means behaving with **humility**.

So, what can you do to improve your self-awareness?

- **Keep a journal** – Journals help you improve your self-awareness. If you spend just a few minutes each day writing down your thoughts, this can move you to a higher degree of self awareness.
- **Slow down** – When you experience anger or other strong emotions, slow down to examine why. Remember, no matter what the situation, you can always choose how you react to it. (Our article on **Managing Your Emotions at Work** will help you understand what your emotions are telling you.)

### 2. Self-regulation

Leaders who regulate themselves effectively rarely verbally attack others, make rushed or emotional decisions, stereotype people, or compromise their values. Self-regulation is all about staying in control.

**Know your values** – Do you have a clear idea of where you absolutely will not compromise? Do you know what **values** are most important to you? Spend some time examining your "code of ethics." If you know what's most important to you, then you probably won't have to think twice when you face a moral or ethical decision – you'll make the right choice.

**Hold yourself accountable** – If you tend to blame others when something goes wrong, stop. Make a commitment to admit to your mistakes and to face the consequences, whatever they are. You'll probably sleep better at night, and you'll quickly earn the respect of those around you. **Practice being calm** – The next time you're in a challenging situation, be very aware of how you act. Do you relieve your stress by shouting at someone else? Practice deep-breathing exercises to calm yourself. Also, try to write down all of the negative things you want to say, and then rip it up and throw it away. Expressing these emotions on paper (and not showing them to anyone!) is

better than speaking them aloud to your team. What's more, this helps you challenge your reactions to ensure that they're fair!

### **3. Motivation**

Self-motivated leaders work consistently toward their goals, and they have extremely high standards for the quality of their work.

How can you improve your motivation?

### **4. Empathy**

For leaders, having empathy is critical to managing a successful team or organization. Leaders with empathy have the ability to put themselves in someone else's situation. They help develop the people on their team, challenge others who are acting unfairly, give constructive feedback, and listen to those who need it.

If you want to earn the respect and loyalty of your team, then show them you care by being empathic. How can you improve your empathy?

### **5. Social Skills**

Leaders who do well in the social skills element of emotional intelligence are great communicators. They're just as open to hearing bad news as good news, and they're expert at getting their team to support them and be excited about a new mission or project.

### **What is Self-Efficacy?**

Self-Efficacy is the belief that you are capable of achieving a specific goal or performing a specific task.

Self-efficacy is task specific. For example, if your boss asked you to manage a simple project then you might feel confident in your ability to complete this task.

The higher your self-efficacy the more you will believe you are capable of achieving a task or goal. Conversely, the lower your self-efficacy the less you will believe you are capable of achieving a task.

The Self-Efficacy Theory of Motivation was developed by Albert Bandura. Bandura, born 1925, is a Canadian psychologist, who described self-efficacy in detail in his 1997 book, *Self-Efficacy: The Exercise of Control*.

### **How We Determine Our Self-Efficacy**

There are four factors we use to determine our self-efficacy and in turn our performance for a task. **1. Experience**

Experience refers to your past experience of completing similar tasks.

This is the most important factor in self-efficacy.

If you performed a similar task well in the past, then you are more likely to be confident that you can complete similar tasks well in the future.

## **2. Vicarious Experience**

You can develop self-efficacy vicariously by watching other people perform a task. If you watch someone similar to you perform a task and succeed at that task then your self-efficacy will increase. Conversely, if you watch someone similar to you perform a task and fail then this can have a negative effect on your self-efficacy.

## **3. Social Persuasion**

You can increase your self-efficacy if others give you encouragement that you can perform a task. Likewise, your self-efficacy will decrease if you receive discouraging or disparaging remarks about your ability to perform a task.

## **4. Physiological Feedback**

When confronted with a task you experience a sensation from your body. How you interpret these signals will impact your self-efficacy.

For example, if you are due to perform a presentation to a large crowd of people you might experience butterflies in your stomach.

## UNIT – III

Dynamics of OB-I: Communication – types - interactive communication in organizations barriers to communication and strategies to improve the follow of communication – Decision Making: Participative decision making techniques – creativity and group decision making. Dynamics of OB –II Stress and Conflict: Meaning and types of stress –Meaning and types of conflict - Effect of stress and intra-individual conflict - strategies to cope with stress and conflict.

Communication is a very basic and fundamental process for human beings. However, when a brand wants to communicate with their customers, then the communication takes another form. Similarly, there is communication involved between teams as well. There are various types of communication between people as well as between teams.

Communication is the act of sending information or ideas via speech, visuals, writing or any other such method. The Communication model has a sender who is sending the message and the receiver who is receiving the message. In between, the speech or ideas need to be simple enough to be decoded and understood by the receiver. If the ideas are not presented properly, then decoding is improper and the receiver does not understand.

Based on the types of senders and receivers involved, we can define various types of communications. If we take an example of communication between teams, you will see the higher amount of formal communication as compared to informal. On the other hand, when we consider personal communication and communication between the groups of personal friends, you will find these types of communication to be more informal in nature.

As you can see, there are at least 6 distinct types of communication: non-verbal, verbal-oral-face-to face, verbal-oral-distance, verbal-written, formal and informal types of communication. Add to this the boundless opportunities the internet superhighway offers, and you have an absolute goldmine of communication possibilities!

In successive sections of this post, we highlight the finer nuances of these distinct expressions so your communication is conscious, focused and mighty effective.

## Formal Types of Communication Skills

This type of communication is also referred to as “official communication” and covers the gamut of verbal expressions that address a formal need.

It is:

- Conducted through a pre-determined channel. For instance, a large number of your interactions within your profession, financial communication (from and to your bank, creditors, debtors, etc.) and legal expressions are examples of formal communication.
- More time-consuming than non-formal communication, as it follows a particular communication protocol.
- Even in cases of oral expressions (in meetings, seminars, etc.), it is often backed by written communication that can provide documentation evidence of the oral conversation. (This written communication could be as simple as a minutes-of-meeting, to as complex as a detailed recording.)
- Considered a reliable source of information. (So when you receive a legal notice from your bank, you better take notice of it!)

Formal communication forms the core of our professional lives (though not all professional communication is formal). Hence becoming an expert in this type of communication is central to professional advancement and success. Below, we provide you simple tips to excel in your expression and profession.

- Begin by **clarifying the purpose** of your communication.
- Whether you use an oral or written expression, always follow a **well-defined structure** that can be easily understood by your audience.
- Keep your tone **open**, professional and friendly.
- End by **re-iterating what you expect to cause** through this communication: clarification on your stance, answers to questions, a call to action, etc. Also clarify any constraints that apply to this communication (like confidentiality, time-limit for response, etc.)

## *Informal Communication*

Informal communication is surprisingly popular, and also referred to as “the (unofficial) grapevine”. This is often by word-of-mouth information. In fact, it is this type of communication that opens you up to unofficial yet provocative information.

Informal communication is

- Spontaneous and free-flowing, without any formal protocol or structure. Hence this type of information is also less reliable or accurate.



- A communication channel that spreads like wildfire, as there are no formal rules to follow.
- Mostly oral, with no documentation evidence. Due to this, many undermine the value of informal communication, terming it mere “gossip”.

Despite its drawbacks, informal communication is considered “user-friendly” and hence offers huge advantages when used wisely. For instance, consider this example where a company is served by 3 different caterers.

### ***Oral Communication (Face-to-face)***

Face-to-face oral communication is the most recognized type of communication. Here, what you express comes directly from what you speak. Again, this can be formal or informal: with your friends and family, in a formal meeting or seminar, at work with your colleagues and boss, within your community, during professional presentations, etc.

### **These types of communication**

- Gets better with practice. The more you practice with awareness, the more control you will have on your oral expressions.
- Is vibrantly a-live! This means that despite all past rehearsals, oral communication offers you a present-moment opportunity to tune, revise, revoke and fix what you express. It is hence the most powerful type of communication and can work for or against you with every expression.
- Engages your audience more than other types of communication. The listener (or an audience) often expects to speak-back to you with oral communication, enabling two-way communication more than any other channel.

For superior face-to-face communication,

- Always meet the **eyes** of your audience with confidence, conviction and openness.
- Practice before a mirror to perfect your *tone* and *expressions*, so they suit the message you want to convey. They two facets often convey more than your words do.
- Practice using **role-play**. This means that even when you rehearse before a mirror, candidly ask yourself, “**Am I ready to receive this message with this tone and expression?**” If you aren’t convinced, your audience won’t be either. So practice again until you get it right.
- Consciously **engage** your audience’s participation. This is the strength of this type of communication, so never let your oral expression be a one-way rant to yourself. You can do this by asking questions, getting their opinion and encouraging expression of new ideas.
- Finally, become an active **listener**. An effective oral communicator not only speaks, but also actively listens to his audience.

### ***Oral Communication (Distance)***

Distance (oral) communication has made the world a smaller and more accessible place. Mobile phones, VOIP, video-conferencing, 2-way webinars, etc. are all modern expansions of distance communication, taking its expression to the next subtle level. And in this type of communication, your tone of voice and pace of delivery take priority over other expressions.

For effective oral communication over distance,

- Give higher priority to your **listening**. When you fail to listen, you will find that multiple people attempt to speak at the same time, undermining the value of this form of communication.
- Speak slightly **slower** than you would in face-to-face communication. This will make sure that you remain aware of the subtle nuances of your tone, and the receiver has time to grasp what you convey.
- Always **re-iterate** what you understand when you listen. This type of communication misses the non-verbal signals that you would receive in face-to-face communication (that can indicate subtle expressions like anger, friendliness, receptivity, sarcasm, etc.) So paraphrase what understand and confirm that this is indeed what the other party also meant to convey.
- Finally, back this up with **written communication** where possible. The intent is to confirm the take-away from the communication so all parties are on the same page. This makes sense even for an informal call with your friend – perhaps you can send a quick text message to re-iterate how pleasurable it was to speak to him, and then confirm the final call-for-action.

### ***Written Communication***

A few decades ago, written communication depended on the trusty old mailman as we wrote to people who were far away. On rare occasions, this also included the formal note or legal notice from the bank, landlord, business client, etc. What a surprise then that this type of communication has now taken over every aspect of our world!

It makes sense then to be an absolute pro at this type of communication. Listed below are 3 rules that can help you get there.

### **Non-verbal Types of Communication**

This type of communication is more subtle, yet far more powerful. It includes the entire gamut of physical postures and gestures, tone and pace of voice, and the attitude with which you communicate. In the past few decades, body language experts have revealed how the posture you adopt, the hand gestures you endorse and other facets of your physical personality affect your

communication. It is worthwhile to spend a few hours coming up to speed on basic body-language gestures, so you don't inadvertently send mixed messages with your gestures and speech. You can also use this to support your message, making it more impactful.

### **Barriers to Effective Communication**

Failures of human communication can become amplified in professional settings. In business transactions, especially those involving large amounts of money, a small miscommunication can have devastating effects. Or, if a company fails to lay out a clear, comprehensible set of objectives, the employees tasked with meeting them will probably also fail.

**The use of jargon:** The use of unfamiliar, overcomplicated, or technical terms can generate confusion and obscure meaning of the sender's message. The solution is to use clear and concise messages that are easy to understand.

- **Withholding information:** Within an organization, some information is kept confidential due to company policies. Make sure the information that is needed is readily available and easily accessible.

- **Chain of command:** The maintenance of an organization's hierarchy is essential, but its very presence can reduce the flow of communication. To counteract that tendency, it's important to reduce unnecessary hierarchical levels and increase departmental interaction and communication.
- **Lack of trust:** In companies with a competition-driven culture, there may be a lack of trust among employees, which can hamper communication. Companies should strive to involve their employees in decisions, emphasize the importance of sharing information, and communicate openly and honestly.

- **Physical barriers or disabilities:** Hearing, vision, or speech problems can make communication challenging. Organizations need to be aware of accessibility issues for both internal and external communication.

- **Bias:** Preconceptions or prejudice can lead to stereotyping or false assumptions. Using care to choose unambiguous, neutral language and explain things clearly can help reduce bias.
- **Filtering:** People may hear what they expect to hear or want to hear, rather than what is said. Because filters are present in every system of communication, the message that the receiver receives is rarely the same as the one the sender sends. Some distortion of the message is almost inevitable.
- **Language and cultural differences:** Language use and social norms vary enormously from culture to culture. Companies need to educate themselves about cultural sensitivities and gear their messages to their audiences.

### **7 Steps of the Decision-Making Process**

- 1. Identify the decision.**
- 2. Gather relevant info.**
- 3. Identify the alternatives.**
- 4. Weigh the evidence.**
- 5. Choose among the alternatives.**
- 6. Take action.**
- 7. Review your decision.**

#### **step 1: Identify the decision**

You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

#### **Step 2: Gather relevant information**

Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.”

Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and from other sources. **Step 3: Identify the alternatives**

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

#### **Step 4: Weigh the evidence**

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative..

#### **Step 5: Choose among alternatives**

Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4. **Step 6: Take action**

You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

#### **Step 7: Review your decision & its consequences**

In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has *not* met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

### **Participative Decision Making:**

**Definition:** In the **Participative Leadership Style**, the leader encourages his subordinates to contribute their ideas or opinion in the group situations and share responsibility in them. **There are four major types of decision-making style that a leader adopts to get the group goals accomplished. These are:**

1. **Collective Decision Making:** Under this leadership style, all the group members take the decision collectively, and the responsibility of such decision rests with the entire group. This type of style is advantageous only when the clear lines of authority and responsibility are defined among the group members.
2. **Democratic or Participative Decision Making:** Here, the leader collects all the ideas and opinions from the group members and then takes the final decision by himself. Once the leader has taken the decision, he communicates the same to his subordinates and tries to resolve the objections if any.
3. **Autocratic Participative Decision Making:** Under this leadership style, the authority of final decision making rests with the leader alone, who makes decisions on the basis of the solutions obtained through the discussions with group members. The results are obtained faster in the case of the autocratic participative decision making.
4. **Consensus Decision Making:** Under this style, the leader gives up his responsibility to take decisions on the group members and arrive at the final conclusion through a majority of the group. Generally, the group members are involved in setting goals, problem-solving, and team building. But the authority of final decision-making rests with the leader himself.

### **Coping With Stress at Work:**

Everyone who has ever held a job has, at some point, felt the pressure of work-related stress. Any job can have stressful elements, even if you love what you do. In the short-term, you may experience pressure to meet a deadline or to fulfil a challenging obligation. But when work stress becomes chronic, it can be overwhelming — and harmful to both physical and emotional health. You can't always avoid the tensions that occur on the job. Yet you can take steps to manage work related stress.

## Common Sources of Work Stress

Certain factors tend to go hand-in-hand with work-related stress. Some common workplace stressors are:

- Low salaries.
- Excessive workloads.
- Few opportunities for growth or advancement.
- Work that isn't engaging or challenging.
- Lack of social support.
- Not having enough control over job-related decisions.
- Conflicting demands or unclear performance expectations.

## Effects of Uncontrolled Stress

Work-related stress doesn't just disappear when you head home for the day.

When stress persists, it can take a toll on your health and well-being.

A stressful work environment can contribute to problems such as headache, stomach-ache, sleep disturbances, short temper and difficulty concentrating.

Chronic stress can result in anxiety, insomnia,

high blood pressure and a weakened immune system. It can also contribute to health conditions such as depression, obesity and heart disease.

## Taking Steps to Manage Stress

· **Establish boundaries.** In today's digital world, it's easy to feel pressure to be available 24 hours a day. Establish some work-life boundaries for yourself. That might mean making a rule not to check email from home in the evening, or not answering the phone during dinner. Although people have different preferences when it comes to how much they blend their work and home life, creating some clear boundaries between these realms can reduce the potential for work-life conflict and the stress that goes with it.

· **Take time to recharge.** To avoid the negative effects of chronic stress and burnout, we need time to replenish and return to our pre-stress level of functioning. This recovery process requires “switching off” from work by having periods of time when you are neither engaging in work-related activities, nor thinking about work.

## UNIT – IV

Dynamics of OB –III Power and Politics: Meaning and types of power – empowerment - Groups Vs. Teams – Nature of groups –dynamics of informal groups – dysfunctions of groups and teams – teams in modern work place.

### Power and Politics

- Contrast leadership and power
- Define the seven bases of power
- Clarify what creates dependency in power relationships
- List nine influence tactics and their contingencies
- Explain how sexual harassment is about the abuse of power
- Describe the importance of a political perspective
- List those individual and organizational factors that stimulate political behavior

#### **Power**

Definition: A capacity that **A** has to influence the behavior of **B**, so that **B** acts in accordance with **A**'s wishes.

The definition implies a potential that need not be actualized to be effective and a dependency relationship. Power may exist but not be used.

It is, therefore, a capacity or potential. **Contrasting Leadership and Power**

Essentially, leaders achieve goals, and power is a means of facilitating their achievement Leadership involves the goals of the leaders and followers - Power does not Leadership focuses on downward influence (leader - subordinate) - Power does not **Bases of Power**

#### Formal Power

- Coercive Power

Power that is based on fear.

- Reward Power

Compliance achieved based on the ability to distribute rewards that others view as valuable. ▪ Legitimate Power

The power a person receives as a result of his or her position in the formal hierarchy of an organization.



- Information Power

Power that comes from access to and control over information

### **Personal Power**

- Expert Power

Influence based on special skills or knowledge.

- Referent Power

- The person can make things difficult for people, and you want to avoid getting him or her angry.

The person has the right, considering his or her position and your job responsibilities, to expect you to comply with legitimate requests.

The person has the experience and knowledge to earn your respect, and you defer to his or her judgment in some matters.

### **Dependency: The key to power**

"The greater B's dependency on A, the greater the power A has over B"

### **Power Tactics**

Ways in which individuals translate power bases into specific actions:

- 1) Legitimacy
- 2) Rational persuasion
- 3) Inspirational appeals
- 4) Consultation
- 5) Exchange

### **Power in groups: Coalitions**

Coalition – an informal group bound together by the active pursuit of a single issue Coalitions seek to maximize their size = “strength” in numbers

## **POLITICS**

### **Politics: Power in action**

Political behavior are those activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.

### **Factors contributing to Political Behavior**

Individual factors (e.g., personality traits, needs)

Organizational factors (e.g., when organizational resources decline, resources change, low trust exists, high performance pressures, and the opportunity of promotion exists = political behavior is likely) **Impression Management**

The process by which individuals attempt to control the impression others form of them. Techniques include conformity, excuses, apologies, self-promotion, flattery, favors, and association. **Summary and Implications for Managers**

Power is a two-way street – others are trying to build power along with you

- Few employees relish being powerless in their jobs and organization.
- People respond differently to various power bases.
- The power of the boss may also play a role in determining your job satisfaction.
- The effective manager accepts the political nature of organizations.

**Empowerment** is defined as “the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights” (Oxford Dictionary). But **empowerment** can also have many different meanings to different people—depending on their experiences, circumstances, hopes, and dreams

#### **Terms in this set (6)**

- Empowerment. ability to do something about your needs, wants, opinions, beliefs, and feelings.
- Economic Empowerment. how people work to create wealth.
- Political Empowerment. all the things we do to organize ourselves and to make decisions.
- Cultural Empowerment. ...
- Societal Empowerment. ...
- National Empowerment.

Difference and Comparison

BASIS	GROUP	TEAM
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Meaning A group is made when independent individuals, having something in common, come together.

A team is that group of interdependent individuals, who join hands for the realization of a specific goal.

Accountability	Individual	Individual	and	mutual
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Decision-Making	Authority
Group members	Team leader

Individual Growth	Proper training but limited	application
Skill	development	and application

Focus	On	Individual goals	Team goals	Dependency
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Independent	members	Interdependent	members
-------------	---------	----------------	---------

Specific Roles	Assigned to	Individuals
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Interpersonal	Understanding			
No	Yes	Not	necessary	Compulsory

‘A **group of candidates** came for an interview. Out of these, two candidates were selected and were placed in the **research team**.’

In the above illustration, the candidates who came for an interview did not know each other nor have a common goal. Instead, they had similar but individual objectives.

Also, when the two selected candidates were placed in the research team; they were introduced to the other members of the team. They even came to know about everyone’s skills and strengths. Everyone in the team has a single goal or objective to accomplish.

### What is a Group?

A group is the accumulation of three or more people who share a common purpose, interest, traits, characteristics or situation. The individuals in a

group may or may not have interpersonal interactions. **Characteristics of a Group**

Group possesses certain features, which differentiate it from a team.

Following are some of these: · **Individual Goals:** Each of the members of a group is there to fulfil their objectives.

· **Size and Composition:** The size of a group can be small or large; however, it comprises of people having something in common.

**Independent Individuals:** The members of a group are not reliant on one another for their actions. **Individual Accountability:** Everyone in a group is personally responsible for his or her actions.

**Status:** The level to which the group is valued in the outer world, defines its status. **Collective Identity:** The individuals are together known to be a part of the particular group.

**What is a Team?**

A team is an organized and systematic group, comprising of individuals with competent skills and expertise, who gather for the attainment of a common objective, collaboratively. The team members work as a single unit and take up the responsibility of task completion mutually. Team building is a well-organised process that requires proper nurturing of a workgroup.

**Characteristics of a Team**

A team arises out of a group. What special features do a team have?

Let us discuss some of the significant characteristics of team

· **Common Goal:** The members work to achieve a particular team objective.

· **Team spirit:** The enthusiasm of the members to reach out the team goal is always high. · **Trust:** In a team, individuals believe and rely on each other's capabilities and skills.

· **Leadership:** There is a clear leadership within a team, and the selected team leader heads the activities.

· **Mutual Accountability:** Each individual is equally responsible for the underperformance and failure of the team.

· **Interdependency:** The actions of the members within a team are jointly dependent on that of other members.

· **Defined Roles:** Every individual in a team, has been allocated specific roles or responsibilities to accomplish.

· **Streamline Direction:** The team leader is the one who shows the way to the members and monitors their operations.

· **Collaboration:** There is a high degree of synergy or coordination among the team members.

**Types of Groups**

Groups can be deliberately made or unknowingly formed. When people happen to be in the same circumstances or situation, they are considered to be a part of one group.

Also, a group is essentially created to proceed with a given task and its timely execution. People collaborate to form various kinds of groups as mentioned below:

Some of the most common ones out of these are formal or informal, permanent or temporary and primary or secondary groups. To learn more about the above-mentioned classification of groups, you may refer to our next content on Types of Groups.

### Types of Teams

Now, let us understand the various kinds of teams differentiated by their purpose, direction

#### **Management Team**

The team which comprises of the department heads who are responsible for managing the whole business operations is called a management team.

#### **Operational Team**

The operational team takes care of the overall functioning of an organization, and the team members fix the issues that hinder the company's smooth operation.

#### **Self-directed Team**

The team which not lead by any leader or manager; instead, each member controls and directs their actions.

#### **Project Team**

Similar to the special purpose team, a project team is the one which is built to efficiently execute a given project on time, by following a common strategy.

It can be further sub-divided into the following four categories:

**Functional Team:** Such a team is formed within a department and is usually permanent. It is regulated by a manager and works on regular projects ensuring that their part of the task is appropriately accomplished.

**Multi-functional Team:** It consists of team members who hold expertise in their fields. Such a team can be set temporarily or permanently, depending on the project and organization. The purpose of these teams is to carry out high level or special projects.

**Contract Team:** The team which is formed by hiring the members from an external source is a contract team. A contract binds all the individuals in it.

The project manager is the one who coordinates between the team members and the client. After the project completion, the customer can disassociate from the team.

**Matrix Team:** In this ‘two-boss system or matrix organizational structure, the top-level managers exercise superior power or control, whereas the middle-level managers take care of the functioning and decision-making.

Given below is an elaboration of the distinctions mentioned above between a group and a team, to provide a better overview of the concepts:

1. A group is formed when individuals with similar attributes, circumstances or purpose come together. Whereas, a team is the compilation of competent individuals who have a determined goal or objective.
2. The members of the former are self-accountable for their work. However, in the latter, the members are personally as well as collectively responsible for their actions.
3. The final authority of decision-making in a team is with the group members. On the contrary, in a group, the leader is the one who gives the final verdict.

We cannot just simply declare a group to be a capable team, until it successfully follows the seven principles of team building out of a group, as given below:

1. The team members should feel **free to express** their perception and views; along with valuing the inputs provided by other members.
2. The decision made should be a result of collective **participation** and contribution of all the team members.
3. In a team, conflicts are usually treated as a **source of information** and generation of new ideas.
4. The team members believe that they are **together responsible** for the execution of work or goal achievement; along with adherence to the established rules.
5. There should be a **higher degree of understanding** among the team members. Such that, each one of them is aware of the weaknesses and strengths of other members, and can come forward for support whenever needed.
6. In a team, the members have **faith in the skills and competencies** of one another. Thus, they support and boost the confidence of each other.

7. The members efficiently apply their **personal** and **professional skills** to work towards the attainment of the team's goals.

Making the team out of a group requires effective leadership, great enthusiasm and a high level of synergy. Also, if the group dynamics are designed expertly, such a group transforms into a strong team.

### **Dynamics of informal Groups:**

Informal groups almost always arise if opportunities exist. If management prescribes production norms that the group considers unfair, the group's recourse is to adopt less demanding norms and to use its ingenuity to discover ways in which it can sabotage management's imposed standards. Thus they counteract the tendency of the organization to get more output from the workers. That is, he should have wooed the leadership of the informal group and enlisted the support of its membership to achieve the formal organization's aims.

### **For harnessing the power of informal groups one should have:**

1. An understanding of group dynamics and,
2. An ability to bring about changes in informal group norms that positively reinforce the formal organization's goals.

### **Formation of Informal Work Groups:**

Individuals are employed by an organization to perform specific functions. The organization is only concerned with the job done by an individual-the output. Because people have needs that extend beyond the work itself, informal groups develop to fill certain emotional, social, and psychological needs.

### **Sense of Belonging:**

Several major functions are served by informal groups. For example, the group serves as a means of satisfying the affiliation needs of its members for friendship and support. People need to belong, to be liked, to feel a part of something

### **Identity and self esteem:**

Groups also provide a means of developing, enhancing, and confirming a person's sense of identity and self-esteem. Although many organizations attempt to recognize these higher needs, the nature of some jobs-their technology and environment-precludes this from happening.

### **Stress Reduction:**

By developing a consensus about their feelings, group members are able to reduce the anxiety associated with their jobs. For instance, several

individuals may share the feeling that their supervisor is a slave driver or that their working conditions are inadequate.

### **All for One, One for All:**

Joining forces in a small group makes the members feel stronger, less anxious, and less insecure in the face of a perceived threat. As long as needs exist that are not served by the formal organization, informal groups will form to fill the gap. Since the group fills many important needs for its members, it influences member behavior.

Five Dysfunctions of a Team - Patrick Lancing

### **Five Dysfunctions**

The Five Dysfunctions of a Team outlines the root causes of politics and dysfunction on the teams where you work and the keys to overcoming them. Counter to conventional wisdom, the causes of dysfunction are both identifiable and curable. However, they don't die easily. Making a team functional, cohesive requires levels of courage and discipline that many groups cannot seem to muster.

#### **1.Absence of Trust**

The fear of being vulnerable with team members prevents the building of trust within the team. This occurs when team members are reluctant to be vulnerable with one another and are unwilling to admit their mistakes, weaknesses or needs for help.

#### **2.Fear of Conflict**

The desire to preserve artificial harmony stifles the occurrence of productive, ideological conflict. Teams that are lacking on trust are incapable of engaging in unfiltered, passionate debate about key issues, causing situations where team conflict can easily turn into veiled discussions and back channel comments.

#### **3.Lack of Commitment**

The lack of clarity or buy-in prevents team members from making decisions they will stick to. Without conflict, it is difficult for team members to commit to decisions, creating an environment where ambiguity prevails. Lack of direction and commitment can make employees, particularly star employees, disgruntled.

The Role of the Leader here is to Force Clarity and Closure.

#### **4.Avoidance of Accountability**



The need to avoid interpersonal discomfort prevents team members from holding one another accountable for their behaviours and performance.

The Role of the Leader here is to Confront Difficult Issues.

### **Inattention to Results**

- The pursuit of individual goals and personal status erodes the focus on collective success. Team members naturally tend to put their own needs (ego, career development, recognition, etc.) ahead of the collective goals of the team when individuals aren't held accountable. If a team has lost sight of the need for achievement, the business ultimately suffers.

**The Role of the Leader here is to Focus on Collective Outcomes.**

## **THE IMPORTANCE OF TEAM BUILDING IN THE MODERN WORKPLACE** Team Building

The workplace has undergone a major overhaul in recent years. Eight-hour days spent in siloes are a thing of the past; today, forward-thinking businesses are embracing a more open, collaborative and flexible way of working.

Flexible working is fundamental to the modern workplace, with digital devices enabling employees to work whenever, wherever. But with employees working in multiple locations, there's a risk of communication crumbling.

Team building is a chance to bring the entire team together; different departments can mingle, office based employees can meet colleagues working remotely. Completing tasks as a unit will help strengthen relationships and make employees feel more confident collaborating and communicating with one another.

### **Enhancing the Manager-Employee Relationship**

Managers of modern workplaces are very much part of the team. As such, effective leadership requires them to earn both trust and respect from every single employee.

Team building is a perfect opportunity for managers to show their human side and get to know their team better – all while engaging in fun, rewarding activities. Managers can return to the office and start planning how to utilise such skills in the workplace.

### **Engaged employees**

Engagement at the level of the individual employee is essential to unlocking the potential of your organisation. Engaged employees:

- Work proactively—they seek out opportunities for personal and organisational growth, and actively promote the organisation's products and services.
- Go above and beyond—they embrace challenges and problem-solving, and work smarter as well as harder.
- Work and grow together—they are inclusive and innovative, promote the free flow of ideas and knowledge.
- Align with the organisation—they understand and support the company vision, values and goals.

### **Strong teams**

Some teams are formal, based on functions or projects, while others are more organic. All good teams promote communication and collaboration. They help members:

- Function in the organisation—they promote better understanding of an organisation's messages, policies, and procedures.
- Fulfil job requirements—they allow work to be shared around with tasks delegated to the

## UNIT-5

Leading High performance: Job design and Goal setting for High performance- Quality of Work Life Socio technical Design and High performance work practices – Behavioral performance management: reinforcement and punishment as principles of Learning – Process of Behavioral modification - Leadership theories - Styles, Activities and skills of Great leaders.

### **Quality of Work Life- Socio technical Design and High performance work practices: Definition: Quality of Work Life (QWL)**

Quality of work life is a concept which talks about the overall focus on employee as a person rather than just the work done by him/her. Quality of Work Life is becoming an increasingly popular concept in recent times. It basically talks about the methods in which an organisation can ensure the holistic well-being of an employee instead of just focusing on work-related aspects.

**Quality of work life balance.** ... Definition: QUALITY OF WORK LIFE BALANCE Having a measure of control when, where and how individuals work, leading to their being able to enjoy an optimal quality of life **Ways to achieve quality of work life**

Each organisation has its own way of achieving this. But the most common elements adopted are shown in the image below:

There are several ways to achieve to quality of work life. The key elements can be described as below:

**1. Providing Job Security:** If an employee is confident that his job is secure, they are much more relaxed and can perform better. It gives them a confidence that even if something goes wrong by mistake, their job will not be at stake

**2. Rewards and recognition:** If an employee is awarded for a good performance, it helps them to perform even better. The leadership and top management must ensure recognition of the efforts of subordinates. This is an importance aspect of good governance as well.

**3. Flexible work timings:** Flexibility during working hours is something which is appreciated by employees. This gives employees a chance to do their work and also work on certain important personal commitments. This significantly contributes to improving the quality of work life for an employee. Companies also promote a compressed work week concept.

**4. Increased employee participation:** Involving employees in discussions, strategies & feedback is something which helps increase the employees QWL & contribution towards a particular role.

**5. Open communication:** Transparency between management and employees & effective team management gives them confidence as they are updated with the business and also feel at ease being approachable

**6. Career growth plans:** Discussing the future of the employee in the company, interesting aspects of the job, career development etc are all appreciated by employees

**7. Job enrichment:** Companies which are able to enrich the job with new tasks, better learning & training, more opportunities etc are more likely to keep employees happy at work.

### **FACTORS:**

The **factors** that influence and decide the **Quality of Work Life** are: Attitude, Environment, Opportunities, Nature of the job, People, Stress level, Career, prospects, Challenges, Growth and development, Risk involved and reward.

### **Objectives of Quality of Work Life:**

To increase in individual productivity, accountability and commitment. For better teamwork and communication. For improving the morale of employees. ... To improve employee satisfaction. **Socio technical Design:**

**Socio-technical design** is concerned with advocacy of the direct participation of end-users in the information system **design** process. The system includes the network of users, developers, information technology at hand, and the environments in which the system will be used and supported.

**A Sociotechnical system (STS) in organizational development is an approach** to complex organizational work design that recognizes the interaction between people and technology in workplaces. The term also refers to the interaction between society's complex infrastructures and human behaviour.

### **Socio-technical Systems**

Software and hardware are interdependent. Without the hardware, software is an abstraction. When you put hardware and software together, you create a system. This system will be able to carry out multiple complex computations and return the result to its environment.

It consists of many items. These items are difficult to distinguish from each other because they all have close inter-relationships. Some of the items are shown in figure:

Socio-technical systems include:

**1. People:**

People can be individuals or in groups. We also need to consider their roles and agencies. An organization employs the people, who build and make use of hardware and software, operate within law and regulations, and share and maintain the data.

**2. Hardware:**

The classical meaning of the technology is hardware. It involves mainframe, workstations, peripheral, connecting devices. There is no way for a socio-technical system to be without any kind of hardware component.

**3. Softwares:**

Software is nothing but an executable code. Softwares include operating system, utilities, application programs. Software is an integral part of the socio-technical system. Software often incorporates social rules and procedures as a part of the design, i.e. optimize these parameters, store the data in these format, ask for these data, etc.

**4. Law and regulations:**

There might be laws about the protection of privacy, or regulations of chips testing in military use, etc. Laws and regulations set by organization and government need to be followed. They carry special societal sanctions if the violators are caught.

**5. Data:**

The design of the socio-technical systems design involve what data are collected, to whom the data should be available and in which formats the data should be stored.

To understand socio-technical systems as a whole, you have to know the various layers, as shown in figure.

These systems can be impossible to understand. So, we refer to these 7 layers. These layers make up the Socio technical systems stack.

❖ **The equipment layer:**

It contains set of hardware devices some of which may be computer, laptops, phones, etc. Most of the devices include embedded system of some kind.

❖ **The operating system layer:**

This layer provides a set of common facilities for higher software layers in the system. This layer acts as a bridge to the hardware as it allows interaction between software and hardware.

❖ **The communications and data management layer:**

This layer extends the operating system facilities and provides an interface that allows interaction with more extensive functionality, such as access to remote systems, access to a system database, etc. This is sometimes called middleware, as it is in between the application and the operating system.

❖ **The application layer:**

This layer provides more specific functionality to meet some organization requirements. There may be many different application programs in this layer.

❖ **The business process layer:**

This layer consists a set of processes involving people and computer systems that support the activities of the business. The use of software system, are defined and enacted.

❖ **The organizational layer:**

At this level, the business rules, regulations, policies along with high-level strategic processes are defined and are to be followed when using the system.

❖ **The social layer:**

Laws, regulations and culture that govern the operation of the system are defined.

**High-performance work practices (HPWPs)** can be defined as **practices** that have been shown to improve an organization's capacity to effectively attract, select, hire, develop, and retain **high**-performing personnel. We refer to a set of specific HPWPs within an organization as a **high**

**Some examples of HPWPs include:**

- Realistic Job Previews (RJPs).
- An employee on-boarding strategy.
- A continuous mentoring and leadership development strategy.
- Regular performance appraisals (with SMART goals co-designed by employees).
- Current and flexible job descriptions and job specifications.
- In-house problem-solving and work-improvement groups/ teams.

- Employee Suggestion or Innovation Programs.

### **What are high-performance work practices?**

The strategic importance of human resource management and its impact on financial performance has created substantial interest within academic and practitioner communities. This interest is focused on the potential of high-performance work practices (HPWPs) to act as a unique, sustainable resource supporting the implementation of corporate strategy and the achievement of operational goals.

Although HPWPs have neither been consistently defined nor uniformly named, Datta et al. (2005) point out that HPWPs are most commonly viewed as a set of internally coherent and consistent human resources practices designed to

- promote employee knowledge,
- motivation, and
- Commitment.

Also called “high-performance work systems or alternate/flexible work practices” (Delaney & Godard, 2001), these programs share some common elements including rigorous recruitment and selection processes, performance-based incentives, and comprehensive training programs centered around the needs of the business (Becker, Huselid, Pickhus, & Spratt, 1997)

High-performance work practices empower employees, which helps organizational efficiency and performance HPWPs are not based on control but on employee autonomy, decision-making and responsibility HPWPs are intended to lead to a highly motivated, skilled, and empowered workforce, with the goals of the employees closely aligned with those of the management (Flood, MacCurtain & Guthrie, 2005). **HPWP systems versus individual practices,**

Operational versus financial performance measures, and manufacturing versus service organizations. Research on HPWPs is highly relevant for questions relating to the dynamic world of work today The meta-analysis reveals an overall correlation estimated at 0.2, with a stronger relationship in the case of HPWP systems and among manufacturers.

### **This research offers five contributions:**

It statistically aggregates existing evidence on the impact of HPWPs on organizational performance, providing a conservative point estimate of the relationship’s strength.

### **What are the benefits of high-performance work practices?**

Combs et al. (2006) argue that HPWPs improve organizational performance through three interconnected processes:

They give employees the KSAs (knowledge, skills, and abilities) necessary to perform their tasks and the motivation and opportunity to do so (Delery & Shaw, 2001).

### **What are shortcomings of high-performance work practices?**

Although HPWP practices are generally considered to have a positive impact on employees' wellbeing, there also exist certain opposing views.

### **How can high-performance work practices be implemented?**

HPWPs improve organizational performance by increasing employees' knowledge, skills, and abilities (KSAs), empowering them to utilize their KSAs for the organizational benefit, and motivating them to do so. KSAs are introduced and ensured by adequate recruiting and selectivity (Hoque, 1999) and then further advanced through

practices such as training, adequate job design, and compensation linked to skill development (Hoque, 1999; Russell, Terborg, & Powers, 1985).

### **Behavioural performance management:**

The behavioural approach to the performance management system rests on the idea that you can get the right level of performance from employees based on a demonstration of desirable behaviours. This system contrasts with the outcome approach in which the results of employee work efforts are emphasized. The **behavioral** approach to the **performance management** system rests on the idea that you can get the right level of **performance** from employees based on a demonstration of desirable behaviours. This system contrasts with the outcome approach in which the results of employee work efforts are emphasized. There are various methods which organisations adopt to measure employee performance such as:

- comparative approach,
- attribute approach,
- behavioural approach,
- result approach and
- Quality approach.

Behavioural approach is the most commonly adopted approach and comprises of vertical scales which are based on certain parameters. Organisations use following techniques to measure employee performance:

- Behaviourally Anchored Rating Scale (BARS)



- Behavioural Observation Scale (BOS)

The BARS technique contains five to ten scales which are based on parameters that are mutually agreed upon by the employees. The BOS technique on the other hand is an improved version of the BARS technique and has its own advantages vis a vis the latter. This technique provides more specific data on employee performance, thus resulting in a better measure of his or her performance. The average of all the frequencies of data is taken as a result for that particular parameter. This technique is more reliable and accurate than BARS technique (Bohlander & Snell, 2007).

### **Approaches for measuring performance of employees**

Measuring performance of employees is the backbone of any organization's management. Business owners usually measure employee performance by assessing how much contribution the employee is making to the firm's growth. This is conveyed to the employee at the time of their performance appraisal. Performance appraisal refers to the evaluation of employees, providing them with valuable feedback and creating a positive effect on future performance. Employee performance depends upon a number of factors such as;

- conducive work environment
- work profile
- compensation
- bonus system
- job satisfaction
- company policies
- technology

These factors play an important role in determining the employee productivity and hence the overall organizational development.

Different approaches of measuring performance

Organisations can use different strategies and approaches for the purpose of measuring **performance of their employees. The five major approaches are:**

1. Comparative approach,
2. Attribute approach,
3. Behavioral approach,
4. Result Approach and

## 5. Quality approach.

Each of these approaches differs in characteristics and suitability. A firm can select any one or a combination of these approaches on the basis of their business goals and management type. Comparative approach of measuring performance

**For example** a group of top performers constituting 10%, a group of average performers constituting 40%, another group of good performers constituting 40%. Finally, a group of low performers constituting the remaining 10%.

Attribute approach of measuring performance

In this system, the employees are rated on the basis of a specific set of parameters such as:

- problem solving skills,
- teamwork, communication,
- judgment, creativity and
- Innovation.

**Graphic Rating Scale** entails rating the employee on a scale of 1 to 5 (lowest to highest). **Mixed rating scale** is a more layered form of measurement. In the first step, the employee is rated as high, medium or low on a given set of parameters.

**Behavioural approach of measuring performance**

This is one of the oldest performance measurement techniques. The Behavioural approach consists of a series of vertical scales for different dimensions of the job. This can be done using BARS technique or BOS technique. The Behaviourally Anchored Rating Scale (BARS) technique consists of five to ten vertical scales.

**Result approach of measuring performance**

This approach is a simple and straight-forward concept, wherein organisation rate employees on the basis of employee performance results. The first type of result approach is the Balanced Scorecard technique. This technique focuses on four perspectives namely:

1. financial,
2. customer,
3. internal & operations and
4. learning & growth.

The second approach is Productivity Measurement and Evaluation System (ProMES). It is very effective in motivating employees for enhanced productivity and measuring the feedback. It consists of four steps. The first

step is to identify the objectives which the organisation want to achieve. The second step measures how well these objectives are made. While the third step involves how effective are they in evaluating the employee performance. Finally, the last step gives feedback to the employees.

### **Quality approach of measuring performance**

This approach focuses on improving customer satisfaction by reducing errors and achieving continuous service improvisation. This approach takes into consideration both person and system factors. Also employers take regular feedback on the personal and professional traits of the employee from managers, peers and clients to resolve performance issues. The Quality Approach mainly focuses on the use of Kaizen process in order to continuously improve the business processes. The advantage of this approach includes:

- assessment of both employee and system,
- problem solving through teamwork,
- use of multiple sources to evaluate performance and
- involvement of both internal and external factors

However practitioners of this approach believe that this approach does not correspond with quality philosophy of an organisation (Noe 2008).

### **Differences between Reinforcement and Punishment**

While **reinforcement** is an enthusiastic outcome, for good performance, **punishment** is an averse consequence, of wrongdoing. **Reinforcement** strengthens response, whereas **punishment** weakens the same. The result of **reinforcement** will increase the frequency of behaviour.

Reinforcement has played a central role in learning. Most learning experts agree that reinforcement is the single most important principle of learning. The organizations can maintain or increase the probability of such behaviours as quality oriented performance, decision-making, high level of attendance and punctuality and so on. There are four basic reinforcement strategies:

- ❖ Positive reinforcement
- ❖ Negative reinforcement
- ❖ Extinction
- ❖ Punishment
- ❖ Positive Reinforcement

A positive reinforcement is a reward for a desired behaviour. The reward should be sufficiently powerful and durable so that it increases the probability of occurrence of desirable behaviour. Positive reinforcement results from the application of a positive consequence following a desirable behaviour. **For example**

Bonuses paid at the end of a successful business year are an example of positive reinforcement. Employees will work hard for a raise or a promotion.

Salesmen will increase their efforts to get rewards and bonuses.

Students will study to get good grades and

Children will throw temper tantrums to get candy or ice creams.

In these examples, the raises, promotions, awards, bonuses, good grades, candy and ice cream are positive reinforcers.

**Negative Reinforcers:** Negative reinforcement also known as "escape conditioning" or "avoidance learning" it is also a method of strengthening desired behaviour. Negative reinforcement results from withholding a threatened negative consequence when a desired behaviour occurs. For example, students study hard, write term papers and do their homework on time to avoid the consequences of failure in the examination.

### **Punishment:**

Punishment is the opposite of reinforcement. Punishment tends to lower the probability of a response by following it with an aversive or unpleasant consequence. And punishment can be accomplished either adding an unpleasant stimulus or removing a pleasant stimulus.

From an organizational standpoint, this result becomes important when the punished person translates negative emotional and psychological responses into negative actions.

### **Reinforcement and Punishment Strategies**

These four reinforcement strategies are illustrated below with the help of an example when a superior advises his employee to come to work on time.

### **Reinforcement Strategies**

#### **Schedules of Reinforcement:**

Any analysis of reinforcement shows that it is not provided in a consistent manner. The various ways by which the reinforcement can be administered can be categorized into two groups. These are continuous and partial reinforcement schedules.

**1. Continuous reinforcement Schedule:** A continuous schedule is that one in which the desirable behaviour is reinforced every time it occurs and the reinforcement is immediate.

This results in fast acquisition of the desired response and the learning is rapid. Continuous reinforcement strategy is not always feasible in the organizational environment where continuous observation of behaviour is not possible due to time constraints imposed upon management. Reinforcing every correct response is known as continuous reinforcement.

**Partial Reinforcement Schedule:** A partial reinforcement schedule rewards desirable behaviour at specific intervals. It is believed that "behaviour tends to be persistent when it is learned under conditions of partial and delayed reinforcement.

There are four kinds of partial reinforcement schedule. These are:

a. **Fixed Interval Schedule:** In this type of schedule, a response is reinforced at fixed intervals of time. Fixed-interval schedules produce an uneven pattern of responses. The highest rate of response occurs fairly close to the time when reinforcement occurs. For example, if there are two tests announced at fixed intervals in a semester, you will see that the students will study harder as the time of the test approaches because the test itself is a reinforce and the studying behaviour is reinforced by the opportunity to demonstrate your knowledge and earn a good grade.

b. **Variable Interval Schedule:** In this type of schedule, the reinforcement is administered at random times that cannot be predicted by the employee. For example: "Surprise Quizzes" in the classroom is one of the examples of variable interval schedules.

c. **Fixed Ratio Schedules:** In a fixed ratio schedule, the reinforcement is administered only upon the completion of a given number of desirable responses. Reward is consistently tied to the output. The individual soon determines that reinforcement is based upon the number of responses and performs the responses as quickly as possible in order to receive the reward. For example, a professor may receive a promotion after a certain number of research articles have been published.

d. **Variable Ratio Schedules:** It is similar to fixed ratio schedule except that the numbers of responses required before reinforcement is determined, are not fixed but vary from situation to situation. The variable ratio schedule elicits a rapid rate of response. The value of the reward and its unpredictability keeps the behaviour at high-level desirability.

### **Leadership theories - Styles, Activities and skills of Great leaders:**

**What are leadership theory and leadership style?**

Leadership theory studies the qualities of good leaders. Psychologists analyze and develop leadership theory, and researchers try to discover the common qualities or behavioral patterns of excellent leaders. Some of the leadership aspects they consider include:

- Personality traits
- Actions
- Environment
- Situation
- Decision-making process
- How input is received
- How relationships are maintained

Leadership style is the way a leader approaches managing team members. Leadership styles were formally developed as a result of studies on leadership theory, and each style includes distinct qualities. Common leadership styles include:

- **Coach:** Recognizes strengths and weaknesses, helps people set goals and provides a lot of feedback.
- **Visionary:** Manages through inspiration and confidence.
- **Servant:** Focuses on helping team members feel fulfilled.
- **Autocratic or authoritarian:** Makes decisions with little or no input from others.
- **Laissez-faire or hands-off:** Delegates tasks and provides little supervision.
- **Democratic:** Considers the opinions of others before making a decision.
- **Pacesetter:** Sets high standards and focuses on performance.
- **Bureaucratic:** Follows a strict hierarchy and expects team members to follow procedure.

**Six main leadership theories**

The six main leadership theories are:

- The great man theory
- The trait theory
- The behavioural theory
- The transactional theory or management theory
- The transformational theory or relationship theory
- The situational theory

## Theories of Leadership:

**Definition:** Leadership is the process of channelizing the energy of an individual or a group towards the realisation of specific goals, objectives and vision.

## Theories of Leadership

Over the decades, many great scholars, researchers and academicians have conducted various research and studies to discover the factors that contribute to effective leadership. In this process, the following theories of leadership have evolved:

- **The Great Man Theory:** Thomas Carlyle proposed the Great Man Theory in the 1840s, and it merely believes that leadership is an inherent trait of a person who is destined to become a great leader by birth and they prove themselves when the great need arises. In other words, some people are born to become leaders and leadership is a heroic act.:

**Criticism:** This theory was criticised or questioned due to the following reasons:

- It was a male-centric approach when women have proved to be great leaders too.
- This theory explains that leadership cannot be learned or taught it's an inherent trait.
- There is no scientific validation to support this theory.
- It neglected the environmental and situational factors which affect the leadership process.
- **The Trait Theory:** Ralph M. Stogdill proposed the trait theory of leadership in the late 1940s; he explained that an individual must possess the key personality traits and characteristics to be an effective leader and these traits are inherent by birth.

Some of the core leadership traits based on this theory can be categorised as follows:

**Physiological traits:** Height, weight, structure, colour, appearance and so forth.

**Socioeconomic characteristics:** Gender, religion, marital status, age, occupation, literacy and earnings. **Personality traits:** Extraversion, self-confidence, patience, agreeable, reliable, honesty and leadership motivation.

**Intellectual traits:** Decisiveness, intelligence, judgemental ability, knowledge and emotional attribute. **Task-related traits:** Attainment drive, dedication, initiative, determination and business expertise.

**Social characteristics:** Socially active, cordiality and cooperation.

Some of the other traits being charisma, adaptiveness, creativity, uniqueness.

This theory was criticised since it neglected the environmental factors which may not always remain the same. The list of traits is quite vast and keeps on changing from time to time. It was unable to explain failures despite possessing the certain traits specified in the theory. Moreover, of the identified traits can be acquired through learning and training.

**Behavioural Theory:** The behavioural theory of leadership evolved in the 1950s. After understanding that the personal traits of a leader are essential for effective leadership, the researchers were now keen to know that what leaders do to become effective leaders

Thus, they now focussed on the leader's behaviour rather than traits. To study the behaviour of leaders, two major research programs were started by two different universities namely, the Ohio State Leadership Studies and the University of Michigan Studies.

**The Ohio State University Studies:** A group of researchers at Ohio State University prepared a questionnaire to be surveyed in military and industrial setups, to determine the perception of the subordinates for the actual behaviour of their leaders. From their findings, the researchers identified two major categories of leader behaviour:

- **Consideration:** The leaders are attentive towards their subordinates and build up an excellent inter personnel relationship with them. They are very supportive and friendly. This was termed as 'people-oriented behaviour'. The study further resulted in the identification of four additional behaviours essential for effective leadership which are:

- Support
- Goal emphasis
- Work facilitation
- Interaction facilitation

- **Contingency Theory:** Contingency theories of leadership state that effective leadership comprises of all the three factors, i.e. traits, behaviour and situation. A leader's behaviour varies as per the situation. To support this theory of leadership various models were developed, and multiple studies were conducted in this direction.

**Following are the models of contingency theory:**

**Fred Fiedler's Contingency Model:** Dr Fred E. Fiedler tried to explain that the performance of a group or team is banked on the pleasant and unpleasant situations and style of leadership.

Leadership style can be assessed with the help of Least Preferred Co-worker (LPC) scale. It is a technique in which a leader is asked to think of



a person whom they least like to work with and score them on different bipolar scales.

For instance: Friendly-unfriendly, Efficient-inefficient, Cooperative-uncooperative, etc **Fiedler's findings:**

**Leader's Traits:** On the basis of the LPC Scale, a leader's style of leadership can be determined. If a leader scores high on the LPC scale, that means he is highly relationship-oriented and treats even the least preferred co worker generously. If he scores low on the LPC scale, he is a task-oriented leader prioritising the work and performance.

**Situational factor:** Leaders manage to perform effectively in the favourable situations. They feel that they have control and command over the group of employees in such situations.

**Situation Matches:** Fiedler gave a Contingency Model named Leader Situation Matches in which he explained that leadership style could be either task-oriented or people-oriented, based on the favourableness of the situation.

**Hersey Blanchard Situational Theory:** The Hersey-Blanchard Situational Theory states that the style of leadership depends upon the maturity of the subordinates; accordingly the following four styles were developed: ▪ **Telling:** When a new person enters the organisation, he has to be told everything, i.e. he is given training and orientation to make him understand the task to be performed.

▪ **Selling:** The leader leads by providing social and emotional support to the subordinates and convincing the groups to give maximum output.

▪ **Delegating:** The leaders are least concerned about and hardly interfere with the execution of the tasks. They are not even concerned about the subordinates and their issues.

▪ **Participating:** It is a democratic style where subordinates are allowed to participate in the decision making process. Here, the leader is less focussed on the achievement of objectives.

▪ **Evans and House Path-Goal Theory:** The Path-Goal Theory was proposed by Robert J. House and Martin Evans in 1970s.

The situational factors involved are Subordinate characteristics and Organisational environment. This model emphasised four different behaviours of a leader:

- Directive
- Supportive

- Participative
- Achievement-Oriented

▪ **Vroom-Yetton-Jago Decision-Making Model:** This model suggested that leadership style varies on the basis of the decision-making ability of the leaders in different situations. Leadership style was merely based on the degree of employee's contribution and activeness in the decision-making process. The various aspects taken into consideration were decision timeliness, decision acceptance and the decision quality. Following are the Leadership Styles derived out of

▪ **Autocratic (AII):** This is stringic autocratic leadership style where the leader takes the opinion of group members to gather more information but may or may not share the final decision with the group members. ▪

**Consultative (CI):** The leaders consult with the group members to explore opinions but solely take the decision.

▪ **Consultative (CII):** the leader consults with the group members to explore opinions and also invites suggestions but solely takes the decision.

▪ **Collaborative (GII):** The leader allows the group to take their own decisions collectively and plays a supportive role in the process.

**Cognitive Resource Theory:** This theory explains that if the leader is experienced he will be able to perform effectively even under the stressful situations whereas an intelligent leader performs well in less stressful situations.

▪ **Strategic Contingencies Theory:** This theory says that the effectiveness of a leader depends upon his problem-solving skills and ability to handle critical situations and make decisions wisely. A person with better problem-solving skills can secure his position and cannot be easily replaced.

**Charismatic Leadership Theory:** This theory believes that a leader must possess some extraordinary and exceptional qualities to become an effective leader. Such leaders lead by t

▪ **Envisioning/Foreseeing:** Leaders foresees future possibilities and create a vision accordingly, usually having high expectations and dreams.

▪ **Energizing/Empowering:** Leaders are highly enthusiastic, proactive, energetic and confidently aiming towards success.

▪ **Enabling/Guiding:** Leaders provide complete support and guidance and show compassion and trust in followers. Such leaders are highly focussed and committed towards their goal accomplishment. ▪

▪ **Transactional Leadership Theory:** Transactional Leadership Theory emphasises the realisation of a desired outcome and result. The leaders motivate the

followers by way of a reward system, i.e. rewarding the performers and punishing the non-performers.

The theory emphasises maintaining a cordial relationship with the followers, leaders and followers must work mutually to meet organisational goals.

▪ **Transformational Leadership Theory:** The transformational theory states that a leader is effective only if he can transform or change the perceptions, behaviour and expectations of the followers and direct them towards a common goal which will lead to the accomplishment of the leader's vision. Such leaders have a charismatic and influential personality.

Following are the key factors behind Transformational Leadership:

- **Psychological transformation:** Bring about a change in the perception and mindset of the follower.
- **Influential:** Creates a strong impact on the followers.
- **Motivational:** Generates positive energy within followers.
- **Inspirational:** Encourages them to achieve something.
- **Individual impact:** Creates a powerful effect on the behaviour and perception of the followers.

From the above description, we can conclude that a leader needs to follow different leadership theories based on the situation and circumstances.

### **Activities and skills of Great leaders:**

#### **Definition of a Leader**

A leader is "a person who influences a group of people towards the achievement of a goal". A mnemonic for this definition would be 3P's - Person, People and Purpose.

Leadership plays an important role in the workplace as well as other community organizations. Leadership activities are associated with benefits to business, including increased performance and productivity.

The working style, principles, and values of a leader is a crucial aspect in determining the behaviour within an organization. Leadership training can help leaders become **role-models**. The behaviour of leaders and what they consider the "norm" determines which behaviours are enforced and those which are punished. Given the importance of a leader's behaviour, it is also essential that they learn skills, such as: **Communication**

Leaders need to develop the ability to clearly, succinctly explain to employees everything from the goals of a company to the details of specific work-tasks. Many components are important for effective

**communication**, including active listening, reading body language and written communication such as emails **Motivation**

Leaders need to **inspire** employees. They may do this by increasing worker's **self-esteem**, by recognizing effort and achievement, or by giving a worker new responsibilities to further their investment in the business **Delegating**

Leaders can achieve this by identifying the skills that workers have, and as such assign tasks to each worker based on the **skills** they have

### **Creativity**

Good leaders are willing to try novel solutions or to approach problems in a non-traditional way **Feedback**

Leaders are constantly on the lookout for opportunities to provide team members with information about their performance, without 'micromanaging' their work

Now that you have more clarity as to what leadership activities are, and what they are used for, let us look at a wide selection of activities. While some of the activities and games may not immediately appear to be 'leadership activities,' the chosen activities might develop and promote the **leadership skills** outlined above. Leaders have both a big influence and responsibility for their teams. Some of the aspects they need to pay attention to are:

- Setting the climate of a workplace
- Inspiring team members
- Setting values for their team
- Improving team spirit and cohesion
- Being responsible for their team's communication and wellbeing