

## **UNIT - III Group Behaviour**

Organization structure – Formation – Groups in organizations – Influence – Group dynamics – Emergence of informal leaders and working norms – Group decision making techniques – Team building  
- Interpersonal relations – Communication – Control.

### **3.1 ORGANISATION STRUCTURE**

An organisation structure is a set of planned relationships between groups of related functions and between physical factors and personnel required for the performance of the functions. The organisation structure is generally shown on the organisation chart. It shows authority and responsibility between various positions in the enterprises by showing who reports to whom. Organisation structure lays down the pattern of communication and coordination in the enterprises. Though organisation structure is very important, it is not an end in itself.

According to Peter F. Drucker, “Organisation is not an end itself, but a means to end of business performances and business results. Organisation structure is an indispensable means; and the wrong structure will seriously impair business performance and may even destroy it. Organisation structure must be designed so as to make possible the attainment of the objectives of the business for five, ten, fifteen years hence.”

#### **Importance of Organisation Structure**

Sound organisation structure can contribute greatly to the survival continuity and stability of the enterprise. The need and importance of organizing and organisational structure can be understood more precisely on the basis of the following points:

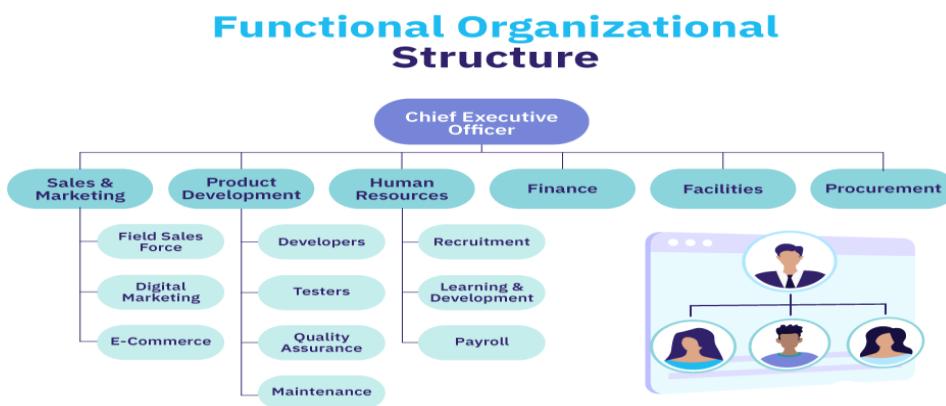
- **Facilitates administration.** Sound organisation helps in the performance of management functions like planning, staffing, detecting and controlling. Inadequate organisation may result in duplication of work and efforts and some of the important operations may be left out. Sound organisation facilitates the performance of various managerial functions by division of labour, consistent delegation or job definition and clarity of authority and responsibility relationship.
- **Promotes Growth and Diversification.** Sound organisation designed on scientific principles can create conditions conducive to planned expansion and diversification of the activities of the enterprise. It can help in keeping the various activities under control and increase the capacity of the enterprise to undertake more activities.
- **Co-ordination.** Organisation is an important means of bringing co-ordination among the various departments of the enterprise. It creates clear-cut relationship between the departments and helps in laying down balanced emphasis on various activities. It also provides for the channels of communication for the coordination of the activities of different departments.
- **Optimum Use of Technological Innovations.** A sound organisational structure is flexible to give adequate scope for the improvement in technology. It facilitates introducing changes in the enterprise by modifying the authority and responsibility relationship in the wake of new developments.
- **Optimum Use of Human Resources.** Sound organisation matches the jobs with the individuals and vice-versa. It ensures that every individual is placed on the job for which he is best suited. This helps in the better use of individuals working in the enterprise.

- **Stimulates Creative Thinking.** An organisational structure based on clear-cut demarcation of authority, higher range of responsibility, discretionary freedom granted to personnel, incentives offered for specialised work, etc. will certainly foster the spirit of constructive and [creative thinking](#). Such an atmosphere will give an opportunity for the staff to display their hidden creative talents which, in turn, will lift the enterprise to achieve higher goals of business.
- **Training and Development.** An effective organisation facilitates delegation of authority which is an important device for training and developing the personnel. Delegation of authority is also an important means of directing the subordinates. It prepares them to take more responsibilities whenever need arises.

## Forms of Organisation Structure

### 1. FUNCTIONAL STRUCTURE

In a functional structure, activities are grouped and departments are created on the basis of specified functions to be performed. Activities related to a function are grouped in a single unit with a view to give a well defined direction to the whole group. For instance, in an industrial enterprise, the major functions like production, finance, marketing and personnel may be grouped into different departments. Functional departmentalisation is the most widely used basis for organising activities. It is found in almost every enterprise at some level in the organisation structure as it leads to better planning and control of the key functions on which the survival and growth of the enterprise depends. It facilitates specialised performance of various functions.



The advantages of functional structure are as under:

- It is easier to organise departments bases on functions and sub-functions.
- It allows giving balanced weightage to the basic functions on which [the survival of a firm](#) depends.
- It introduces specialisation leading to higher productivity and economical operations.

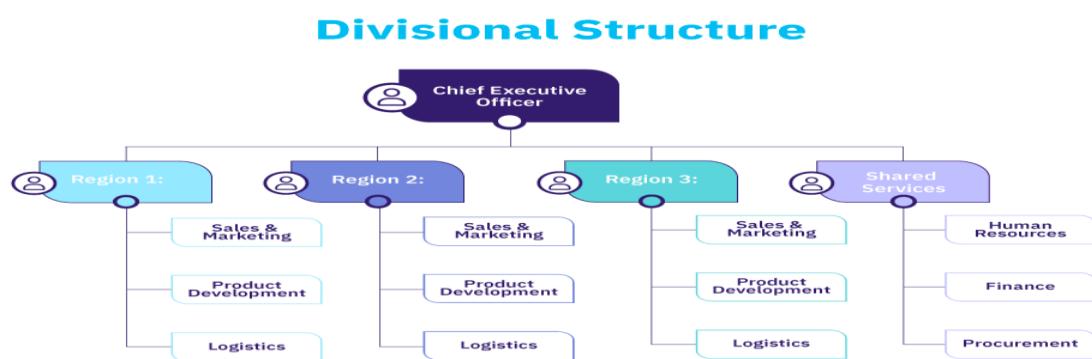
- It ensures effective utilisation of personnel in different departments.
- It helps in training of specialist managers rather than generalist managers.
- It facilitates better coordination of activities within each department.
- It allows delegation of authority by the chief executive to the various functional heads.

The demerits of functional structure are as under:

- Each department concentrates on a narrow range of activities relating to its function only.
- It may be difficult to achieve coordination between different departments because of their different orientations.
- There may be lack of understanding between different departments. The atmosphere of mistrust may lead to inter-departmental conflicts.
- Decisions are delayed where decision-making involves two or more departments.
- Excessive specialisation may destroy teamwork in the organisation.
- Functional organisation may prove unsatisfactory in handling diversified product lines and specialised projects.
- Functional specialisation restricts development of generalists or managers with all-round capabilities.

## 2. DIVISIONAL STRUCTURE

Divisional structure is formed by creation a set of autonomous units or division which are coordinated by the central headquarters. For examples, a company may have three divisions to manage textiles, cement and shipping. But to coordinate their functioning, certain essential services such as corporate planning, finance, legal and research & development are organised at the headquarters. This structure is popular with giant firms dealing in multiple products and operating in different geographical regions. The products are often unrelated and require different emphasis on different function. And the territories served by the firm have their unique problems.



In a divisional structure, each division is semi-autonomous and has its own resources and facilities. Thus, there is duplication or multiplication of activities, personnel and equipment. For instance,

two divisions may have their separate [marketing research](#) wings or public relations departments. Let us assume that a typical company has two divisions for metal products and cement respectively. Each division may have further organisation based on functional departmentalisation.

### 3. PRODUCT BASED STRUCTURE

Product based structure is followed by giant organisations having multiple product lines. Under this, each major product or product line is organised as a separate division. It is employed where the unique characteristics of the product are of great significance and they require specialised machines and equipment and trained personnel. It is appropriate when each product is relatively complex and a great deal of capital is required for each product. For instance, cement and shipping.



The advantages of product based structure are as follows:

- Product departmentalisation can reduce the coordination problems which are created under functional departmentalisation. There is integration of activities relating to a particular line of product. It facilitates product expansion and diversification.
- It focuses individual attention on each product line.
- It leads to specialisation of physical facilities on the basis of products which results in economy.
- It is easier to evaluate and compare the performance of various product divisions.
- It keeps problems of production isolated from those of others.
- Since each product manager is required to supervise the diverse functions of production, sale and finance with respect to a particular product line, there is a wide scope for the training and development of all-round executives.

The Disadvantages of product based structure are as under:

- It results in the duplication of personnel and physical facilities. Each product division maintains its separate facilities and personnel. It may become of each department. High cost of operations and large investment make it unsuitable for small firms.
- It may be difficult for an enterprise to adapt itself to changes in technology, demand, etc. though product lines can be added and dropped easily without dislocation the existing operations.
- Product departmentalisation may sometimes lead to difficulties in coordination of certain specialised activities like marketing, financing and accounting.

#### **4. GEOGRAPHICAL OR TERRITORY BASED STRUCTURE**

Geographical structure is followed in case of service organisations which have offices in different regions or geographical areas. Each regional office has independent functional departments to realise its objectives. For instance. Life insurance Corporation of India (LIC) has semi-autonomous divisions indifferent regions of the country.



Territorial departmentalisation has the following advantages:

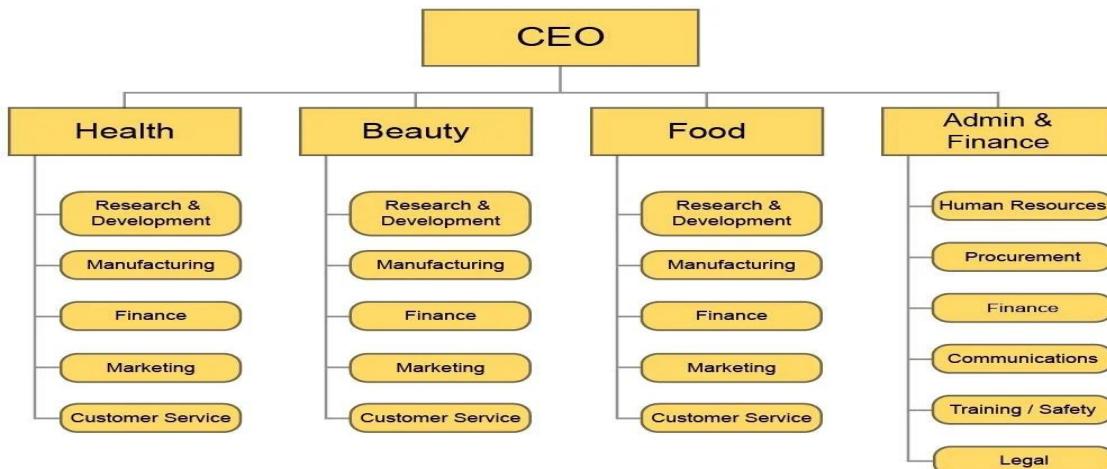
- It leads to the benefits of local operations. The local managers are more conversant with their needs and those of their customers. They can adapt and respond to the local situations with speed and accuracy.
- The company can meet the demands of various regions more effectively.
- Better attention can be paid to local customer groups thereby raising the image and goodwill of the company. It ensures quick delivery of products to customers in different areas, and intensive exploitation of local markets.
- A regional division can achieve better coordination and supervision of activities in a particular area, It also help in reducing transportation and distribution costs.

Territorial departmentalisation may suffer from the following difficulties:

- There is multiplication of physical facilities. It leads to uneconomical operations.
- There may be problems of integration between various regional offices. They may compete with each other in certain areas.
- There may be lack of talented personnel to take charge of regional departments.
- There will also be problems in providing centralised services to various departments which are located in different regions.

## 5. CUSTOMER BASED STRUCTURE

Departmentalisation by customer may be followed in enterprises engaged in providing specialised services to different classes of customers. Under this, customers are the guide for grouping the activities. The management groups the activities on this basis to cater to the requirements of clearly defined customer groups. For instance, a big automobile servicing enterprise may organise its departments as follows: heavy vehicle servicing division, car servicing division, and scooter servicing division.



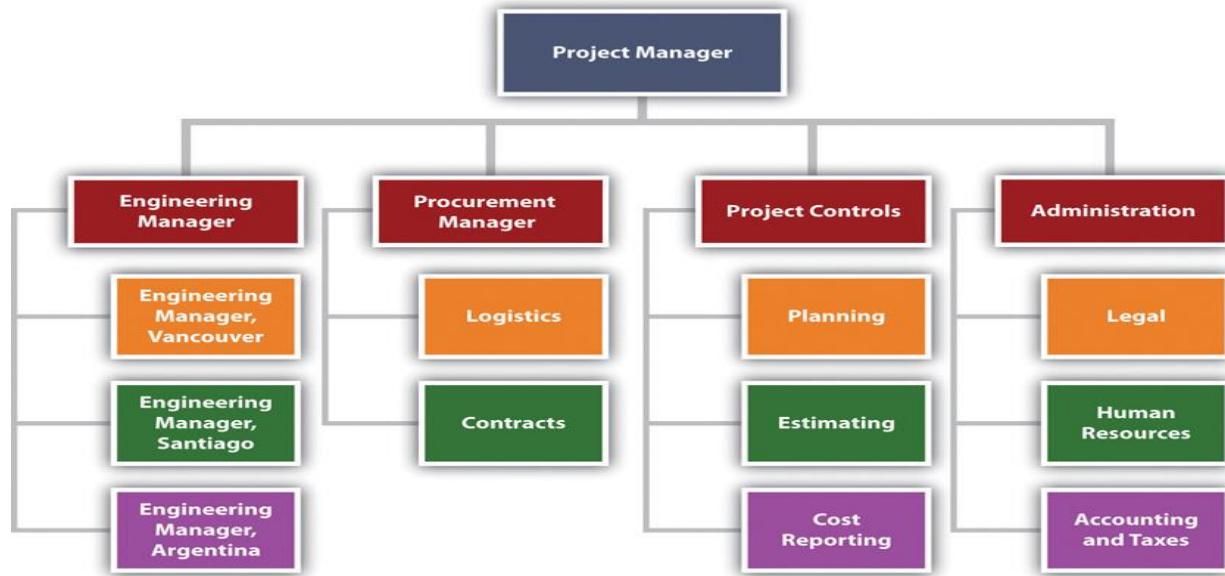
The benefits of structure based on customers are as follows:

- Customer departmentalisation can focus on the special needs of different kinds of customers.
- It employs personnel with special abilities for meeting different customer requirements.
- It leads to greater satisfaction of customers which enhances the reputation of the enterprise among the public.

Customer based structure is also not free from drawbacks. For instance, it creates the difficulty of co-ordination between the departments organised on this basis and those organised on other bases. Greater emphasis to the need of the customers may lead to less than optimum use of space, equipment and specialised personnel.

## 6. PROJECT ORGANISATION

The term ‘project’ may be defined as a complex set of activities which are diverse, specialised and technical to be performed within the given time frame and cost structure. The project structure is designed to handle such set of activities along with the already existing organisational structure.



The merits of project structure are as under:

- Project organisation concentrates on completion of a complex project or assignment. It can be tailored to meet the requirements of the particular project.
- Project organisation provides greater flexibility in organisation; greater check over the project work, provision of determining exact responsibility and better co-ordination of organisational resources.
- Project organisation requires specialists in various fields. Specialists get higher satisfaction while working on complex projects.
- It facilitates the timely completion of a project without disturbing the normal activities of the organisation.

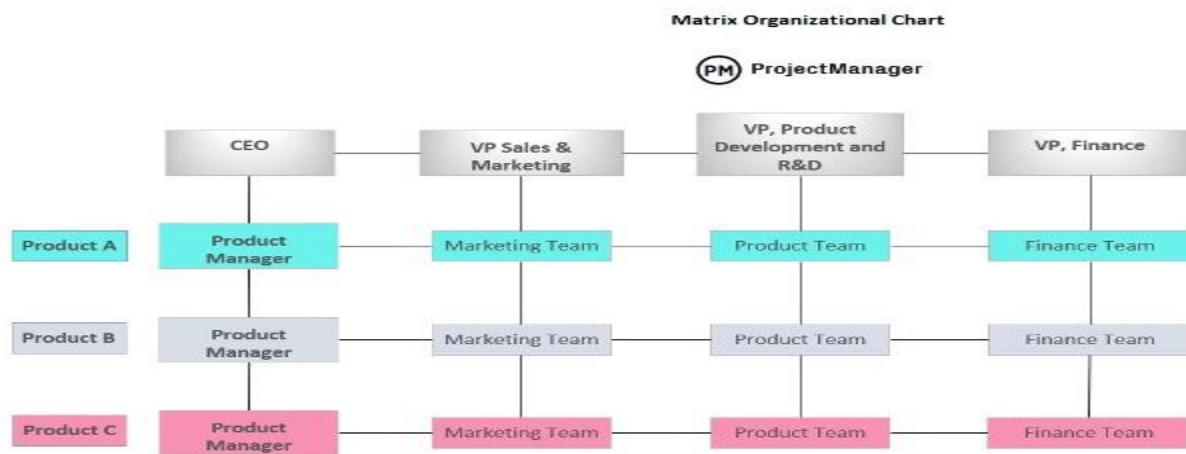
The limitations of project organization are as under:

- Uncertainty in project structure arises because the project Manager has to deal with specialists from a number of diverse fields. The specialists often have different types of approaches and perspectives.
- Lack of prescribed organizational processes, lack of clearly defined responsibility, lack of communication lines and measurement yardsticks make the job of a project manager often more challenging.

- The project manager has to face a very unusual decision pressure that results from the severe penalties to be imposed because of the delay in completion of the project.
- Motivation of specialists may pose another problem for the project manager. Moreover, there may be conflicts among the specialists quite often because of their different orientations.

## 7. MATRIX STRUCTURE

Matrix organisation, also called grid organisation, is a hybrid structure combining two complementary structures namely, functional departmentalisation with pure project structure. Matrix organisation is a two dimensional structure, a combination of pure project structure and the traditional functional departments. Members of particular project team are drawn from the functional departments and are placed under the direction of the project manager. The project manager has overall responsibility for the success of the particular project.



The merits of matrix organisation are as under:

- The matrix structure is an efficient means for bringing together the diverse specialised skills required to a complete a complex assignment or execute a project.
- It is flexible in nature. It can be applied more usefully to an organisation involved in project ranging from small to large.
- It motivates personnel engaged in the project. They can utilise their competence and make maximum contribution for the execution of the project.
- It helps in improving flow of communication around the organisation as required information is communicated both vertically as well as horizontally.

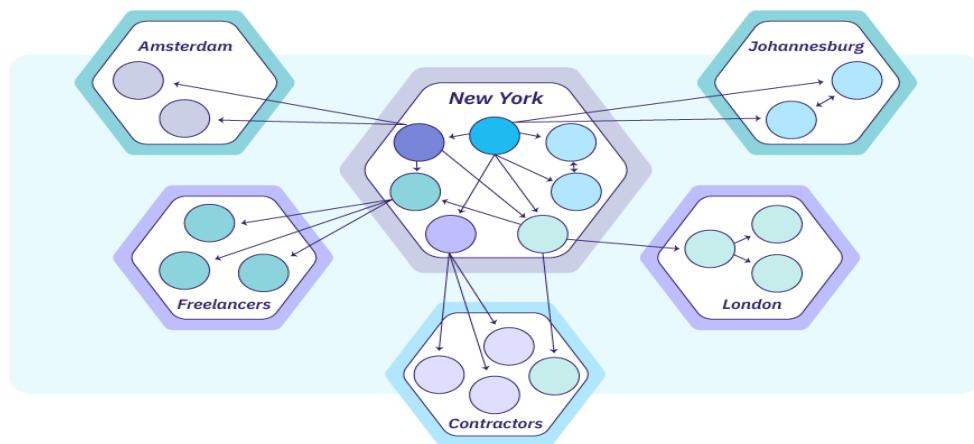
The disadvantages of matrix structure are as follows:

- The matrix organisation violates the classical principle of unity command. The personnel from functional department have to face the situation of two bosses, project manager and functional manager.
- In matrix organisation, the problem of coordination is more complicated because neither functional head has an authority over project unit in a direct manner nor the project manager has full authority over project activities.
- Matrix organisation is not a homogeneous and compact group. The multiplicity of vertical and horizontal relationships may impair organisational efficiency.
- Dual reporting relationship in matrix organisation can contribute to indiscipline, ambiguity and role conflict.

## *8. VIRTUAL OR NETWORK ORGANISATION*

A virtual organisation is a temporary network between a number of companies that come together to accomplish a specific venture. It is also network structure. It is created to exploit fast changing opportunities and share skills and even facilitates access to global markets. Each participating company contributes what it does best.

### **Network Organization Structure**

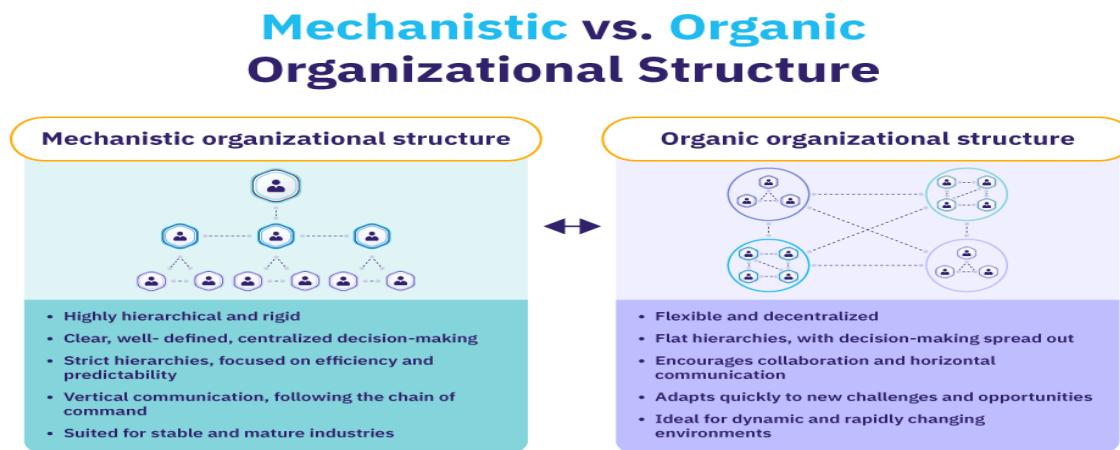


[Virtual organisation](#) have been created by large companies such as IBM, Apple, Ford, etc. though there is no bar on small companies to create such organisations. Network organisation is suitable for all endeavours which requires high flexibility to respond quickly to changing environment.

However, virtual organisation may suffer from two problems. Firstly, there may be lack of close control over manufacturing operations. Secondly, there may be doubt over the reliability of the partners.

## 9. MECHANIST AND ORGANIC STRUCTURE

Mechanistic structure is one that is highly centralised and has common elements of bureaucracy. It lays emphasis on formal authority and communication patterns. In a mechanistic organisation structure, there are rigid authority responsibility relationship, formal chain of command and fixed pattern of communication. Thus, the members cannot communicate across all levels of the organisation to obtain information.



Organic structure is one that is characterised by high degree of decentralisation and flexibility and under which individual are more likely to work in a group setting rather than alone. In an organic structure, the organisational members communicate across all levels of the organisation to obtain information.

### 3.2 FORMATION

M.E. Shaw defined a group “as two or more people who interact and influence one another.” Viewers in a theatre, passengers in a train are not a group unless they interact for long and exert some influence on each other. Such people’s gatherings are referred to as collection.

#### Types of Groups:

Groups can be classified in many different ways on various bases. Following are the basic groups:

**1. Formal Groups:** Formal groups are created as part of organisation structure to accomplish organisational tasks. A work group in a plant is the example of formal group. They are bound by hierarchical authority in the organisation. They have to follow rules, regulation and policy of the

organisation. These groups are required by the system. The organisation provides a system of rules and regulation for attaining organisational objectives.

According to A.L. Stencombe, “a formal group is said to be any social arrangement in which the activities of some persons are planned by others to achieve a common purpose”. Formal groups help in achieving goals without any difficulty. They facilitate coordination of activities and help in forming logical relationship among people and positions. They create group unity.

Leonard R Sayles has subdivided formal group into command group and task group.

**(a) Command Group:** Command group consists of subordinates who are directly responsible to a supervisor. Command groups are structured by the organisation. The subordinates working in enforcement department of a town planning authority are reporting to and directly responsible to the enforcement officer. This group is responsible for removal of encroachment on public land. There is a specific department established for the purpose and is busy throughout with its activities.

**(b) Task Group:** Task group is formed to complete a project. This type of group is also known as task force. The job of the group is to complete the task within allotted time period. If one task is completed they are allotted new task to work with. Project teams, quality circles, audit teams are the examples of task group.

**2. Informal Groups:** Informal groups exist within the formal organisations and arise because of individuals' social needs and desire to develop and maintain relations with people. Working at a plant or office leads to formation of informal groups. They work together and this leads to their interaction. Through interaction groups are formed. These groups are spontaneous and emotional. Keith Davis has defined informal group as, “the network of persons and social relations which is not established or required for formal organisation.” These are the groups formed by the employees themselves at the workplace while working together. The organisation has not taken any active interest in their formation.

According to M. Dalton, “informal groups are cliques.” Cliques are a group of people of different organisation levels coming together with a common interest. Cliques are horizontal, vertical, and random.

- Horizontal Cliques comprise people from the same rank and work area.
- Vertical Cliques consist of people of different organisation levels.
- Random Cliques are made up of employees from both horizontal and vertical lines coming together with a common interest.

Informal groups are very effective and powerful. Some managers view them harmful and disruptive to the interest of the organisation. They suspect their integrity and consider as a virtual threat. Some managers seek their help in getting the task completed quickly. They do not consider them as threat. The strength of these informal groups can be utilized for accomplishment of organisational objectives.

Informal groups are of following types:

(a) **Interest Group:** A group of employees coming together for attaining a common purpose. Employees coming together for payment of bonus increase in salary, medical benefits and other facilities are the examples of interest group. The people with common interest come together.

(b) **Membership Group:** A group of persons belonging to the same profession knowing each other e.g. teachers of the same faculty in the university.

(c) **Friendship Group:** A group outside the plant or office, having similar views, tastes, opinions, belonging to same age group. They form clubs and associations based on the friendship.

(d) **Reference Group:** It is a primary group where people shape their ideas, beliefs, values etc. They want support from the group. Family is an important reference group. A team of players playing a game is a reference group.

Again according to purposes groups can be classified into the following:

- **Vocational Groups:** Association of the same vocation e.g.: Class I officers association, teacher's association etc.
- **Instructional Groups:** The people who have enrolled themselves for the same course e.g. students doing M. Tech in the same subject Government Group: Association formed for the governing e.g. municipal council, management board.
- **Religious Group:** People belonging to same religion coming together and forming a group. Recreational Group: Group formed with a purpose of recreation e.g. football club, cricket club etc...

**Size of Group:** There is no limit to the size of group. It can be of very small size comprising of two members to any number of members. The size of the group affects the behaviour of member of that group. Small groups of two or three need special concern.

**Dyad or Group of Two:** Dyad consists of two persons only. In this group no third person is present to mediate when difference of opinion or disagreement on any count arise. This results in frequent quarrel, fight between the two. But the persons in this group maintain agreement between them and do not indulge in quarrel. They avoid differences between the two or set them aside. They avoid clash on any issue because it may lead to failure of the group, and that is wise. But disagreement leads to new ideas which help in decision-making. It is better not to have dyad if differences in opinions or disagreements are not allowed to surface.

**Triad or Group of Three:** It is a group consisting of three members only. In this a problem crops up when there is a perfect agreement between the two and third is in strong opposition. This is a natural consequence. Managers usually avoid forming triads.

**Small Group:** Small groups are quite significant. They consist of small number of people ranging from four, five to forty, fifty or so and small indeed. Work force, task force, committees, teams,

project team are the examples of small group. Under these groups if a group consists of large number then interaction between them is a bit difficult task. The group of ten or less than ten is more effective as they can interact quite effectively. In a large group people avoid discussion. Moreover, there should be odd number of members like five, seven, nine, eleven etc. to avoid deadlock and not coming to agreement with a majority. Odd numbers of members are always preferred. The size of group has certain effects. The large group reduces interaction among its members. Members don't find time to talk to each other. Smaller groups bring about greater cohesion. In larger groups people find less time to interact and hence less cohesion. It is also seen that members of small groups are more satisfied than that of larger groups. In small groups members feel free and exercise more freedom to interact. They are very formal. This does hardly happen with the members of larger group. Larger groups have more productivity than that of smaller groups. Larger groups perform better than smaller groups. Problem solving is easy in large groups. Groups are dynamic in nature whatever the size they have.

**Formation of Groups:** People are eager to become members of group for several reasons. They think that by becoming a member they can satisfy some of their needs or so. Some people are forced into group as they are helpless and they cannot refuse to join e.g. a task assignment is given by the boss along with others no employee can dare to refuse. He has to do the job. This is one case but there are several other factors responsible for group formation.

### **Factors Governing Formation of Groups:**

1. Personal Traits: The first and foremost factor that governs formation of group is personal traits. People join groups because they find commonality of interests, beliefs, values and attitudes. People of common beliefs, interests, values and attitudes come together and form group. The group fosters their interests and beliefs. The interaction with the people of similar values, beliefs, attitudes becomes easier. They feel at home with the other members of the group. There is no way to conflict when the members share the same ideology. Political parties are formed on the same principles.

The people come together and form group because of security and affiliation needs. They feel secured after joining the group. Employees form unions to be secured from the threat of termination and other such dangers of facing unemployment. They feel safe after joining group.

2. Identical Objective: The people with similar objectives have strong feeling to come together and form groups. Executives pick up people and assign them activities in sales or marketing or advertising. This enables people to come together and interact and they share the burden of each other while working together. They know each other well and having the same objectives can form a group.

3. Emerging Leadership: People form groups with a potent will of emerging leaders of the group. When people come together they choose someone to lead them. The leader gets accepted by the

people. People follow him because they feel that he will safeguard their interests. The leaders get authority from their followers. The leader hence assumes power. He emerges because of group. The groups are formed and people join groups who want to be leaders or can automatically emerge as leaders. The role of leaders is quite significant and important to the members of group.

4. Interaction: People get opportunity to interact in a group and they join it or come together and form it. Through interaction social relationship is developed. The need for interaction is very strong among people. A desire to have an interaction is a potential reason to form a group.

### **The Stages of Group Formation:**

Group cannot be formed and developed within a short span of time. It gets developed through various stages. These stages of development are referred to as forming, storming, norming and performing.

1. Forming: Forming is the first stage of group development. This is the beginning of a group where there is a great deal of difficulties arise as regards objectives and goals, framing of rules and regulations, taking the members into confidence, framing the structure, deciding about the leadership issue, tackling the differences among members. There is a great deal of uncertainty looms large over group formation. This is the orientation period the group is passing through. This is a chaotic stage. The purpose, activities and priorities need to be defined and redefined during this stage. During this stage members of group select their leader or allow emerging the leader. When leadership is decided upon another stage begins. This stage is known as storming.

2. Storming: Storming is a stage where conflicts arise. It is the testing time for group leader to pacify and resolve the conflicts between the members of group that have arisen because of interpersonal behaviour. There are chances of split in the group. The leader has to accept the challenge and settle the disputes and get the members to bury the differences. Storming is the stage of struggles. There is tension and hostility among members. Some have strong resistance to certain opinion or issue. Everything has to be settled out then the development of group leads to the third stage of norming.

3. Norming: Leadership gets established under this stage resulting into group cohesion. Group gets organised. Members of the group start believing each other's and mutual understanding develops. A sense of belonging to the group and togetherness strengthened. The conflicts and misunderstandings get resolved. Consensuses among members over the leadership, goals, emerge and members feel cohesive. The members start identifying with the group. This is norming stage now leads to performing stage of group development.

4. Performing: Under performing stage, the interpersonal relationship among members is booming and they establish intimacy. They start opening up their hearts to each other. The members try to relieve their fellow members of their tension arising out of dissatisfaction. The group starts working as a team and freely interacts. People don't raise minor differences. Members think that if they raise minor issues conflict may erupt. They want to set aside them. Group members attain maturity. They help each other and understand each other better and help getting better job performance. They understand their limits and nature of their involvement make decisions rationally.

5. Adjourning: This is the last step of any group as like task group formed to do some mission. The groups are stop to exit after this stage. Some of group members are happy about the achieving of target goal, some are unhappy to loss their friends after groups disperse.

### **3.3 GROUPS IN ORGANIZATIONS**

Group behavior is a critical element at the workplace. We're social animals and we're bound to form and work in groups. In fact, an organization in itself is a large group where everyone is interdependent. Employees and departments must interact with each other and collaborate to achieve organizational goals.

There are many advantages of group behavior in organizations.

- I. Productivity: When you see others around you work hard, you're motivated to push your boundaries. Your productivity is enhanced because you want to match their performance standards.
- II. Attendance: When you have people to talk to and collaborate with, it makes work more interesting and engaging. You also start looking forward to your workday. This improves your attendance.
- III. Job Satisfaction: Many modern organizations strive to make their employees feel like they're a part of one big family. When a workplace culture is employee-driven, you feel more engaged and are happy about your contributions.
- IV. Attitude: At the workplace, we usually monitor our behavior by taking inspiration from our managers and leaders. We foster positive attitudes when organizational group behavior is constructive and supportive.
- V. Well-Being: Working in groups impacts our social relationships, allowing more opportunities to share stories and emotions. Being part of a group provides a heightened sense of belonging. Increased social interactions lead to better mental and physical well-being.
- VI. Learnings: When you work in groups, you're exposed to different perspectives. Every person has something unique to contribute, which enhances the knowledge of other people in the group.

### **3.5 GROUP DYNAMICS**

Group dynamics contains two terms: Group + Dynamics= GD

Group is basically a collectivity of two or more persons.

Dynamics comes from Greek word meaning FORCE.

Thus, “Group dynamics is concerned with the interactions of forces among group members in asocial situation.” Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function.

Group dynamics are relevant in both formal and informal groups of all types. In an organizational setting or in Social Group Work, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behavior.

The social process by which people interact face-to-face in a group environment is called Group Dynamics. Group dynamics refers to the study of forces operating within a group.

The group dynamics refers to change which takes place within groups and is concerned with the interaction and forces obtained between group members in social settings. It is study of forces operating within a group. A group doesn't simply mean individuals possessing same identical features. (e.g A collection of students or musicians doesn't form a group. There are two principal types of group interaction, one exists when people are discussing ideas and is generally called a meeting, and the other exists when people perform task together and is called a team.

Group Dynamics is the study of forces operating within a group in social interaction. It can be viewed in terms of the internal nature of groups, their formation, structure and process, the way they affect individual members, other groups, and the organization. Supervisor should understand group dynamic forces so as to understand the behaviour of the individual in the group, their influences on the organization. The possible effects of managerial actions on the group and the individuals to be able to handle them properly and make necessary adjustments between the organizations and the groups operating in the organization.

The social process by which people interact and behave in a group environment is called group dynamics. Group dynamics involves the influence of personality, power, and behaviour on the group process.

**Importance of Group Dynamism:**

- Even the attitude, perceptions, and ideas of members depend on group dynamism. For example, the negative thinkers can be converted to positive thinkers with the help of the facilitator.
- Group dynamism can give job satisfaction to the members.
- If the group works as a cohesive group, the cooperation and convergence can result in maximization of productivity.
- The group can also bring team spirit among the members.
- The group can give the effect of synergy, that is, if the group consists of positive thinkers then its output is more than the double every time.
- The group can influence the thinking of its members. The members are always influenced by the interactions of other members in the group.
- Lastly, group dynamism can reduce the labour unrest and labour turnover due to emotional attachment among the group members.

### **Features of Group Dynamics**

Group Dynamics refers to the study of forces operating within a group . Following are some of its salient features:

- Group Dynamics is concerned with group .Wherever a group exists the individuals interact and members are continuously changing and adjusting relationship with respect to each other.
- Changes go on occurring like introduction of the new members, changes in leadership, presence of old and new members and the rate of change – fast or slow.

The groups may dissolve if the members are not enthusiastic about the goals.

- There may be rigidity or flexibility that influences a group dynamics .If the members get along well there is smooth sailing for the group and if there is conflict it leads to problems
- The group organization is essential .It leads to greater group effectiveness, participation, cooperation and a constructive morale.
- Dynamic groups are always in continuous process of restructuring, adjusting and readjusting members to one another for the purpose of reducing the tensions, eliminating the conflicts and solving the problems which its members have in common.

### **3.6 EMERGENCE OF INFORMAL LEADERS AND WORKING NORMS**

Emergence of the informal leader: Despite the number of resources that organizations allocate year after year to the development skills and/or competencies of their people, the result is not always the desired one, since this training does not always equip the formal leader to carry out effectively their work. This training regularly fails to develop sufficient resources for the collaborator himself to realize that he or she is not generating the levels of influence expected from the role that is playing inside the organization. For example, a project leader or an area supervisor must depend on the resource of autocracy to ensure that things get completed, instead of encouraging and guiding their collaborators so that the tasks are carried out timely.

Then and consequently, the informal leader emerges, who, depicting his charisma or personality, can influence and convince the team that he must do the work in the agreed time, or guide the group from his perspective, experience, and knowledge, being an example to follow for others and generating ties of influence that, on occasion, go beyond the workplace. Which eventually will be an important part of the organizational culture, contributing to having a good level of satisfaction and engagement to the organization.

In this sense, the identification of informal leaders and the generation of an effective formation strategy can be key in their growth, with the aim of turning them into the next formal leaders, or who, due to their skills and abilities may become to take on coaching or mentoring roles within the organization. Similarly, this also helps to identify gaps or lags in skills required by formal leaders must be addressed.

### **3.7 GROUP DECISION MAKING TECHNIQUES**

Group decision-making techniques are strategies or methods used to facilitate the decision-making process in a group or team setting. These techniques aim to leverage the collective knowledge, perspectives, and expertise of group members to make more informed and effective decisions. Here are some common group decision-making techniques:

1. Brainstorming: Brainstorming is a technique where group members generate ideas and potential solutions without judgment or criticism. It encourages creativity and free thinking. Group members are encouraged to share their ideas openly, and all ideas are recorded for later evaluation and analysis.
2. Nominal Group Technique (NGT): NGT is a structured technique that combines individual brainstorming with group discussion and voting. In NGT, individuals generate ideas

independently, then share and discuss them as a group. Each idea is evaluated and ranked through a voting process to determine the final decision or solution.

3. Delphi Technique: The Delphi Technique involves multiple rounds of anonymous surveys or questionnaires distributed to group members. The responses are collected, summarized, and fed back to the group for further input or evaluation. This process continues until a consensus is reached on the decision or solution.

4. Multi-Voting: Multi-voting is a simple technique that allows group members to prioritize options or make decisions based on their preferences. Each member is given a limited number of votes, and they allocate their votes to the options they consider most important. The option with the highest number of votes is selected as the final decision.

5. Consensus Decision Making: Consensus decision making involves reaching a decision that is acceptable to all or the majority of group members. It emphasizes open discussion, active listening, and collaboration. Consensus is reached when all members can support the decision and believe it is in the best interest of the group.

6. Devil's Advocacy: Devil's advocacy is a technique where one or more group members are assigned the role of challenging and critiquing proposed ideas or decisions. This technique helps identify potential flaws or weaknesses in the decision-making process and encourages critical thinking and thorough evaluation of alternatives.

7. Six Thinking Hats: The Six Thinking Hats technique, developed by Edward de Bono, involves assigning different thinking roles to group members. Each role represents a different perspective, such as logic, emotions, creativity, risks, benefits, and process. Group members take turns wearing these metaphorical hats to explore and analyze different aspects of the decision or problem.

8. Decision Matrix: A decision matrix is a tool that allows group members to evaluate and compare options based on predefined criteria. The matrix consists of a grid with options listed horizontally and evaluation criteria listed vertically. Group members assign scores or rankings to each option based on how well they meet the criteria. The option with the highest cumulative score is selected as the final decision.

These techniques can be applied based on the nature of the decision, the complexity of the problem, the size of the group, and the time available. It's important to choose the appropriate technique and facilitate the process effectively to ensure active participation, open communication, and a balanced consideration of different perspectives.

### **3.8 TEAM BUILDING**

Team building refers to activities and strategies aimed at improving the effectiveness, collaboration, and cohesiveness of a group or team. It involves creating a positive and supportive team environment where members work together towards common goals.

Here are some key aspects and strategies for team building:

1. Clear Goals and Roles: Establish clear team goals and individual roles within the team. When team members have a clear understanding of their roles and responsibilities, it enhances accountability and promotes effective collaboration towards achieving the team's objectives.
2. Communication and Trust: Foster open and transparent communication within the team. Encourage team members to express their ideas, concerns, and feedback openly. Build trust by actively listening, respecting different perspectives, and valuing each team member's contributions.
3. Collaboration and Cooperation: Encourage collaboration and cooperation among team members. Promote a sense of shared purpose and create opportunities for team members to work together on tasks, projects, or problem-solving activities. Foster a culture that values teamwork and mutual support.
4. Building Relationships: Help team members build positive relationships with each other. Encourage social interactions, team-building activities, and opportunities for team members to get to know each other on a personal level. Strong relationships enhance trust, communication, and cooperation within the team.
5. Clarifying Expectations: Clearly communicate expectations regarding performance, behavior, and team norms. Establish ground rules and guidelines that govern team interactions and decision-making processes. This clarity helps in avoiding misunderstandings and conflicts.
6. Recognition and Reward: Recognize and appreciate the efforts and achievements of team members. Celebrate milestones, acknowledge individual and team accomplishments, and provide constructive feedback. Recognition and reward motivate team members and foster a positive team culture.
7. Problem-Solving and Conflict Resolution: Equip the team with problem-solving and conflict resolution skills. Provide training or facilitate discussions on effective problem-solving techniques and strategies for resolving conflicts. Encourage open dialogue and provide support in addressing conflicts constructively.
8. Continuous Learning and Development: Promote a culture of continuous learning and development within the team. Provide opportunities for skill enhancement, training, and

knowledge sharing. Encourage team members to take on new challenges, share expertise, and learn from each other.

9. Fun and Engagement: Incorporate fun and engaging activities into team building efforts. Organize team-building exercises, retreats, or social events that allow team members to relax, bond, and have fun together. A positive and enjoyable team environment enhances motivation and engagement.

10. Leadership Support: Leaders play a crucial role in team building. Provide leadership support by setting a positive example, providing guidance and resources, and being available to address team members' concerns. Leaders should facilitate collaboration, encourage participation, and create a supportive environment for the team.

Remember that team building is an ongoing process that requires consistent effort and attention. Regularly assess the team's dynamics, seek feedback from team members, and adapt strategies as needed. By investing in team building

### **3.9 INTERPERSONAL RELATIONS**

Interpersonal relations and communication control are two important aspects of effective communication within an organization or any social setting. Let's explore each of these concepts in more detail:

1. Interpersonal Relations: Interpersonal relations refer to the interactions, connections, and relationships between individuals. Strong interpersonal relations are essential for creating a positive work environment, fostering teamwork, and building productive relationships within an organization.

Here are some key aspects of interpersonal relations:

- Trust: Trust is the foundation of healthy interpersonal relations. When individuals trust each other, they feel safe, respected, and supported. Trust enables open communication, collaboration, and effective teamwork.
- Respect: Respect is crucial in interpersonal relations. Individuals should respect each other's opinions, ideas, and perspectives. Valuing diversity and treating others with dignity and courtesy fosters positive relationships.
- Empathy: Empathy involves understanding and sharing the feelings and perspectives of others. It helps in building connections, resolving conflicts, and supporting one another. Showing empathy demonstrates care and concern for others' well-being.

- Active Listening: Active listening is an important skill in interpersonal relations. It involves fully focusing on and understanding the message being communicated. Active listening demonstrates respect, validation, and a willingness to understand others' viewpoints.
- Conflict Resolution: Conflicts are inevitable in interpersonal relations. Effective conflict resolution skills help manage conflicts in a constructive manner. It involves active communication, empathy, and finding mutually beneficial solutions.

2. Communication Control: Communication control refers to the ability to regulate and manage communication within an organization or social setting. It involves establishing guidelines, structures, and processes to ensure effective and efficient communication.

Here are some aspects of communication control:

- Clear Communication Channels: Establishing clear communication channels ensures that information flows smoothly within the organization. It involves defining reporting relationships, communication protocols, and channels such as emails, meetings, and collaborative platforms.
- Formal Communication: Formal communication refers to the structured and official flow of information within the organization. It includes policies, procedures, memos, and official announcements. Clear and consistent formal communication helps in disseminating important information and directives.
- Informal Communication: Informal communication refers to the unofficial and casual exchange of information within the organization. It occurs through informal conversations, watercooler chats, or social interactions. While informal communication can foster relationships and enhance understanding, organizations should ensure that important information is also communicated through formal channels.
- Communication Technology: Utilizing appropriate communication technologies, such as email, instant messaging, video conferencing, and collaborative tools, helps facilitate communication and control the flow of information. Implementing suitable technologies streamlines communication processes and enhances efficiency.
- Feedback Mechanisms: Establishing feedback mechanisms encourages open communication and enables individuals to provide input, suggestions, and concerns. Feedback can be gathered through surveys, suggestion boxes, performance evaluations, or regular team meetings. It allows organizations to assess communication effectiveness and make improvements.
- Communication Policies: Communication policies provide guidelines and rules for communication within the organization. They address issues such as language usage, tone, confidentiality, and appropriate communication channels. Clear policies help in maintaining professionalism, avoiding miscommunication, and managing information security.

Effective interpersonal relations and communication control are essential for promoting a positive work environment, fostering collaboration, and achieving organizational goals. By nurturing strong relationships and implementing effective communication control measures, organizations can enhance productivity, engagement, and overall success.

Interpersonal relations refer to the interactions, connections, and relationships between individuals. It encompasses how people communicate, understand, and relate to one another in personal and professional settings. Interpersonal relations involve the exchange of thoughts, emotions, and information, and they play a crucial role in shaping social dynamics and influencing the quality of interactions.

In interpersonal relations, individuals engage in various forms of communication, such as verbal and non-verbal communication, to express their thoughts, feelings, and intentions. This communication can occur through face-to-face interactions, written messages, phone calls, or digital platforms. The quality of interpersonal relations is influenced by factors such as trust, respect, empathy, active listening, and effective conflict resolution.

Positive interpersonal relations contribute to a supportive and collaborative environment, promoting teamwork, productivity, and overall well-being. They facilitate effective communication, build trust and understanding, and foster positive social connections. On the other hand, poor interpersonal relations can lead to misunderstandings, conflicts, and strained relationships, negatively impacting individual and group dynamics.

Interpersonal relations are not limited to personal relationships but also extend to professional contexts, such as workplaces, teams, and organizations. Building and maintaining positive interpersonal relations in these settings is essential for effective collaboration, teamwork, and achieving shared goals.

In summary, interpersonal relations encompass the interactions and relationships between individuals, involving communication, understanding, and connection. They significantly influence social dynamics, cooperation, and the overall quality of interactions in personal and professional settings.

### **3.10 COMMUNICATION**

#### **What Is the Role of Communication in Organizational Behavior?**

The role of communication in organizational behavior is a vital one, as miscommunication typically reduces productivity and increases error and waste. Accurate communication transmitted in a supportive manner often results in increased morale and may also lead to a greater sense of camaraderie among staff. Within organizations, having a more open communication policy may

provide a safety valve to vent problems before these issues impact productivity. Another role communication plays in organizational behavior includes equipping stakeholders to clearly communicate the organization's mission. Maintaining an accurate record of the organization's activities and encouraging civil and positive engagement with customers and stakeholders are two other important roles played by communication in organizational behavior.

Failure to transmit accurate instructions may negatively impact communication. This may result in an increased error rate, and diminished productivity in the workplace. If a supervisor's instructions are misunderstood, serious consequences may result. These may include injury to employees or offending a highly valued client.

Clear, consistent communication, on the other hand, often encourages more productive workplace behavior and increases morale. The role of this type of communication in organizational behavior results in workers feeling more in control of their environment. Encouraging productive communication between staff and clients has been demonstrated, in many cases, to increase customer satisfaction as well.

Equipping stakeholders to accurately communicate an organization's values and mission is another important aspect of communication in organizational behavior. Sometimes companies take new employees or board members through an orientation session in order to give them a historical and current picture of the organization. This helps ensure that all of those associated with the organization communicate similar messages about its mission and goals.

Instituting an open-door policy for employees may also be a part of facilitating accurate communication about the organization to those outside it. This often supports public relations initiatives, as disgruntled employees or those who have unresolved issues may disseminate hostile reports, thus causing a public relations problem for the organization. From a proactive standpoint, equipping stakeholders with accurate information about the organization often facilitates positive public relations.

Maintaining an accurate record of corporate events is generally deemed critically important. In almost every case, there are laws in place that require organizations to adhere to various reporting requirements. Transmitting inaccurate information may incur criminal penalties as well. For example, if the organization is a corporation, certain internal communications, such as minutes of corporate meetings, are required to be kept for a certain period of time.



### **3. INTRODUCTION**

In simple words, communication can be understood as evoking of a shared or a common meaning for the persons interacting with each other. Interpersonal communication is of immense significance for everybody interacting in the organization for the successful achievement of the organizational objectives. Unless there is effective communication between the parties, there are chances of breakdown in the whole organizational system. It is therefore very important that there are proper channels of communication for the smooth flow of information and knowledge and the process of communication is followed properly where the receiver decodes the message in the same meaning as sent by the sender. If the meaning is not interpreted in the same manner, the purpose of communication is defeated and it remains incomplete.

#### **3.1 Definition of Communication**

Communication is the process of transmission of a message and understanding of information between two or more people; the sender and the receiver.

#### **3.2 Functions of Communication**

Communication being one of the most important functions of management, contributes significantly towards the achievement of organizational objectives. It performs various functions which aids the organizational setting, encompassing motivating , leading and directing the teams and the individuals, controlling the various organizational processes, enabling people to express themselves emotionally and helps in sharing information and knowledge amongst the individuals and the groups . It also helps in understanding the human behavior which is at the core of organizational behavior. Some of these functions are discussed below. See figure 1.

**1. Motivating people in the organization:** One of the most important tasks of a manager is to motivate his subordinates, by sharing information with regard to their performance and telling them the changes required in their contribution by giving them constructive feedback from time to time and motivating them for higher levels of performance

**2. Leading and directing people in the organization:** It is again very important to lead your team towards the achievement of the organizational objectives by providing them guidance on various matters from time to time. The managers are supposed to be facilitators for their subordinates and their teams. There are autocratic, democratic and laissez faire leaders in the organizations who lead according to their leadership styles depending upon the situations and the level of commitment and competence of their subordinates which requires ample amount of communication between the parties concerned.

**3. Controlling the Various Organizational Processes:** Controlling entails giving out elaborate directions on the rules and regulations to be followed by people in the organization. This involves sharing information either in implicit or explicit terms which requires communication both written and verbal and various channels and networks including formal and informal networking.

**4. Enabling People to Express Themselves Emotionally** : Since the organizations have both formal and informal settings , it enables the people to share their professional and personal experiences and concerns with each other, acting as an outlet for emotional expressions which is very important for the enhancing the effectiveness and efficiency of the team members and the individuals .

**5. And Helps In Sharing Information and Knowledge Amongst The Individuals And The Groups:** Since today's organizations are a wonderful pool of diverse workforce coming from different religions, ethnic backgrounds, gender ,diversified experiences etc, each one equipped with immense sources of knowledge and information, it becomes all the more imperative that these cross functional teams share knowledge and information with each other to bring out the best and contribute towards organizational efficiency. This is possible only if there are open channels of communication between the members and people are open to listening and are receptive to others ideas which is a prerequisite for effective communication.



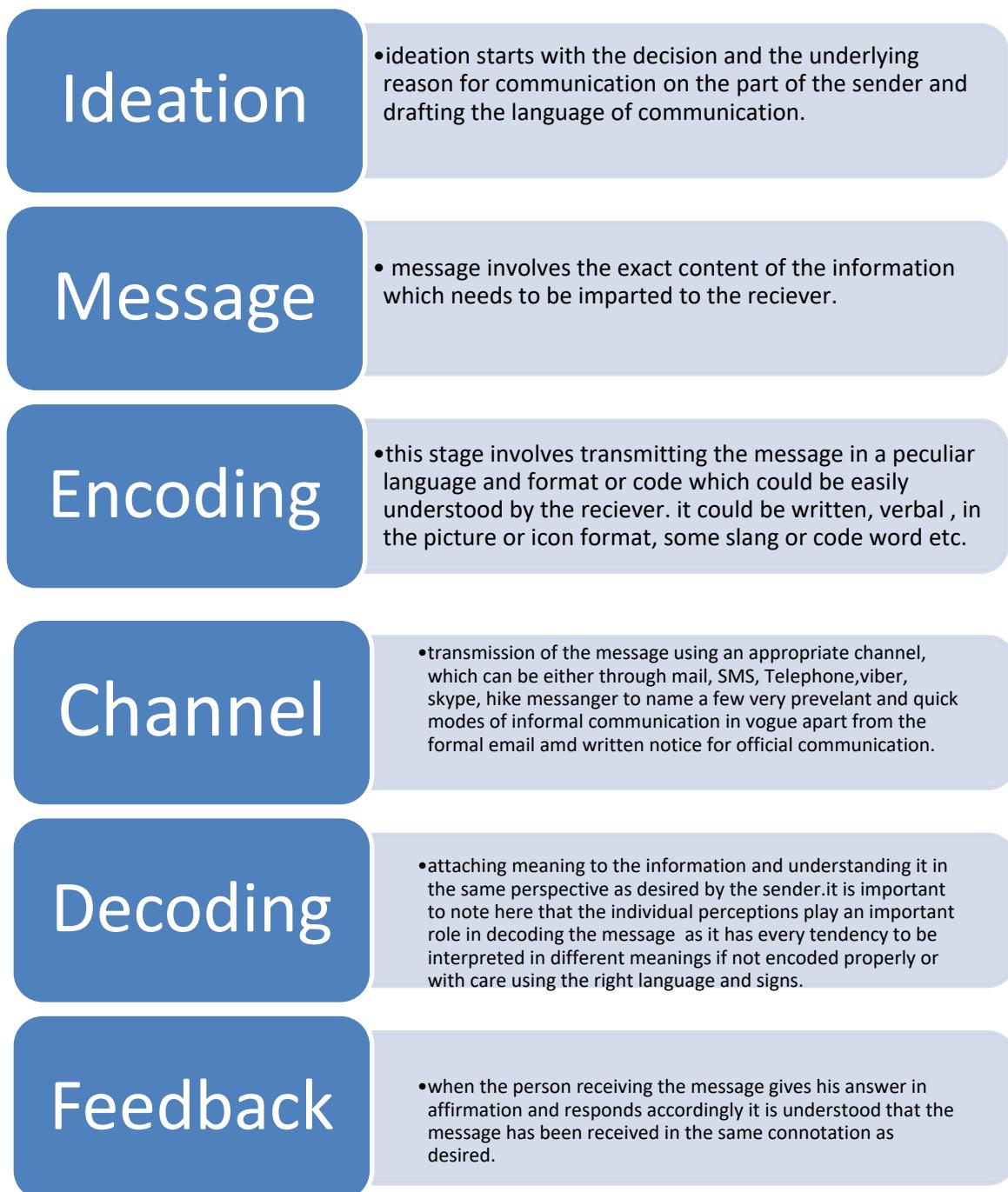
**Figure 1 : Functions Of Communication**

#### **4. PROCESS OF COMMUNICATION**

The process of communication starts with the need for sharing some information with others on the part of the sender who encodes the message and sends it to the concerned party in the chosen mode and channel, which is decoded by the receiver in the same meaning and connotation as desired by the sender. The receiver then receives the message and gives the feedback on the same and thus the communication

process is concluded. There could be a number of barriers in communication with regard to the language used, the semantics, and the socio cultural barriers which might defeat the very purpose of communication. But this is not an important issue which cannot be resolved and taken care of.

The process of communication is shown in figure 2 below, which starts with the ideation, the formation of the message, encoding the message, choosing an appropriate channel, and finally decoding the message.



**Figure 2 : Process of Communication**

## **5. METHODS OF COMMUNICATION**

In today's high tech digital age there are newer methods of communication that are being used by the organizations with much élan confidence and efficiency producing far reaching and better results than ever before. Apart from the traditional oral and written black and white format of communication, use of technology in transmitting information in color is the norm of today. Be it your mobile, computer, i-pad i-pod or telephones, all have made communication much faster and efficient and connecting and communicating with others personally or professionally is just a touch away.

**In a formal organizational set up, there are two important methods of communication, Oral communication and written communication.**

**The oral form of communication can be of two types ; verbal and non verbal communication .**

**Verbal communication** is the most used method , where almost all the discussions are carried on to reach a consensus on any matter and then the final decisions are recorded in the written form which are usually the plans, policies, strategies, rules and regulations etc outlined by the organizations to be followed by the members of the organization. Most of the times it is the written communication which is disseminated in the organization for sharing information and sending notices etc in the formal setting, while the information shared in the informal setup orally is not recorded anywhere. The oral communication has the advantage of being faster but it may not be as reliable as the written communication which is more authentic and legally sound for all professional and official purposes.

**Non verbal communication:** They say that your actions speak louder than your words, and it is very true in the organizational set up as well. Communication takes place between two or more members and when they convey their feelings and expressions through their body language, it is called non verbal communication. A positive and a negative body language say a million words. Non verbal communication is your body language, facial expressions, gesture, a smile, a frown or indifference in attitude, inattentive listening, lackadaisical attitude towards somebody, not showing interest in their talk etc , all these could be negative signs, similarly positive body language could be smiling, nodding your head in agreement, clapping, showing a thumbs up etc. non verbal communication is also exhibited in the form of physical distance between the communicating parties .

**Written communication:** This is the most important form of communication whereby all the communication is done in black and white format. This is a formal method which is used to give and disseminate information and notices on everything and every matter which is to be recorded and should be made available in written form for all types of references in the organization.

Thus it is quite important to choose the right method of communication, depending upon the situation, the availability and the physical presence of the person concerned and the quality and quantity of communication to be carried out. If it is something of paramount importance to be recorded for the organization then, written communication would be more appropriate and if it involves a lot of brainstorming and discussions, then oral communication would be acceptable. It is notable at this point that these days most of the important oral communications are also audio and video recorded for future references to provide for evidences in certain sensitive and strategic matters .e.g. the committee meetings are recorded for various purposes in the organizations.

With the advent of technology it has become quite challenging for the organizations to find a balance between these three methods of communication, so that it can be used for the utmost benefit of the organization.

## 5.1 CHANNELS OF COMMUNICATION

The effectiveness of the chosen channel will depend entirely upon how well it is executed. Be it oral written, non verbal, electronic, computer etc. some people feel that there is no alternative to face to face communication and they have also found an alternative in video conferencing when people are located across various cities and countries for discussing and sharing information and taking strategic decisions. Most of the people are relying on electronic media for faster quicker and efficient communication. However the efficacy of a particular channel can be gauged by its characteristics which are outlined as below:

### **Characteristics of communication channels**

**Channel Capacity:** This refers to the amount of information that can be transmitted through the channel without much hassle and distortion.

**Channel Modifiability:** This refers to the degree of modifications that can be introduced in the channel while the message is in progress or being transmitted.

**Channel Duplication:** This involves the usage of sub channels to repeat or elaborate on the message while it is being transmitted.

**Channel Speed:** The speed of the message to be transmitted is also of paramount importance in communication.

**Channel Feedback:** This refers to the facility of providing feedback along with the communication thus facilitating two way communication and easing the mode and producing faster results and conclusions.

**Channel Appropriateness:** This refers to choosing the right channel depending upon the suitability of the situation.

Needless to mention that today's breed of young managers are very fast and can very well communicate with each other keeping in mind all the things discussed above thus leaving very little scope for communication breakdown. In fact they are overloaded with information and need to filter it to be more effective and efficient, for too much of communication is also hazardous to the organizational health and safety.

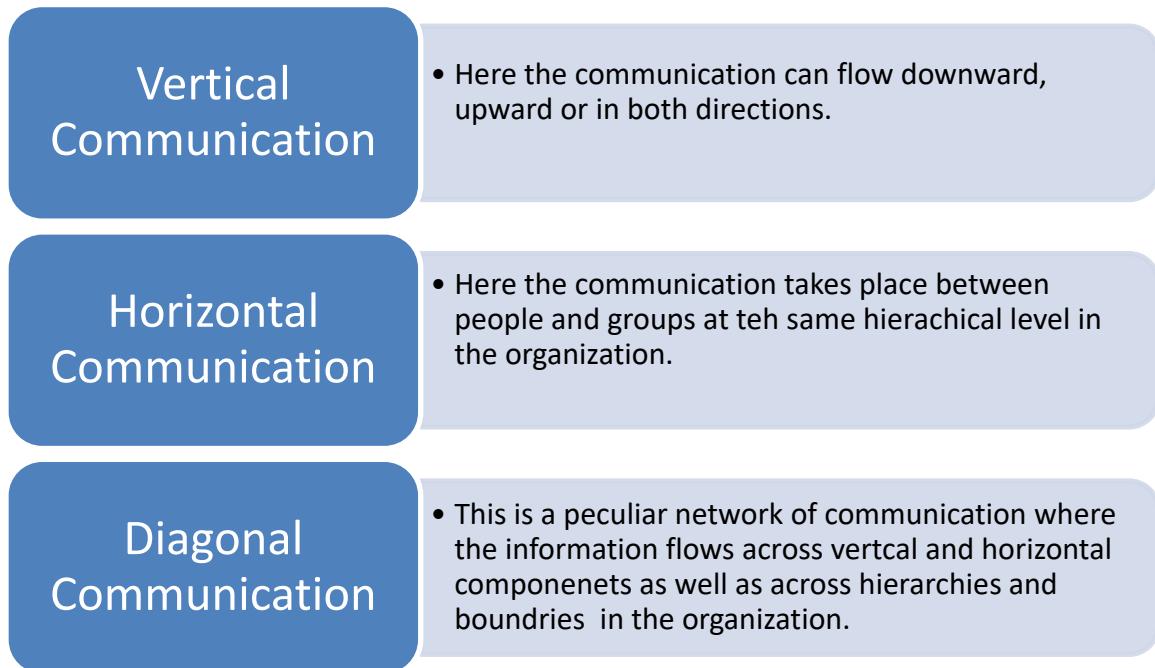
## 6. COMMUNICATION NETWORKS

The communication that takes place between groups of people in the organization formally or informally are called linkages and the communication network is a series of interconnected linkages. These linkages together connect individuals or groups in the communication process. There are two types of

communication networks which are the most prevalent in the organizational setup. These are formal communication networks and informal communication networks, which are discussed in some detail below.

## 6.1 FORMAL COMMUNICATION NETWORKS

The organization as such being a formal setup calls for formal networks of communication which can take the form of either vertical communication (from boss to subordinate), horizontal communication( between two subordinates at the same level), diagonal communication ( cutting across the boundaries in the organization). See figure 3 below .

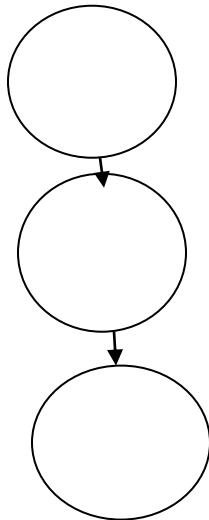


**Figure 3 : Formal Communication Networks**

Apart from the above mentioned networks, there are other types of networks as well , which can be either in the nature of a chain, a Y network, a circle, a wheel or a star , which are briefly discussed as following :

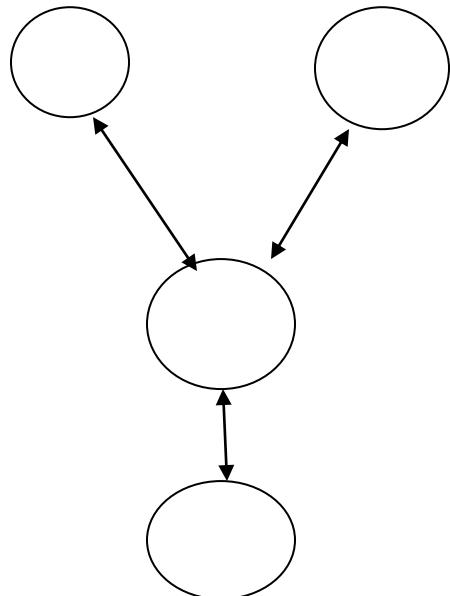
**A Chain Network**, a simple network which is used most frequently when vertical communication is required. There is a possibility of feedback in a chain network where many linkages exist between the sender and the receiver which might lead to distortions in the communication. The chain networks are

usually slow but they are accurate and are subject to information overload. The outcome of such networks is slow decision making but at the same time the quality of the decisions would depend upon the leader .



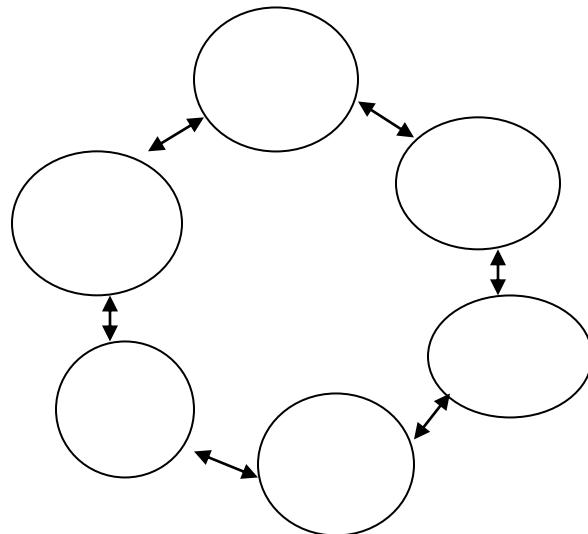
**A chain network**

**A “Y” Network**, in this type of network two people of equal status are positioned either at the top or at the bottom as is shown in an inverted Y. This network is better than the chain network in the sense that it is not as slow as the chain and the information flow is not subject to much distortion because fewer linkages are required, but it provides for feedback and the quality of the decision would depend upon the leader. Y introduces a measure of centralization with one member having direct access to the other three members. This results in considerable information overload for the person in the centre.



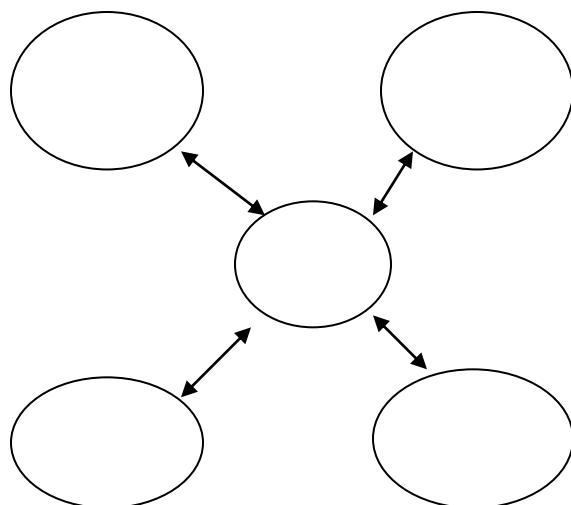
### A “Y” Network

**A Circle Network,** this network allows each member to communicate directly with other two members. This network leads to better decision making over Y and star network as there is greater exchange of information, but at the same time it suffers from distortions in communication and leads to information overflow for all the members.



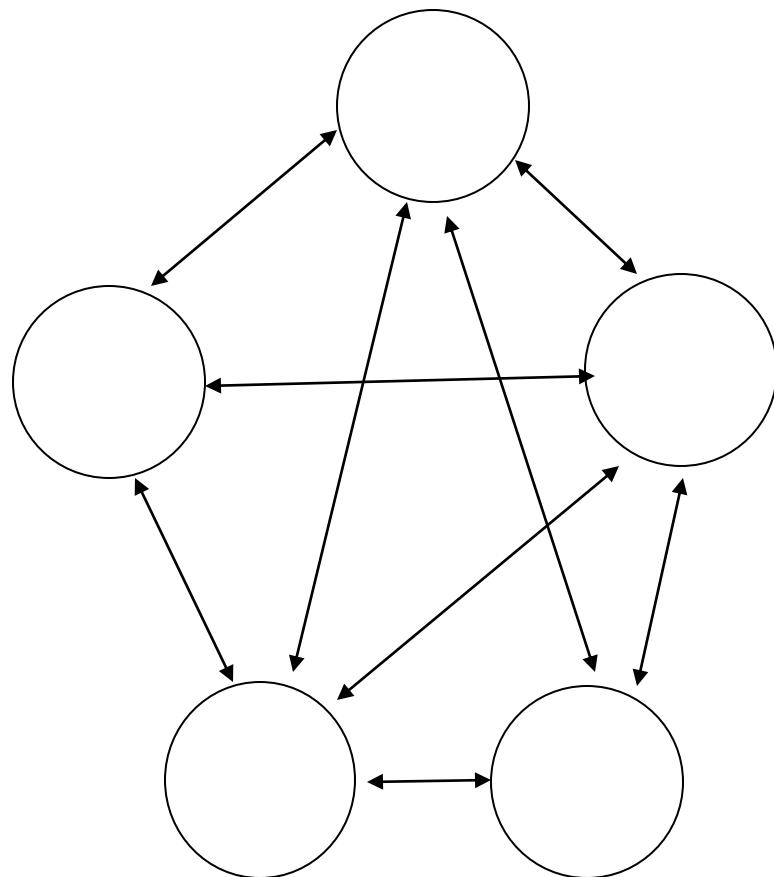
### A Circle Network

**A Wheel Network,** this type of network has the greatest amount of centralization vis avis other networks as the person in the centre of the wheel can communicate directly with all the other members . it is important to mention here that the wheel network leads to faster decision making, though there is information overload for the person at the centre , it is not of much problem for the other members in the group. Again in this type of network the dependence on the leader is quite high for ensuring the quality of decisions.



### A Wheel Network

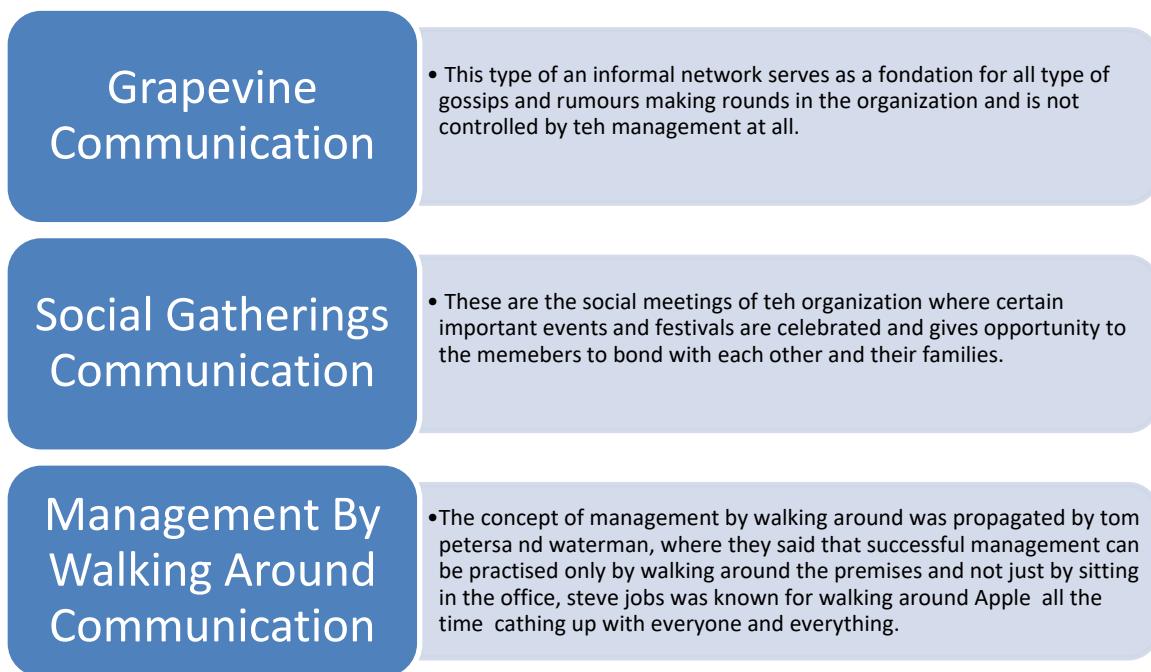
**A Star Network**, in this type of network members can communicate directly with each other. This can be considered as one of the best networks as it allows for making very quality decisions with relatively fewer distortions. Here the dependence on the leader is also quite less as compared to other networks and information overflow is not an important issue. The only disadvantage of a star network is that it leads to slow decision making because of too much of information overflow as in the case of a chain network. This type is the least centralized of all the networks and is not a problem unless one person or a leader wants to maintain constant control over the other group members.



**A Star Network**

## 6.2 INFORMAL COMMUNICATION NETWORKS

Well all of us indulge into informal communication more than the formal communication and we enjoy it also even more than the formal ones. I'm sure you will agree with me. Remember the last time you met your office colleague /friend in the lift, on the ramp in the staircase, in the corridors or say when you are coming to the office in a pooled car and talked endlessly about actually every damn little thing, that is what we call informal communication. There are so many instances which gives you ample scope and pace to enter into informal communication regarding your personal as well as your professional woes. Some of the most common indulgences are in the form of a grapevine, when you meet at the official and personal social gatherings and when you are moving around in the organization premises. These informal communications are not easy to control however and are responsible for all the gossip taking place in the organization. This is the fastest mode of transmitting information of any sort very quickly and is often laced with a lot of rumours and idle talk which is not productive most of the times. It takes away a lot of productive time of the members if they are not discouraged for doing so. Let us discuss these networks in a bit more detail as exhibited below in figure 4.



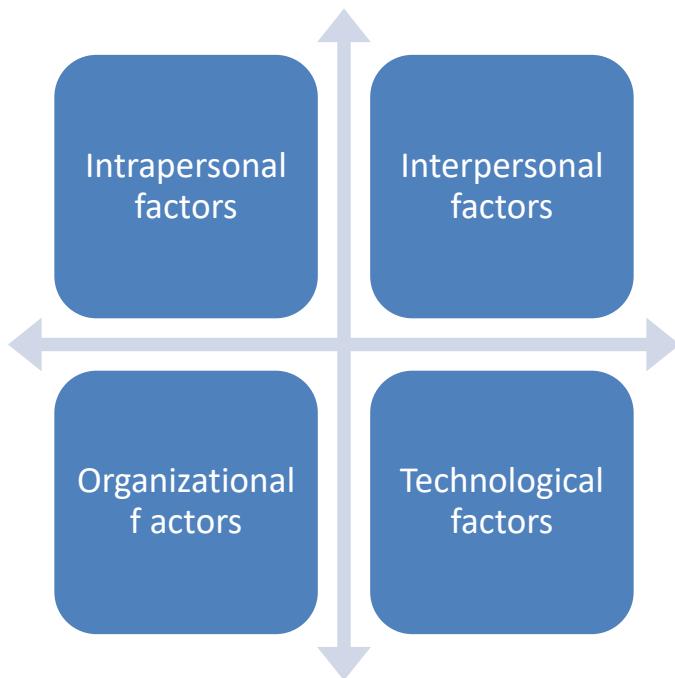
**Figure 4: Informal Communication Networks**

The only advantage of a grapevine could be that it leads to strengthening of the human and personal bonds between the members of the organization and it helps in better and more rational decision making when it comes to formal communication and decision making.

## 7. BARRIERS OF COMMUNICATION

There are certain factors which could lead to ineffectiveness of communication due to certain reasons which are termed as barriers to communication. These could be due to human or technical barriers which

should be taken care of to make communication more effective and without any hazards to the organizational health and decision making. These barriers could be in the nature of interpersonal, intrapersonal, organizational or technological factors as shown in figure 5.



#### Let us discuss these barriers in some detail

1. **Intrapersonal factors:** These are the factors which arise out of the personality of the individuals that might contribute to act as communication barriers. These barriers occur due to;
  - Selective perception of the individuals
  - Individual differences in personality, values attitudes, thinking, level of motivation and learning and unlearning abilities leads to adding different dimensions and meanings to the messages conveyed.
  - Differences in the communication skills of the individuals also act as a barrier to effective communication.
  - The individual's emotional stability quotient and their action and reactions in emotionally charged up situations also affects the communication between the parties.
  - Use of different frame of reference for understanding communication
  - Presence of preconceived ideas affects the interpretation of the message.
2. **Interpersonal factors:** These are the barriers which arise when two or more individuals communicate with each other in the organizational setting. These barriers occur due to;
  - Lack of conducive climate for effective and open communication.
  - Lack of trust between the parties concerned.
  - Lack of credibility of the source of information.

- Lack of interpersonal sensitivity amongst the members .
  - Inability of the members to give full attention to the speaker and turning their attention away while the other person is still speaking.
  - Semantics can be another problem where people tend to give different meanings to the same words, which hampers the communication to large extent.
  - There is another term called Chinese whispers which we used to play when we were young. The idea behind it was to see how much information is distorted while being transmitted from a number of persons and it usually turned out that the original word was transformed into an altogether new word. This is what happens in the real world as well. The communication tends to take new dimensions as it flows through different individuals, obviously owing to nothing else but individual differences.
  - Cultural differences in the diversified workforce of today is another major barrier to effective communication when people fail to understand each others perspectives with an open and a more receptive mind.
3. **Organizational factors:** These are the factors in the organizational structure and design which may facilitate or hamper effective communication. These barriers could be due to;
- The status attached to the position occupied by the person
  - The hierarchical set up also poses a number of difficulties in communication
  - The unmanageable size of the working group.
  - The distance between the two employees which limits or ease their interaction with each other
4. **Technological factors:** These are the elements in the medium of communication, its content, the message, the mode of delivery of the message and the quantity of information to be passed on for effective communication. These barriers could be due to;
- Language and its meaning, The extent to which communicators assign similar meaning to the same word would determine its accuracy.
  - The information overload for the individuals could also act as a barrier to effective communication.
  - The breakdown in the internet system is a major barrier.
  - Too much usage of technology has taken away the personal touch in communication.
  - Sometimes people with whom you are interacting may not be as tech savvy as the other person impacting the very efficacy of the communication itself.

The above listed barriers may not be all exhaustive and the list could be more elaborate depending upon the situations and the individuals and the organization culture and leadership .

### **Overcoming the barriers to communication**

**The above mentioned barriers to communication could be taken care of by the following methods;**

- **By setting clearly the goals of communication well in advance.**

- By making use of acceptable jargon and commonplace language.
- By ensuring the credibility of the senders
- By encouraging constructive feedback
- By developing a climate of trust and faith amongst the members
- By choosing the right channel of communication.
- By avoiding entering into evaluative judgements
- By listening to the entire communication before jumping to conclusions
- By providing feedback from time to time.

**Thus it is not difficult to ensure that all the communication that place in the organization proves to be fruitful and enables to formulate the right policies plans and strategies for the organization.**

## **SUMMARY**

Communication can be understood as evoking of a shared or a common meaning for the persons interacting with each other. Interpersonal communication is of immense significance for everybody interacting in the organization for the successful achievement of the organizational objectives. . It performs various functions which aids the organizational setting, encompassing motivating , leading and directing the teams and the individuals, controlling the various organizational processes, enabling people to express themselves emotionally and helps in sharing information and knowledge amongst the individuals and the groups. The process of communication starts with the need for sharing some information with others on the part of the sender who encodes the message and sends it to the concerned party in the chosen mode and channel, which is decoded by the receiver in the same meaning and connotation as desired by the sender. The receiver then receives the message and gives the feedback on the same and thus the communication process is concluded. There are two types of communication networks which are the most prevalent in the organizational setup. These are formal communication networks and informal communication networks. The formal communication can be in the form of either vertical communication (from boss to subordinate), horizontal communication ( between two subordinates at the same level), diagonal communication ( cutting across the boundaries in the organization, There are other types of formal networks as well , which can be either in the nature of a chain, a Y network, a circle, a wheel or a star network. There are so many instances which gives you ample scope and pace to enter into informal communication regarding your personal as well as your professional woes. Some of the most common indulgences are in the form of a grapevine, when you meet at the official and personal social gatherings and when you are moving around in the organization premises. There are certain communication barriers which could be in the nature of interpersonal, intrapersonal, organizational or technological factors which should be taken care of to ensure the smooth flow of information in the organization.

# Organizational Control

## Introduction

Basically, organizational coordination and control is taking a systematic approach to figuring out if you're doing what you wanted to be doing or not. It's the part of planning after you've decided what you wanted to be doing. Below are some of the major approaches to organizational control and coordination.



*Controls allow you to align the pieces with the big picture.Jason7825 – A 3D Jigsaw Puzzle – public domain.*

New, more “organic” forms or organizations (self-organizing managed teams, network organizations, etc.) allow organizations to be more responsive and adaptable in today’s rapidly changing world. These forms also cultivate empowerment among employees, much more than the hierarchical, rigidly structured organizations of the past. Many people assert that as the nature of organizations has changed, so must the nature of management control. Some people go so far as to claim that management shouldn’t exercise any form of control whatsoever. They claim that management should exist to support employee’s efforts to be fully productive members of organizations and communities — therefore, any form of control is completely counterproductive to management and employees.

Some people even react strongly against the phrase “management control”. The word itself can have a negative connotation, e.g., it can sound dominating, coercive and heavy-handed. It seems that writers of management literature now prefer use of the term “coordinating” rather than “controlling”.

## **Definition**

An effective organization is one where managers understand how to manage and control. The objective of control as a concept and process is to help motivate and direct employees in their roles. Understanding managerial control process and systems is essential for the long- term effectiveness of an organization. The term control has different connotations depending upon the context of the use of the term. In manufacturing it refers to a Device or mechanism installed or instituted to guide or regulates the activities or operation of an apparatus, machine, person, or system; in law it refers to controlling interest and in management as an authority to order and manage the workings and management of an entity.



## Concept

Control is a management process to aim at achieving defined goals within an established timetable, and comprises of three components: (1) setting standards, (2) measuring actual performance, and (3) taking corrective action.

Regardless of the negative connotation of the word “control”, it must exist or there will be no organization at all. In its most basic form, an organization is two or more people working together to reach a goal. Whether an organization is highly bureaucratic or changing and self-organizing, the organization must exist for some reason, some purpose, some mission (implicit or explicit) – or it isn’t an organization at all. The organization must have some goal. Identifying this goal requires some form of planning, informal or formal. Reaching the goal means identifying some strategies,

formal or informal. These strategies are agreed upon by member through some form of communication, formal or informal. Then members set about to act in accordance with what they agreed to do.

An effective organization is one where managers understand how to manage and control. The objective of control as a concept and process is to help motivate and direct employees in their roles. Understanding managerial control process and systems is essential for the long- term effectiveness of an organization. The term control has different connotations depending upon the context of the use of the term. In manufacturing it refers to a Device or mechanism installed or instituted to guide or regulates the activities or operation of an apparatus, machine, person, or system; in law it refers to controlling interest and in management as an authority to order and manage the workings and management of an entity.

Effective management and leadership involve creative problem solving, motivating employees and making sure the organization accomplishes objectives and goals. There are five functions of management and leadership: planning, organizing, staffing, coor-dinating and controlling.



## Controlling

Controlling is the fourth step of the management process. In this step, management develops measuring tools to use to determine whether organizational goals are being met. Management also compares data to measure for results and, if needed, takes corrective action. Controls can focus on issues before, during or after a process. The best way to understand the three different types of organizational controls is to think about the controls as before, during and after decisions made by managers.

The controlling function of management is useful for ensuring all other functions of the organization are in place and are operating successfully. Controlling involves establishing performance standards and monitoring the output of employees to en-

sure each employee's performance meets those standards. This often leads to the identification of situations and problems that need to be addressed by creating new performance standards. The level of performance affects the success of all aspects of the organization.

## **Steps involved in controlling**

Controlling consists of three steps, which include

**(1) Establishing performance standards:** This involves making decisions about the goals an organization wants to focus on during a period of time. These can be financial, customer satisfaction, production or employee performance-related goals.

**(2) Comparing actual performance against standards:** This involves creating measuring tools to collect data. The tool should be able to report on performance as it relates to the standards set, or 'measures,' developed in the first step of the controlling process. These tools can be a balance sheet, a sales report, data collected from a customer satisfaction survey or even an employee performance appraisal. Using the measuring tools created in the second step, managers are able to compare current performance and productivity to the standards set. A manager may want to compare sales performance from last year to this year by comparing the actual sales from the previous year to the sales of the current year. This comparison tells a manager whether the sales team is below, meeting or exceeding goals.

**(3) Taking corrective action when necessary:** This involves determining whether changes need to be made, what changes need to be made and devising a plan for making changes. Managers will use comparisons to determine what needs to be investigated. If sales are lower than expected, managers will look at various things. Perhaps the salespeople are not making as many client calls as they did last year. In this case, corrective action may be taken against the employees for non-performance. A manager may look at the work itself. Maybe there are too many clients and not enough staff. In this case, a manager may have to hire more staff. The price of the product or service may be too high, and it may affect demand. In this case, a manager may have to look at ways to add value to a product or service or lower prices.

Performance standards are often stated in monetary terms such as revenue, costs,

or profits but may also be stated in other terms, such as units produced, defective products, or levels of quality or customer service.

The measurement of performance can be done in several ways, depending on the performance standards, including financial statements, sales reports, production results, customer satisfaction, and formal performance appraisals. Managers at all levels engage in the managerial function of controlling to some degree. The managerial function of controlling should not be confused with control in the behavioral or manipulative sense. This function does not imply that managers should attempt to control or to manipulate the personalities, values, attitudes, or emotions of their subordinates. Instead, this function of management concerns the manager's role in taking necessary actions to ensure that the work-related activities of subordinates are consistent with and contributing toward the accomplishment of organizational and departmental objectives.

Effective controlling requires the existence of plans, since planning provides the necessary performance standards or objectives. Controlling also requires a clear understanding of where responsibility for deviations from standards lies. Two traditional control techniques are budget and performance audits. An audit involves an examination and verification of records and supporting documents. A budget audit provides information about where the organization is with respect to what was planned or budgeted for, whereas a performance audit might try to determine whether the figures reported are a reflection of actual performance. Although controlling is often thought of in terms of financial criteria, managers must also control production and operations processes, procedures for delivery of services, compliance with company policies, and many other activities within the organization.

## **Various Administrative Controls**

Controls are exercised through various means by the superiors in an organization. Information are collected through various sources like documents, delegation reporting, evaluations at different functions and areas, performance appraisal in case of HR, Quality checks and controls adopted. Lets look at these in brief here:

### **Standardized Documents**

Organizations often use standardized documents to ensure complete and consistent

information. Documents include titles and dates to detect differences in the document. Computers have revolutionized administrative controls through use of integrated management information systems, project management software, human resource information systems, office automation software, etc. Organizations typically require a wide range of reports, e.g., financial reports, status reports, project reports, etc. to monitor what's being done, by when and how.

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## Delegation

Delegation is an approach to get things done, in conjunction with other employees. Delegation is often viewed as a major means of influence and therefore is categorized as an activity in leading (rather than controlling/coordinating). Delegation generally includes assigning responsibility to an employee to complete a task, granting the employee sufficient authority to gain the resources to do the task and letting the employee decide how that task will be carried out. Typically, the person assigning the task shares accountability with the employee for ensuring the task is completed.

## Evaluations

Evaluation is carefully collecting and analyzing information in order to make decisions. There are many types of evaluations in organizations, for example, evaluation of marketing efforts, evaluation of employee performance, program evaluations, etc. Evaluations can focus on many aspects of an organization and its processes, for example, its goals, processes, outcomes, etc.

## Performance Management (particularly observation and feedback phases)

Performance management focuses on the performance of the total organization, including its processes, critical subsystems (departments, programs, projects, etc.) and employees. Most of us have some basic impression of employee performance management, including the role of performance reviews. Performance reviews provide an opportunity for supervisors and their employees to regularly communicate about goals, how well those goals should be met, how well the goals are being met and what must be done to continue to meet (or change) those goals.

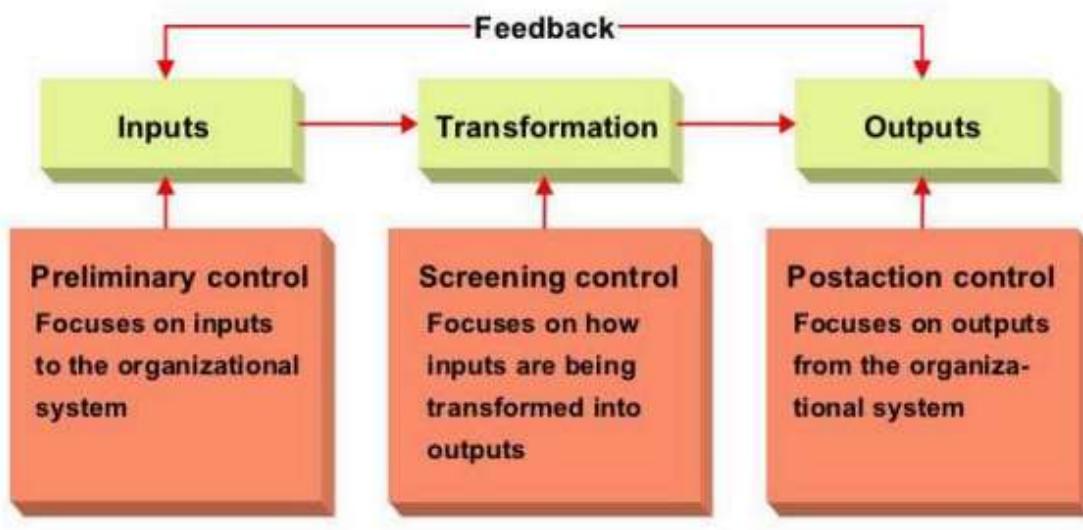
## Quality Control and Operations Management

The concept of quality control has received a great deal of attention over the past

twenty years. Many people recognize phrases such as “do it right defects”, “Total Quality Management”, etc. Very broadly, quality includes specifying a performance standard (often by benchmarking, or comparing to a well-accepted standard), monitoring and measuring results, comparing the results to the standard and then making adjustments as necessary. Recently, the concept of quality management has expanded to include organization-wide programs, such as Total Quality Management, ISO9000, Balanced Scorecard, etc.

### Types of Control:

Control can focus on events before, during, or after a process. For example, a local automobile dealer can focus on activities before, during, or after sales of new cars. Such controls may be respectively called as Preventive, Detective, and Corrective.



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Figure 14.4

Source: <https://www.kullabs.com/classes/subjects/units/lessons/notes/note-detail/3964>

On this basis the control may be: (Figure below)

- (i) Feed forward Control

(ii) Concurrent Control

(iii) Feedback Control

### **1. Feed forward Control:**

The objective of feed forward control or preliminary control is to anticipate the likely problems and to exercise control even before the activity has started or problem has occurred or been reported. It is future directed. This kind of control is very popular in airlines. They go in for preventive maintenance activities to detect and prevent structural damage, which may result in disaster. These controls are evident in the selection and hiring of new employees. It helps in taking action beforehand.

In case of feedback control, one relies on historical data, which will come after the activity has been performed. This means information is late and the rectification is not possible. One can make correction only for future activities. That means whatever wrong has been done is done, and it cannot be undone. Though, future-directed control is largely disregarded in practice, because managers have been excessively dependent on accounting and statistical data for the purpose of control. In the absence of any means of looking forward, reference to history is considered better than no reference at all.

However, the concept of feed forwarding has been applied now and then. One common way managers have practised it is through careful and repeated forecasts using the latest available information, comparing what is desired with the forecasts, and introducing program changes so that forecasts can be made more promising.

### **2. Concurrent Control:**

Concurrent control monitors ongoing employee activity to ensure consistency with quality standards takes place while an activity is on or in progress. It involves the regulation of ongoing activities that are part of transformation process to ensure that they conform to organizational standards. The technique of direct supervision is the best-known form of concurrent control. Concurrent control is designed to ensure that employees' activities produce the correct results and to correct the problems, if any, before they become costly. In case of computer typing, if the spelling is wrong or con-

struction is incorrect, the programme immediately alerts the user. Increase Font Size

ing operations include devices that measure whether the items being produced meet quality standards. Since concurrent control involves regulating ongoing tasks, it requires a complete understanding of the specific tasks involved and their relationship to the desired and product.

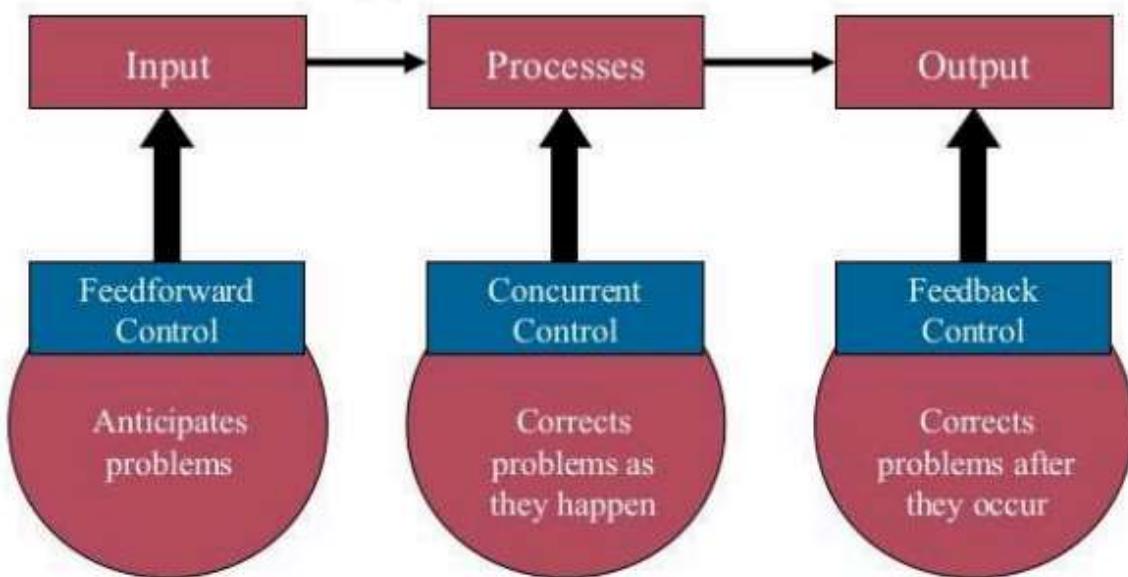
Concurrent control sometimes is called steering, screening or yes-no control, because it often involves checkpoints at which decisions are made about whether to continue progress, take corrective action, or stop work altogether on products or services.

### **3. Feedback Control:**

The control takes place after the job is over. Corrective action is taken after analysing variances with the planned standards at the end of the activity. It is also known as ‘post action control’, because feedback control is exercised after the event has taken place. Such control is used when feed forward or concurrent is not possible or very costly; or when exact processes involved in performing a work is difficult to specify in advance. The twin advantages of feedback control are that meaningful information is received with regard to planning efforts, and feedback control enhances employee motivation.

Thus, control systems are the composite feed forward, concurrent, and feed-back controls. Control system can consist of a combination of any two or more controls. Any combination of these controls is used to accommodate various management control needs. Further controls can be grouped according to three general classifications namely (i) the nature of the information flow designed into the system (open- or closed-loop control), (ii) the kind of components included in the design (man or machine control systems), (iii) the relationship of control to the decision process (organizational or operational control).

# Types Of Control



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## On the basis of designing Control Systems:

On the basis of designing control systems are:

1. Market Control
2. Clan Control
3. Bureaucratic Control

### **1. Market Control:**

Market control means that creation of departments or allocation of resources is done on basis of market forces. Control is based upon the factors of competition i.e price and market share. Different divisions are converted into profit centres and their

performance is evaluated by segmental top line (turnover), bottom market share.

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## 2. Clan Control:

Clan control is the part of organizational culture. It supports the work-related and performance measures and is in contrast to hierarchical mechanisms. These controls are designed based on shared values, culture, norms, tradition and beliefs etc of an organization. This type of control system are used where changes are very fast like technology organisations.

## 3. Bureaucratic Control:

As the name suggest it control focuses on authority, rule and regulations, procedures and policies. these are used in the big undertakings like public sector units in India which are governed with set rules and regulations. These organizations cannot be controlled if proper rules and regulations are not followed. Such organizations are under bureaucratic control. For example, In a hospital no medicine can be used unless the prescription is there and it is recorded in the issue register, even if the patient may die in between.

### On the basis of Levels:

On the basis of levels controls, can be categorised as Operational, Structural, Tactical, and Strategic.

#### 1. Operational Control:

This control is used at low levels of management. i.e at operational level on day to day basis. It is used at process level for transforming the inputs (factors) into output(product/services).

#### 2. Structural Control:

Structural control is exercised by top and middle management. It is used like whether the organization is overstaffed or span of control etc. Two important forms of structural control can be bureaucratic control and clan control.

### 3. Tactical Control:

Tactical control as the name implies deals with the department level objectives and thus it is exercised by middle management levels.

### 4. Strategic Control:

It is used by the top level management. Strategy decides the path for an organization. Thus these controls are used at strategic levels like functional levels to determine the success of organization, fulfillment of goals etc.

#### **Importance of Controlling:**

The significance of the controlling function in an organisation is as follows:



Source: <https://www.kullabs.com/classes/subjects/units/lessons/notes/note-detail/4037>

#### **1. Accomplishing Organisational Goals:**

Controlling helps in comparing the actual performance with the predetermined standards, finding out deviation and taking corrective measures to ensure that the ac-

tivities are performed according to plans. Thus, it helps in achieving the goals.

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## **2. Judging Accuracy of Standards:**

An efficient control system helps in judging the accuracy of standards. It further helps in reviewing & revising the standards according to the changes in the organisation and the environment.

## **3. Making Efficient Use of Resources:**

Controlling checks the working of employees at each and every stage of operations. Hence, it ensures effective and efficient use of all resources in an organisation with minimum wastage or spoilage.

## **4. Improving Employee Motivation:**

Employees know the standards against which their performance will be judged. Systematic evaluation of performance and consequent rewards in the form of increment, bonus, promotion etc. motivate the employees to put in their best efforts.

## **5. Ensuring Order and Discipline:**

Controlling ensures a close check on the activities of the employees. Hence, it helps in reducing the dishonest behaviour of the employees and in creating order and discipline in an organization.

## **6. Facilitating Coordination in Action:**

Controlling helps in providing a common direction to the all the activities of different departments and efforts of individuals for attaining the organizational objectives.

Thus, controlling is the process through which the activities are not only turned into producing better results, but are also improved in a way to continue success while eliminating obstacles that get in way of business progress. In addition, controlling function has a great application during the times that demand immediate attention or action. If the timely action is not taken, there might be considerable loss to a business.

Hence, in such times, controlling function is of great use to offer assistance to the key individuals of a business. Control is not just limited to determine whether or not the plans are being adhered to, but it also leads to identify the reasons of deviations and to take corrective actions accordingly. However, this function should not be taken in isolation while there is a need to understand its functionality properly. It is aimed at improving effectiveness, efficiency of a business entity and achieving better results. It is therefore to be used to support the organization in achieving its objectives – not otherwise. It must be noted that an effective control system can bring better results while it can lead a business organization to succeed, survive and attain sustainable development.

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## **Characteristics of controlling function**

The following are the basic characteristics of controlling function.

- Controlling function is a management process
- Controlling is closely linked with planning. Control is said to be checking performance as per what has been planned. So planning precedes controlling and sets the standards and targets of performance.
- Controlling is a continuous process. It is an ongoing and dynamic function of management. It involves a continuous review of performance and is not a one-time exercise. The period of control normally depends upon the nature of work, the amount of work and the policies of management.
- Controlling is all pervasive. It is embedded in each level of organizational hierarchy. Control is exercised at all the levels of management, and is done in every functional area and at each unit or department.
- Controlling is a tool for achieving organizational activities. It is an action-oriented process. It points out errors in the execution process. The very purpose of control is defeated if corrective action is not taken for improvement of performance or the revision of plans.
- Controlling is forward looking. Control is futuristic in nature. It measures current performance and provides guidelines for the corrective action. This ensures future performance as per plans.

## **Summary**

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In this study we studied the introduction, definition and concepts of organizational control, various administrative controls, control procedure, types of control and important control techniques, on the basis of Market Control, Clan Control and Bureaucratic Control based on the levels and on the basis of responsibility. This can be used to develop an organization in the competitive environment.

**you can view video on Organizational Control**



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