INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

INTRODUCTION

An organization is generally regarded as group of individuals contributing their efforts towards common goal. It is a mechanism which helps the activities to be performed effectively. The organization is established for the purpose of achieving business objectives those may differ from business to business. But for every business an organization is a must. In the organization, individuals and groups behave in diverse ways. Such behaviour is influenced by a wide range of factors which in turn influences the functioning of the organization. Thus the study and analysis of human behaviour in organizations has been termed as a separate discipline called as "Organizational Behaviour".

Organizational behaviour is the study of how people behave both individually and within informal and formal groups. Every organization's performance is ultimately dependent on the motivational levels of its human resources and the willingness and ability of people to work harmoniously and effectively towards the accomplishment of shared goals. It is the duty of every leader to respect individual values, job satisfaction, and ensure collective involvement. Having challenging selection, training, and rewards for employees ushers in and helps shape team players.

Meaning:

Organizational Behavior is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself.

Organizational Behavior is a field of study that investigates the impact that individuals, groups, and structures have on behavior with in organizations for the purpose of applying such knowledge towards improving organization's effectiveness.

OB is the study and application of knowledge about how people – as individuals and as group – act within organizations."

Definition:

1. Roman J. Alday has defined "O.B as a branch of the social science that seeks to build theories that can be applied to predicting understanding and controlling behavior in work organizations".

2. In words of Stephen P. Robbins, "OB is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organizations for the purpose of applying such knowledge towards improving an organization's effectiveness."

3. According to L. M. Prasad, "Organizational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social systems."

4. According to Davis and Newstram, "Organizational behaviour is the study and application of knowledge about how people act within organizations."

5. According to Fred Luthans, "Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organizations."

NEED AND IMPORTANCE OF ORGANIZATIONAL BEHAVIOR
1. OB provides a road map to our lives in organizations
2. OB uses scientific research to understand and make organization life, as it helps in predict what people will do under various conditions.
3. It helps to influence organizational events – to understand and predict events.
4. It helps individual understand herself/himself in better fashion.
5. It helps managers to manage human resources effectively.
6. It helps organizations for maintaining cordial industrial relations.
7. It is also useful in the field of marketing.

NATURE OF ORGANIZATIONAL BEHAVIOUR

Organizational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows:
1. A Separate Field of Study and not a Discipline Only
2. An Interdisciplinary Approach
3. An Applied Science
4. A Normative Science
5. A Humanistic and Optimistic Approach
6. A Total System Approach

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

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

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

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

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

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

OBJECTIVES OF ORGANIZATIONAL BEHAVIOUR

Studying organizational behaviour can help assess how the employees process these changes and inculcate them into their work patterns. In addition, there are certain objectives that organizational behaviour fulfils or needs to be fulfilled in the workplace.
Given below are the basic objectives of organizational behaviour.

1. Improving Employee Behaviour
2. Enhances Leadership Skills
3. Increases the Motivation of Employees
4. Assists in Organizational Change
5. Creating a Desirable Workplace Culture

1. **Improving Employee Behaviour:** With the help of organizational behaviour, it is easy to understand employees' behaviour and access their workplace situation. It also helps in analyzing how employees' positive and negative behaviour while working can impact the workflow. And through all these necessary steps can be taken to handle any situation that may arise. For example, with the help of organizational behaviour, we can look into the fact as to why the deadlines by a particular employee are not being met.

2. **Enhances Leadership Skills:** For one to become an effective leader, it is necessary to understand organizational behaviour. When one is in a higher position, it is important to look into the factors that affect employees' or subordinates' behaviour in the workplace. Once the reasons are understood, effective steps can be taken at an immediate level. Leadership skills ensure to handle the employees work effectively and efficiently.

3. **Increases the Motivation of Employees:** When they look through the employees' perspective, they will always find it motivating that their problems are being understood and reasons for their behaviour, in a certain way, are taken into consideration. Like, when effective feedback is taken, the employees feel valued and satisfied. It motivates them to work in a better way, which will, in turn, increase productivity.

4. **Assists in Organizational Change:** When working in an organization, the employees have to go through several changes like technological changes, customer tastes, etc. And any difficulty that arises can be solved without having any major effect on the working by looking into it prior.

5. **Creating a Desirable Workplace Culture:** By taking steps to understand organizational behaviour, desirable workplace culture is created. The employees feel satisfied and important. It helps understand what style of leadership must be used, hiring strategies, compensation, etc.

SCOPE OF ORGANIZATIONAL BEHAVIOUR

The three internal organizational elements viz., people, technology and structure and the fourth element, i.e., external social systems may be taken as the scope of O.B.

1. **People:** The people constitute the internal social system of the organization. They consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband. People are living, thinking and feeling being who created the organization and try to achieve the objectives and goals. Thus, organizations exist to serve the people and not the people exist to serve the organization.

2. **Structure:** Structure defines the sole relationship of people in an organization. Different people in an organization are given different roles and they have certain relationship with others. All are so related to each other to accomplish the goal in a coordinated manner. Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.

3. **Technology:** Technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing so they are given assistance of buildings, machines, tools, processes and resources. Thus, technology brings effectiveness and at the same restricts people in various ways.

4. **Social System:** Social system provides external environment which the organization operates. A single organization cannot exist also. It is a part of the whole. All organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

CHALLENGES AND OPPORTUNITIES OF ORGANIZATIONAL BEHAVIOR

Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals. Although the problems with organizations and the solutions over the ages have not really changed, the emphasis and surrounding environmental context certainly have changed. Although the resulting lean and mean organizations offered some short-run benefits in terms of lowered costs and improved productivity, if they continued to do business, as usual, they would not be able to meet current or future challenges. Main challenges and opportunities of organizational behavior are;

1. **Improving Peoples' Skills:** Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the targeted goals cannot be achieved in time. These two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skill, decision-making skills etc. These skills can be enhanced by organizing a series of training and development programs, career development programs, induction, and socialization etc.

2. **Improving Quality and Productivity:** Organizational Behavior Opportunities for Improving Quality and Productivity. Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has a certain expectation, one of which is that the automobile engine will start when it is turned on.

3. **Total Quality Management (TQM):** It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process. The components of TQM are;
   (a) An intense focus on the customer,
   (b) Concern for continual improvement,
   (c) Improvement in the quality of everything the organization does,

(d) Accurate measurement and,
(e) Empowerment of employees.

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

5. **Responding to Globalization:** Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic Conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company's products or services are spreading across the nations using mass communication, the internet, faster transportation etc. More than 95% of Nokia (Now Microsoft) hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe. Garment products of Bangladesh are exporting in USA and EU countries. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

6. **Empowering People:** The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizable enhance their commitment to work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

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

8. **Stimulating Innovation and Change:** Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant

stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than EBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

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

10. **Improving Ethical Behavior:** The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example,
    (a) Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources?
    (b) Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

11. **Improving Customer Service:** OB can contribute to improving an organizational performance by showing drat how employees' attitude and behavior are associated with customer satisfaction. In that case, service should be the first production oriented by using technological opportunities like a computer, the internet etc. To improve the customer service, need to provide sales service and also the after sales service.

FOUNDATIONS OF INDIVIDUAL BEHAVIOR

Organizational behavior is the study of both group and individual performance and action within an enterprise. This field of study scans human behavior in the working atmosphere. It determines its effect on job structure, performance, communication, motivation, leadership, decision making abilities etc. The way an individual behaves and behavior as a group have two perspectives − internal and external.

Behavior Analysis at Different Levels: Behavior as an individual or in a group is always analyzed by everyone in the organization. It is analyzed at three different levels −
- Individual level of analysis
- Group level of analysis
- Organizational level of analysis

1. **Individual Level of Analysis:** Organizational behavior, at this level of analysis massively draws upon psychology, engineering, and medicine. At the individual level of analysis, organizational behavior includes the study of learning, perception, creativity, motivation, and personality. In addition, it also includes the study of turnover, task performance and evaluation, coordinated behavior, deviant work behavior, ethics, and cognition. For example: Ram joins a company as an intern and is very open to learning new things but as time passes and he gets promoted his attitude

towards his interns becomes rude. This is a fine example of individual level of analysis.

2. **Group Level of Analysis:** Organizational behavior, at this level of analysis, draws upon the sociological and socio-psychological discipline. At the group level of analysis, organizational behavior includes the study of group gesture, intra-group and intergroup dispute and attachment. It is further extended to the study of leadership, power, norms, interpersonal communication, networks, and roles. An example of this level of analysis – Board of directors of company X decide to give bonus to their workers as they have really worked hard on a certain project.

3. **Organizational Level of Analysis:** Organizational behavior, at this level of analysis draws upon sociology and political science. At this level of analysis, organizational behavior includes the study of organizational culture, structure, cultural diversity, inter-organizational cooperation and coordination. It further includes the study of dispute, change, technology, and external environmental forces. Some other fields of study that adds to the interest of organizational behavior are ergonomics, statistics, and psychometrics. To have a clear understanding on the topic and avoid any kind of confusion let's look at an example at different levels and try to analyze it. Rohit is interested in becoming a singer as he is interested in music and feels he can do better in this field. While his parents force him to pursue his job as a software engineer, as according to his father's perception a software job pays well and is far better than struggling to become a singer. In this case, we see Rohit and his father have a clash of opinions, hence this is a case of individual level of analysis. Extending this example further, if Rohit seeks help from his friends on this matter his friends will support him as they have the same mindset support the idea of following their own dreams, struggling and achieving their goal. Meanwhile Rohit's father's friend circle might find the idea of pursuing singing as a career insane and support his father's decision of opting for a software. Here we see two different groups of people with contradicting ideologies, this becomes a case of group level of analysis. Individual behavior can be defined as a mix of responses to external and internal stimuli. It is the way a person reacts in different situations and the way someone expresses different emotions like anger, happiness, love, etc. To get a brief idea about the individual behavior let us learn about the individual behavior framework and other key elements related to it.

Individual Behavior Framework   IBF

On the basis of these elements, psychologist Kurt Lewin stated the Field theory and outlined the behavior framework. This psychological theory studies the patterns of interaction between an individual and the environment. The theory is expressed using the formula

$$B = F(P,E)$$

where, B – Behavior, F – Behavior Function, P – Person, and E – Environment around the person.

For example, a well payed person who loses his job in recession may behave differently when unemployed.
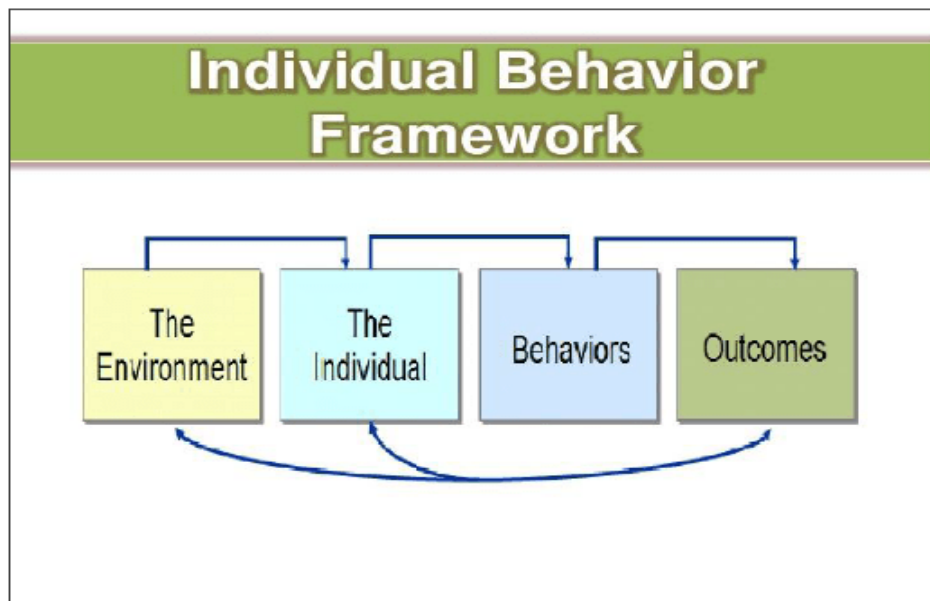
Causes of Individual Behavior

Certain individual characteristics are responsible for the way a person behaves in daily life situations as well as reacts to any emergency situations. These characteristics are categorized as:

Inherited Characteristics: The features individuals acquire from their parents or from our forefathers are the inherited characteristics. In other words, the gifted features an individual possesses by birth is considered as inherited characteristics. Following features are considered as inherited characteristics:

- Color of a person's eye
- Religion/Race of a person
- Shape of the nose
- Shape of earlobes

Learned Characteristics: Nobody learns everything by birth. First our school is our home, then our society followed by our educational institutions. The characteristics an individual acquires by observing, practicing and learning from others and the surroundings is known as learned characteristics. It consists of the following features:

- Perception: Result of different senses like feeling, hearing etc.
- Values: Influences perception of a situation, decision making process.
- Personality: Patterns of thinking, feeling, understanding and behaving.
- Attitude: Positive or negative attitude like expressing one's thought.

MOTIVATION

Motivation is the process of channeling a person's inner drives so that he wants to accomplish the goals of the organization. Motivation concern itself with the will to work. It seeks to know the incentives for work and tries to find out the ways and means whereby their realization can be helped and encouraged. Managers, by definition, are required to work with and through people, so they must gain at least some understanding of the forces that will motivate the people they are to manage. People are complex and they are uniquely different. What motivates one person may not motivate another. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance.

"Motivation" is a Latin word, meaning "to move". Human motives are internalised goals within individuals. Motivation may be defined as those forces that cause people to behave in certain ways. Motivation encompasses all those pressures and influences that trigger, channel, and sustain human behaviour. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance.

- Motivation has been defined by Michael J Juicus as "the act of stimulating someone or oneself to get a desired course of action".
- In the words of Lewis Allen, "Motivation is the work a manager performs to inspire, encourage and impel people to take required action".
- According to Koontz and O'Donnell, "Motivation is a general term applying to the entire class of drives, needs, wishes and similar forces".

MASLOW'S THEORY OF HUMAN NEEDS

Abraham H. Maslow, a famous social scientist or psychologist, has given a framework that helps to explain the strength of certain needs. He identifies five levels of needs, which are best seen as a hierarchy with the most basic need emerging first and the most sophisticated need last. People move up the hierarchy one level at a time. Gratified needs to lose its strength and the next level of needs is activated. As basic or lower-level needs are satisfied, higher-level needs become operative. A satisfied need is not a motivator. The most powerful employee need is the one that has not been satisfied.

The hierarchy of needs is identified as follows:
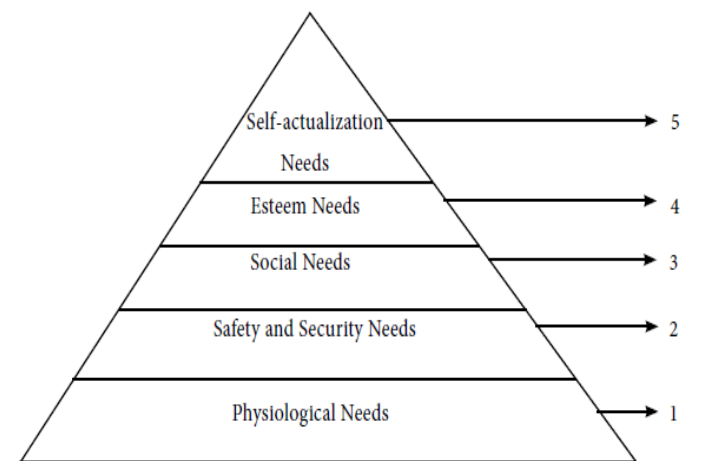
1. **Physiological needs**: The Physiological needs are at the top of the hierarchy because they tend to have the highest strength until they are reasonably satisfied. It includes the need for food, sleep, shelter, etc. these are the basic needs and if these are not satisfied, one does not think of needs at higher level.
2. **Safety or Security Needs:** Once physiological needs are satisfied to a reasonable level, the next level in the hierarchy is safety. Safety means being free of physical danger or self-preservation. It covers protection, job security, the safety of property, food or shelter, etc.
3. **Affiliation or Acceptance or Social needs:** After the first two needs are satisfied, social needs become important in the need hierarchy. Man wants to live in society as a member of society. He wants to love and be loved by others. It includes desire to seek

or show affection and recognition, needs for companionship, identification with a group, etc.

4. **Esteem needs:** These needs are concerned with self-respect, self-confidence, a feeling of personal worth, feeling of being unique and recognizable. The satisfaction of these needs produces feelings of self-confidence, prestige, power and control.

5. **Self-actualization needs**: These needs indicate the strong desire to achieve something, particularly in view of the potential one has. This includes competence which implies control over environmental factors both physical and social and achievement.

Maslow suggests that the various levels are interdependent and overlapping, each higher-level need emerging before the lower-level need has been completely satisfied.

DOUGLAS Mc GREGOR'S THEORY X AND THEORY Y

McGregor's work was based on Maslow's hierarchy of needs. He grouped Maslow's hierarchy into "lower-order" (Theory X) needs and "higher-order" (Theory Y) needs. McGregor, in 1960 in his book "The Human Side of Enterprise" states that people inside the organization can be managed in two ways. The first is basically negative, which falls under the category X and the other is basically positive, which falls under the category Y.

After viewing the way in which the manager dealt with employees, McGregor concluded that a manager's view of the nature of human beings is based on a certain grouping of assumptions and that he or she tends to mould his or her behaviour towards subordinates according to these assumptions. Douglas McGregor has classified the basic assumption regarding human nature into twoparts and has designated them as 'theory X' and 'theory Y' as discussed below:

Theory - X:

This is the traditional theory of human behaviour, which makes the following assumptions about human nature:

1. Management is responsible for organizing the elements of productive enterprises - money, material, equipment, and people - in the interest of economic ends.
2. With reference to people, it is a process of directing their efforts, motivating them, controlling their actions, modifying their behaviour in order to be in conformity with the needs of the organization.
3. Without this active intervention by management, people would be passive – even resistant to organizational needs. Hence, they must be persuaded, rewarded, punished and properly directed.
4. The average human being has an inherent dislike of work and will avoid it if he can.
5. He lacks ambition, dislikes responsibility and prefers to be led.
6. He is inherently self-centred, indifferent to organizational needs.
7. He is by nature resistant to change.
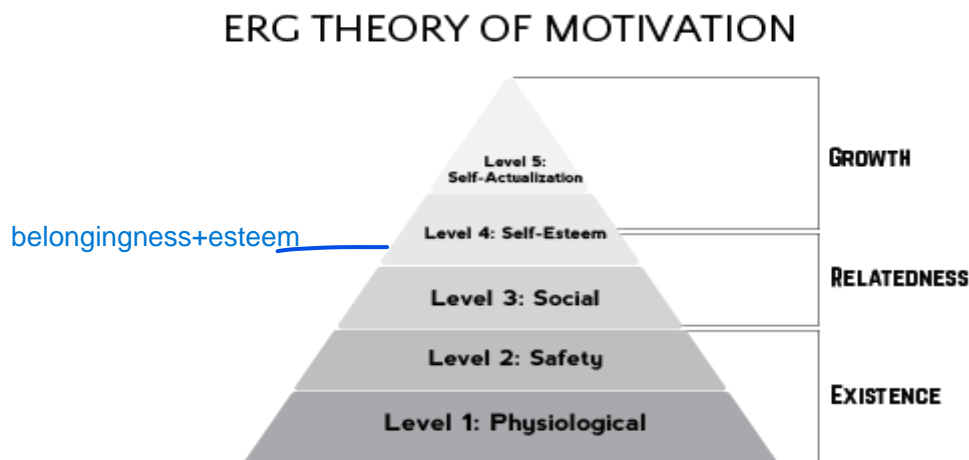8. He is gullible, not very bright.

Theory - Y: The assumption of theory Y, according to McGregor are as follows:

1. Work is as natural as play or rest, provided the conditions are favourable; the average human being does not inherently dislike work.
2. External control and the thrust of punishment are not the only means for bringing about efforts towards organizational objectives. Man can exercise self-control and self-direction in the service of objectives to which he is committed.

3. Commitment to objectives is a result of the rewards associated with their achievement. People select goals for themselves if they see the possibilities of some kind of reward that may be material or even psychological.
4. The average human being, under proper conditions, does not shirk responsibility but learn not only to accept responsibility but also to seek it.
5. He has the capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is wide, not narrowly distributed in the population.
6. Under conditions of modern industrial life, the intellectual potentialities of people are only partially utilized. As a matter of fact, men, have unlimited potential.

ERG THEORY

ERG theory of motivation is the condensed form of Maslow's Hierarchy of Needs. The theory was developed by Clayton Paul Alderfer, an American psychologist, and consultant, between the 60s and the 70s, based on the empirical study conducted at a factory in Easton, Pennsylvania. Maslow's Hierarchy of Needs has been criticized and modified by various critics, among which Alderfer's is probably the most interesting and logical one. Alderfer has compacted Maslow's five needs into three broad categories – Existence, Relatedness, and Growth, based on which the theory has been named as ERG Theory of motivation. ERG theory alike Maslow's theory describes the needs in the pecking order.

ERG THEORY OF MOTIVATION

belongingness+esteem

Level 5: Self-Actualization	GROWTH
Level 4: Self-Esteem	
Level 3: Social	RELATEDNESS
Level 2: Safety	EXISTENCE
Level 1: Physiological	

Existence needs (E): What Maslow had described as "physiological needs" and "safety needs" were merged together by Alderfer to constitute existence needs. The group is concerned with basic physical needs and security needs, without which human body will fail to function properly, and ultimately break down. An employee won't be motivated to work unless his physiological needs such as food, shelter, clothing, sleep, etc. are being fulfilled. While materialistic requirements relatively satisfy the employee, his behavior is significantly affected by the safety needs. Here, safety is concerned with both physical as well as economic. Any employee would be motivated to continue working only when his health, financial and other personal security is ensured.

Relatedness needs (R): The need for love, friendship and other intrapersonal relationship, which were categorized as "belongingness" in Maslow's Hierarchy of Needs were included in this group. It is the necessity of all humans to have a good relationship with the ones who are present around him. Thus, he always looks for a good working environment where he can establish a good relationship with his superiors, colleagues or subordinates. Such workplace

which consists of hostile employers or co-workers contributes to grievances and conflicts, which in long run can increase labor turnover rate.

Growth needs (G): The intrinsic desire for progress and development which were categorized as "esteem" and "self-actualization" by Maslow was fitted by Alderfer into this group. An employee feels highly motivated when he realizes the outcomes or consequences of his efforts. The consequences might be feeling of achievement, respect from others, goal actualization, increase in knowledge, etc. In absence of these factors, an employee can never be happy with his job.

Priority of needs differs from person to person. However, Alderfer has been able to broadly classify and prioritize these needs. According to him, existence needs are the most concrete, which is followed by relatedness needs and growth needs, consecutively.

GROUP DYNAMICS

Group dynamics deals with the attitudes and behavioral patterns of a group. Group dynamics concern how groups are formed, what is their structure and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating between groups. Group dynamics is relevant to groups of all kinds – both formal and informal. If the UPA government has set up Group of Ministers for every governance issue, the Supreme Court of India has 27 Group of Judges committees overseeing all manner of non-judicial work in the apex court. In an organizational setting, the term groups are a very common and the study of groups and group dynamics is an important area of study.

Group

Every organization is a group unto itself. A group refers to two or more people who share a common meaning and evaluation of themselves and come together to achieve common goals. In other words, a group is a collection of people who interact with one another; accept rights and obligations as members and who share a common identity.

Characteristics of a Group:

Regardless of the size or the purpose, every group has similar characteristics:

(a) 2 or more persons (if it is one person, it is not a group)
(b) Formal social structure (the rules of the game are defined)
(c) Common fate (they will swim together)
(d) Common goals (the destiny is the same and emotionally connected)
(e) Face-to-face interaction (they will talk with each other)
(f) Interdependence (each one is complimentary to the other)
(g) Self-definition as group members (what one is who belongs to the group)
(h) Recognition by others (yes, you belong to the group).

Process/Stages of Group Development/Evolution:

Group Development is a dynamic process. How do groups evolve? There is a process of five stages through which groups pass through. The process includes the five stages: forming, storming, forming, performing, and adjourning.

1. **Forming:** The first stage in the life of a group is concerned with forming a group. This stage is characterized by members seeking either a work assignment (in a formal group) or other benefit, like status, affiliation, power, etc. (in an informal group). Members at this stage either engage in busy type of activity or show apathy.
2. **Storming:** The next stage in this group is marked by the formation of dyads and triads. Members seek out familiar or similar individuals and begin a deeper sharing of

self. Continued attention to the subgroup creates a differentiation in the group and tensions across the dyads / triads may appear. Pairing is a common phenomenon. There will be conflict about controlling the group.

3. **Norming:** The third stage of group development is marked by a more serious concern about task performance. The dyads/triads begin to open up and seek out other members in the group. Efforts are made to establish various norms for task performance. Members begin to take greater responsibility for their own group and relationship while the authority figure becomes relaxed. Once this stage is complete, a clear picture will emerge about hierarchy of leadership. The norming stage is over with the solidification of the group structure and a sense of group identity and camaraderie.

4. **Performing:** This is a stage of a fully functional group where members see themselves as a group and get involved in the task. Each person makes a contribution and the authority figure is also seen as a part of the group. Group norms are followed and collective pressure is exerted to ensure the Process of Group effectiveness of the group. The group may redefine its goals Development in the light of information from the outside environment and show an autonomous will to pursue those goals. The long-term viability of the group is established and nurtured.

5. **Adjourning:** In the case of temporary groups, like project team, task force, or any other such group, which have a limited task at hand, also have a fifth stage, this is known as adjourning. The group decides to disband. Some members may feel happy over the performance, and some may be unhappy over the stoppage of meeting with group members. Adjourning may also be referred to as mourning, i.e. mourning the adjournment of the group.

TYPES OF GROUPS:

One way to classify the groups is by way of formality – formal and informal. While formal groups are established by an organization to achieve its goals, informal groups merge spontaneously. Formal groups may take the form of command groups, task groups, and functional groups.

1. **Command Groups:** Command groups are specified by the organizational chart and often consist of a supervisor and the subordinates that report to that supervisor. An example of a command group is a market research firm CEO and the research associates under him.

2. **Task Groups:** Task groups consist of people who work together to achieve a common task. Members are brought together to accomplish a narrow range of goals within a specified time period. Task groups are also commonly referred to as task forces. The organization appoints members and assigns the goals and tasks to be accomplished. Examples of assigned tasks are the development of a new product, the improvement of a production process, or designing the syllabus under semester system. Other common task groups are ad hoc committees, project groups, and standing committees. Ad hoc committees are temporary groups created to resolve a specific complaint or develop a process are normally disbanded after the group completes the assigned task.

3. **Functional Groups:** A functional group is created by the organization to accomplish specific goals within an unspecified time frame. Functional groups remain in existence after achievement of current goals and objectives. Examples of functional groups would be a marketing department, a customer service department, or an accounting department.

In contrast to formal groups, informal groups are formed naturally and in response to the common interests and shared values of individuals. They are created for purposes other than the accomplishment of organizational goals and do not have a specified time frame. Informal groups are not appointed by the organization and members can invite others to join from time to time. Informal groups can have a strong influence in organizations that can either be positive or negative. For example, employees who form an informal group can either discuss how to improve a production process or how to create shortcuts that jeopardize quality. Informal groups can take the form of interest groups, friendship groups, or reference groups.

1. **Interest Group:** Interest groups usually continue over time and may last longer than general informal groups. Members of interest groups may not be part of the same organizational department but they are bound together by some other common interest.

2. The goals and objectives of group interests are specific to each group and may not be related to organizational goals and objectives. An example of an interest group would be students who come together to form a study group for a specific class.

3. **Friendship Groups**: Friendship groups are formed by members who enjoy similar social activities, political beliefs, religious values, or other common bonds. Members enjoy each other's company and often meet after work to participate in these activities. For example, a group of employees who form a friendship group may have a yoga group, a Rajasthani association in Delhi, or a kitty party lunch once a month.

4. **Reference Groups**: A reference group is a type of group that people use to evaluate themselves. The main objectives of reference groups are to seek social validation and social comparison. Social validation allows individuals to justify their attitudes and values while social comparison helps individuals evaluate their own actions by comparing themselves to others. Reference groups have a strong influence on members' behavior. Such groups are formed voluntarily. Family, friends, and religious affiliations are strong reference groups for most individuals.

FACTORS AFFECTING GROUP BEHAVIOUR

The success or failure of a group depends upon so many factors. Group member resources, structure (group size, group roles, group norms, and group cohesiveness), group processes (the communication, group decision making processes, power dynamics, conflicting interactions, etc.) and group tasks (complexity and interdependence).

1. **Group Member Resources:** The members' knowledge, abilities, skills; and personality characteristics (sociability, self- reliance, and independence) are the resources the group members bring in with them. The success depends upon these resources as useful to the task.

2. **Group Structure:**
   a) Group size can vary from two people to a very large number of people. Small groups of two to ten are thought to be more effective because each member has ample opportunity to take part and engage actively in the group. Large groups may waste time by deciding on processes and trying to decide who should participate next. Evidence supports the notion that as the size of the group increases, satisfaction increases up to a certain point. Increasing the size of a group beyond 10-12 members' results in decreased satisfaction. It is increasingly difficult for members of large groups to identify with one another and experience cohesion.

b) **Group Roles**: In formal groups, roles are always predetermined and assigned to members. Each role shall have specific responsibilities and duties. There are, however, emergent roles that develop naturally to meet the needs of the groups. These emergent roles will often substitute the assigned roles as individuals begin to express themselves and become more assertive. Group roles can then be classified into work roles, maintenance roles, and blocking roles.

- Work roles are task-oriented activities that involve accomplishing the group's goals. They involve a variety of specific roles such as initiator, informer, clarifier, summarizer, and reality tester.
- Maintenance roles are social-emotional activities that help members maintain their involvement in the group and raise their personal commitment to the group. The maintenance roles are harmonizer, gatekeeper, consensus tester, encourager, and compromiser.
- Blocking roles are activities that disrupt the group. Blockers will stubbornly resist the group's ideas, disagree with group members for personal reasons, and will have hidden agendas. They may take the form of dominating discussions, verbally attacking other group members, and distracting the group with trivial information or unnecessary humour. Often times the blocking behaviour may not be intended as negative. Sometimes a member may share a joke in order to break the tension, or may question a decision in order to force group members to rethink the issue. The blocking roles are aggressor, blocker, dominator, comedian, and avoidance behaviour.

c) **Group Norms**: Norms define the acceptable standard or boundaries of acceptable and unacceptable behaviour, shared by group members. They are typically created in order to facilitate group survival, make behaviour more predictable, avoid embarrassing situations, and express the values of the group. Each group will create its own norms that might determine from the work performance to dress to making comments in a meeting. Groups exert pressure on members to force them to conform to the group's standards and at times not to perform at higher levels. The norms often reflect the level of commitment, motivation, and performance of the group. The majority of the group must agree that the norms are appropriate in order for the behaviour to be accepted. There must also be a shared understanding that the group supports the norms. It should be noted, however, that members might violate group norms from time to time. If the majority of members do not adhere to the norms, then they will eventually change and will no longer serve as a standard for evaluating behaviour. Group members who do not conform to the norms will be punished by being excluded, ignored, or asked to leave the group.

d) **Group Cohesiveness**: Cohesiveness refers to the bonding of group members or unity, feelings of attraction for each other and desire to remain part of the group. Many factors influence the amount of group cohesiveness – agreement on group goals, frequency of interaction, personal attractiveness, inter-group competition, favourable evaluation, etc. The more difficult it is to obtain group membership the more cohesive the group will be. Groups also tend to become cohesive when they are in intense competition with other groups or face a serious external threat to survival. Smaller groups and those who spend considerable time together also tend to be more cohesive. Cohesiveness in

work groups has many positive effects, including worker satisfaction, low turnover and absenteeism, and higher productivity. However, highly cohesive groups may be detrimental to organizational performance if their goals are misaligned with organizational goals. Highly cohesive groups may also be more vulnerable to groupthink. Groupthink occurs when members of a group exert pressure on each other to come to a consensus in decision making. Groupthink results in careless judgments, unrealistic appraisals of alternative courses of action, and a lack of reality testing.

3. **Group Processes:** Decision-making by a group is superior, because group generates more information and knowledge, generates diverse alternatives, increases acceptance of a solution, and increases legitimacy. Decisions take longer time, minority is dominated, pressure is applied to conform to group decisions, and none is responsible for the decisions.

LEADERSHIP

Leadership is one of the most important aspects of studies of human behaviour in the organization. It is the leader who creates working environment. The success of an organization depends upon the efficiency of the leader. It is the attributes, positive approach and the ability to solve problems that make a person leader. A leader should be able to turn the hopeless situation in favour. In the environment of tough competition in the market where it is undergoing financial recession, layoffs are the order of the day, market is facing poor demand for product because everybody has enough and poor or no growth situation persists. In this situation leader should not lose his balance but turn the situation in his favour. He should be able to evolve techniques and lead the organization to win-win strategy.

A leader should be able to motivate employees. All leaders are not managers as they have to work in non-organized sectors while the managers work in the organized sectors. All managers should be leaders so that they are able to work efficiently.

- "Leadership" according to Alford and Beatty "is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion".
- According to Koontz and O'Donnell - Managerial leadership is "the ability to exert interpersonal influence by means of communication, towards the achievement of a goal. Since managers get things done through people, their success depends, to a considerable extent upon their ability to provide leadership".

LEADERSHIP STYLES

A leader is a person who influences a group of people towards the achievement of a goal while leadership is the art of motivating a group of people to act towards achieving a common goal. Different leadership styles will result in different impact to organization. The leader has to choose the most effective approach of leadership style depending on situation because leadership style is crucial for a team success. By understanding these leadership styles and their impact, everyone can become a more flexible and better leader.

1. Transactional Leadership

Transactional leadership is a term used to classify a group of leadership theories that inquire the interactions between leaders and followers. This style of leadership starts with the premise that team members agree to obey their leader totally when they take a job on. The "transaction" is usually that the organization pays the team members, in return for their effort and compliance. As such, the leader has the right to "punish" team members if their work

doesn't meet the pre-determined standard. Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice "management by exception", whereby, rather than rewarding better work, he or she would take corrective action if the required standards were not met.

Transactional leadership is really just a way of managing rather a true leadership style, as the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, but remains a common style in many organizations.

2. Autocratic Leadership

Under the autocratic leadership styles, all decision-making powers are centralized in the leader as shown such leaders are dictators. Autocratic leadership is an extreme form of transactional leadership, where a leader exerts high levels of power over his or her employees or team members. People within the team are given few opportunities for making suggestions, even if these would be in the team's or organization's interest.

Autocratic leadership style is often considered the classical approach. It is one in which the manager retains as much power and decision-making authority as possible. The manager does not consult employees, nor are they allowed to give any input. Employees are expected to obey orders without receiving any explanations. The motivation environment is produced by creating a structured set of rewards and punishments. Autocratic leaders make decisions without consulting their teams. This is considered appropriate when decisions genuinely need to be taken quickly, when there's no need for input, and when team agreement isn't necessary for a successful outcome.

Many people resent being treated like this. Because of this, autocratic leadership often leads to high levels of absenteeism and staff turnover. Also, the team's output does not benefit from the creativity and experience of all team members, so many of the benefits of teamwork are lost. For some routine and unskilled jobs, however, this style can remain effective, where the advantages of control outweigh the disadvantages.

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3. Transformational Leadership

Transformational leadership is a leadership style that is defined as leadership that creates valuable and positive change in the followers. A transformational leader focuses on "transforming" others to help each other, to look out for each other, to be encouraging and harmonious, and to look out for the organization as a whole. In this leadership, the leader enhances the motivation, morale and performance of his follower group. A person with this leadership style is a true leader who inspires his or her team with a shared vision of the future. Transformational leaders are highly visible, and spend a lot of time communicating. They don't necessarily lead from the front, as they tend to delegate responsibility amongst their teams. While their enthusiasm is often infectious, they can need to be supported by "detail people".

In many organizations, both transactional and transformational leadership are needed. The transactional leaders (or managers) ensure that routine work is done reliably, while the transformational leaders look after initiatives that add new value.

4. Servant Leadership

This term, coined by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by virtue of meeting the needs of his or her team, he or she is described as a "servant

leader". Servant Leadership's focus was on the leader as a servant, with his or her key role being in developing, enabling and supporting team members, helping them fully develop their potential and deliver their best. In many ways, servant leadership is a form of democratic leadership, as the whole team tends to be involved in decision-making.

Supporters of the servant leadership model suggest it is an important way ahead in a world where values are increasingly important, and in which servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people practicing servant leadership can find themselves "left behind" by leaders using other leadership styles. Followers may like the idea of servant leadership so there's something immediately attractive about the idea of having a boss who's a servant leader. People without responsibility for results may like it for its obviously democratic and consensual approach.

5. Charismatic Leadership

The Charismatic Leader and the Transformational Leader can have many similarities, in that the Transformational Leader may well be charismatic. Their main difference is in their basic focus. Whereas the Transformational Leader has a basic focus of transforming the organization and, quite possibly, their followers, the Charismatic Leader may not want to change anything. A charismatic leadership style can appear similar to a transformational leadership style, in that the leader injects huge doses of enthusiasm into his or her team, and is very energetic in driving others forward.

However, charismatic leaders can tend to believe more in themselves than in their teams. This can create a risk that a project, or even an entire organization, might collapse if the leader were to leave because in the eyes of their followers, success is tied up with the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and needs long-term commitment from the leader.

6. Democratic Leadership or Participative Leadership

Although a democratic leader will make the final decision, he or she invites other members of the team to contribute to the decision-making process. This not only increases job satisfaction by involving employees or team members in what's going on, but it also helps to develop people's skills. Employees and team members feel in control of their own destiny, and so are motivated to work hard by more than just a financial reward. Democratic leadership can produce high quantity work for long periods of time. Many employees like the trust they receive and respond with cooperation, team spirit, and high morale. As participation takes time, this style can lead to things happening more slowly than an autocratic approach, but often the end result is better. It can be most suitable where team working is essential, and where quality is more important than speed to market or productivity.

7. Laissez-Faire Leadership

The laissez-faire leadership style is also known as the "hands-off ¨ style. It is one in which the manager provides little or no direction and gives employees as much freedom as possible. All authority or power is given to the employees and they must determine goals, make decisions, and resolve problems on their own.

This French phrase means "leave it be" and is used to describe a leader who leaves his or her colleagues to get on with their work. It can be effective if the leader monitors what is being achieved and communicates this back to his or her team regularly. Most often, laissez-faire leadership works for teams in which the individuals are very experienced and skilled self-starters. Unfortunately, it can also refer to situations where managers are not exerting

sufficient control. The advantage of this kind of style is positive only in the case when the employees are very responsible and in case of creative jobs where a person is guided by his own aspirations. In these cases, less direction is required so this style can be good. This style has more disadvantages because usually it is the result of the lack of interest of the leader that leads to his adopting this style. It proves poor management and makes the employees lose their sense of direction and focus. The disinterest of the management and leadership causes the employees to become less interested in their job and their dissatisfaction increases.

8. Bureaucratic Leadership

This is style of leadership that emphasizes procedures and historical methods regardless of their usefulness in changing environments. Bureaucratic leaders attempt to solve problems by adding layers of control, and their power comes from controlling the flow of information. Bureaucratic leaders work "by the book", ensuring that their staff follow procedures exactly. This is a very appropriate style for work involving serious safety risks such as working with machinery, with toxic substances, at heights or where large sums of money are involved such as cash-handling. In other situations, the inflexibility and high levels of control exerted can demoralize staff, and can diminish the organization's ability to react to changing external circumstances.