

# FUNDAMENTALS OF MANAGEMENT FOR ENGINEERS

## UNIT-1

- only output focused → effectiveness
- output & cost factor considered → efficiency

### "P O S D C O R B"

- Planning
  - organizing
  - Staffing
  - Directing
  - Controlling
  - organizational resources
  - Budget
- (general definition) (organisational manner)
- Management is the attainment of goods using effectiveness and efficiency through "POSDCORB"
- The 4 M's of production are:  

man	machine
money	materials

#### (Definition of management)

- According to Mary Parker Follett, "management is the art of getting things done through people."

Fredrick Taylor defines "management is the art of knowing what you want to do in the best and cheapest way.

#### Nature of management

##### (Characteristics of management)

###### i. Universal application:

- applicable to all domains of the organization.
- small, large org, NGO, etc.

###### ii. Purposeful:

- management has a purpose (money, service)
- more or less translates to goal.

###### iii. Social process:

- deal with human beings & manpower.
- coordination & cohesion.

- (iv) Coordinating force : (should match w org)
  - one's goal should be a common goal of org
  - no overlap of work & mis ordered
- (v) Group activity :
  - individuals should go for the org's goal.
- (vi) Intangible :
  - like employee satisfaction, the management results in outcomes that can be felt.
- (vii) System of authority :
- (viii) Separate identity :
  - managerial & non managerial org.
  - (thinkers) (doers)
- (ix) Working through individuals :
  - delegation of work
- (x) Management is a continuous process (dynamic).
- (xi) Management is Science and Art :
  - Theoretical & the application of laws & practices (principles)
- (xii) Management is a profession.
- (xiii) Needed at all levels
  - high level  
chief
  - middle level  
general manager
  - lower level  
functional supervisors

### • Important functions of Management :

Luther Gullick coined the word "POSDCORB" to describe the functions of :

(a) Planning	(e) coordinating
(b) organizing	(f) Control & communication
(c) Staffing	(g) Report (organizational)
(d) Directing	(h) budgeting

Planning → forecasting, predicting and developing a path / plan towards progress

Organizing → physical & human resources to be combined and put into use

Staffing → process of searching prospective employees and taking them (recruitment)  
then selection, orientation, training

directing → aka supervising or motivating  
kindling the fires & desires of individual.

controlling → fixing standards and imposing goals,  
finding deviations

coordinating → harmonious synchronizing of all the  
individuals' efforts (blending)

Communication →

leadership → Individual who influences employees  
and individuals, has an impact on others.

Decision making → Selecting one out of various alternatives

## \* Evolution of management

### ① Classical theory of management

(CTM or classical approach of management)

→ Scientific management

→ Administrative theory

→ Bureaucracy

- Scientific management grew out of the need to improve the effective & efficient utilization of physical and human resources.

The pioneer of SM is F.W. Taylor.

- Administrative theory aka Functional management Drucker, Herold Koontz contributed to the development of They all tried to develop basic functions of management with particular emphasis on resources. Thus, it is called functional approach.

- Bureaucracy (centralized power, others can't use/indulge) Evolved by Max Weber, the theory of Bureaucracy is based on hierarchy of authority and of rules and regulations. It visualizes a machine model where impersonal over control over human beings

## ② Behavioral approach or Human relational approach

- The human relation approach began with a landmark study of human behavior. The study was conducted in Hawthorne plant of western electric company from 1927 to 1932.
- The study conducted by Harvard university led by Elton Mayo has 4 distinct phases:
  - Illumination experiment
  - Relay assembly work study
  - Bank wiring
  - Worker attitude
  - Systems approach

## ③ • System approach was developed in the late 1950s. The main features of system approach are:

1. An organization is a system consisting of many interrelated sub systems.
2. The elements are arranged orderly.
3. Whole is more than the sum of its parts
4. Every system is a part of the environment.
5. Organization is an open system and it interacts with the environment.
6. Management is expected to regulate and adjust the system to secure better performance.

## ④ • Contingency approach has no specific approach

or way to go about doing things. A

No single approach works well in every situation.

Main determinants in a contingency

- Internal envr - External environment

External environment → Economical, social, technological and political

Internal environment → resources available within the organization

1. Management is entirely situational.
2. No organizational design can be suitable for all situations.
3. An organization interacts with its environment.

## \* Contribution of Leading Thinkers:

- F.W. Taylor, aka Father of Scientific management published books "Shop management" & "Principles of management".
- Taylor analysed management taught under 2 headings
  - ① Principles of scientific management
  - ② Scientific management techniques

### \* Principles

- ① "Science not rule of thumb" (practices must not be intuition but through principles)
  - Each element of a job required to be performed scientifically and should replace intuition or hit & trial method.
- ② "Job specialization"
  - Every worker should concentrate on the function so that he can become specialized in it.
- ③ "Scientific selection ; training & development of workers"
  - Proper selection method that is best suited for the job helps improve productivity.
- ④ "Close cooperation between management & workers"
  - advocates mental revolution from the part of management & workers.
  - management shld share the gain of profit with workers and workers shld perform their work with discipline & loyalty.
- ⑤ "maximum output in place of restricted output"
  - conflict arises between management and workers in case of division of surplus.
  - the best way is increasing size of surplus so that they can get larger share.

- Summary;

  - Science not rule of thumb
  - Harmony not discord
  - cooperation, not individualism.
  - Maximum output instead of restricted output.

## \* Techniques

## ①. Time study

- Time taken to complete / perform a task.

## ② motion study (or) movement study

- Study of the movement of worker and a mission so that we can identify wasteful movements

### ③ Standardisation & Simplification

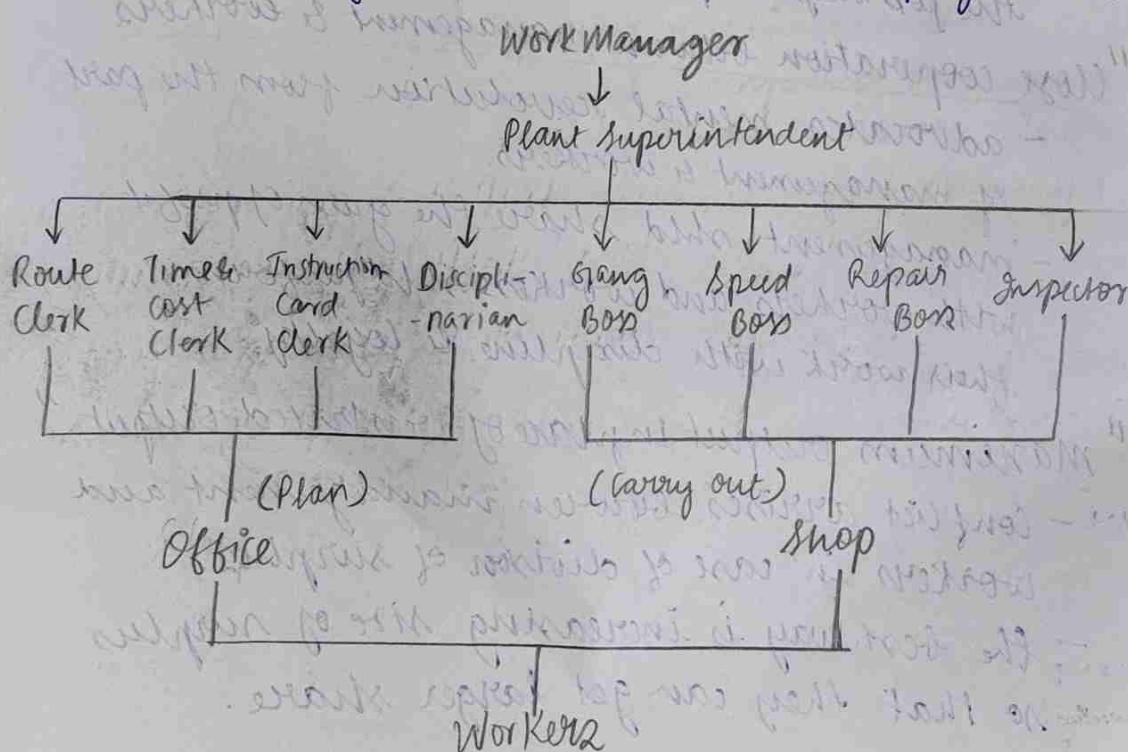
- Standardization helps to simplify the work and increase the efficiency.

#### 4 Differential piece rate

- Differentiates efficient & inefficient workers.
  - There is a direct link between remuneration and productivity.

## ⑤ Functional Foremanship

- foreman → last level employee - daily wage



- Route clerk lays down the sequence of operation for completing a particular work.
- Instruction card clerk prepares detailed instructions acc to which workers have to perform their jobs
- Time and cost clerk frames the timetable chart and cost clerk records the cost of work.
- Shop disciplinarian maintains discipline in the work floor.  
Checks for work ethic violation (among workers)  
Deals with violation of rules in subordination.
- Gang boss is concerned with preliminary work before the actual operation. He has to assemble necessary tools and equipments so that workers can start the work asap.
- Speed boss ensures that the work is done well in time.
- Repair boss ensures that workers keep their machines clean and free from rust
- Inspector aka quality manager sees to that the work is performed in accordance to the quality standards laid down by the office.

## \* Henry Fayol

- Fayol was a French mining engineer. He published his famous book "Administration Industrielle - Generale".  
(English translated → "General & Industrial management")
- Fayol classified management into 4 categories

### 1. Classification of business activities

TCFSA M			
(related to production)	Technical	Security	(protection of persons & property)
(Buying, selling, exchange-money)	Commercial	Accounting	(statistics - financial statements & state)
(cost minimization, optimum utilization of capital)	Financial	Managing	(Plan, org, staffing, budgeting, etc)

### 2. Elements of management

POC <sup>3</sup>		
(thinking b4 doing)	Planning	• controlling (checking if work done acc to standards)
(arranging, creating)	Organising	• Commanding (maintaining & leading personnel)
(harmonising the efforts)	Coordinating	

### ③ General principles of management

Fayol gave 14 basic principles of management.  
He pointed out that these principles have large universal applications.

### ④ Managerial qualities & training

P M M G S E [GK w matters not related to specific func]

<p>P - Physical <small>(Judgement &amp; Adaptability)</small></p>	<p>G - General Knowledge <small>[particular specified func]</small></p>
<p>M - Mental <small>Ethics, values willingness to accept responsibility, initiative loyal, dignity</small></p>	<p>S - Special Knowledge <small>[Knowledge from continuous practice]</small></p>
<p>M - Moral <small>[Ethics, values willingness to accept responsibility, initiative loyal, dignity]</small></p>	<p>E - Experience <small>[Knowledge from continuous practice]</small></p>

### \* George Elton Mayo

- Professor, industrial psychology; books like "Mgt & morale".
- Training for human relations; carried out many experiments like Hawthorne experiment.
- 4 stages of Hawthorne experiment
  - 1. Illumination experiment
  - 2. Test room experiment
  - 3. Interviewing studies
  - 4. Observational studies

#### Illumination

- Workers were divided into 2 groups.
- One group - lighting remained constant
- Other group - lighting varied
- But, production increased in both rooms.
- These exp revealed that there was something more than illumination that affected productivity.

#### Relay assembly test room experiment:

- Small group of 6 female workers were asked to work in a separate room.
- During this, a few changes like rest time, shorter working hours, opportunity to express their views, etc were introduced.
- O/P of the group increased. So, conclusion:
- When there is freedom of work, they developed a sense of autonomy and responsibility.

## Man interviewing program.

- Thousands of interviews by direct or indirect approach was adopted. The major findings were:
  - Nearly giving an opportunity to talk & let out grievances was an effect on morale.
  - workers' complaints are deeprooted disturbances. It should be solved.
  - Workers are influenced by both inside & outside of factory.
  - A worker is satisfied or not based on his social status and the way he is rewarded.

## Bank wiring observational studies

- Was conducted to analyse the functioning of small group and its impact on individual workers
- 14 workers constituted the work group on piece work basis.
- main was that each worker would produce more to earn more; BUT the result was different.
- the group was restricting the output of individual workers by forms of social pressure.
- any worker attempting to produce more than the norms was disfavoured by other workers.
- No one achieved their targets.

The study revealed that informal group influenced the individual behavior.

Mayo and his associates derived the following conclusions.

- Physical factors don't influence workers.
- Psychological & social factors have influence on performance
- Workers can't be motivated merely by pay.
- Social norms and informal groups determine the behavior of an employee.

## \* Key Managerial Roles:

- \* Interpersonal roles
- \* Informational roles
- \* Decision roles

### ① Interpersonal roles:

- (a) Figure-head role: Ethical guidelines that employees have to follow when they deal with customers and supplies.
- (b) Leader: gives direct commands and orders to subordinates and makes decisions.
- (c) Liaison officers: coordinate between different departments and establish alliances between different organizations.

### ② Informational roles:

- (a) Monitor: evaluating the performance of managers in different functions.
- (b) Disseminator: communicates to employees, the organization's vision & purpose.
- (c) Spokesperson: give a speech to inform the local community about the organization's future intentions.

### ③ Decisional roles:

- (a) Entrepreneur: commit organizational resources to develop innovative goods and services.
- (b) Disturbance handler: to deal with unexpected problems facing the organization from internal & external environment.

(c) Resource allocator: allocates resources among different functions and departments.

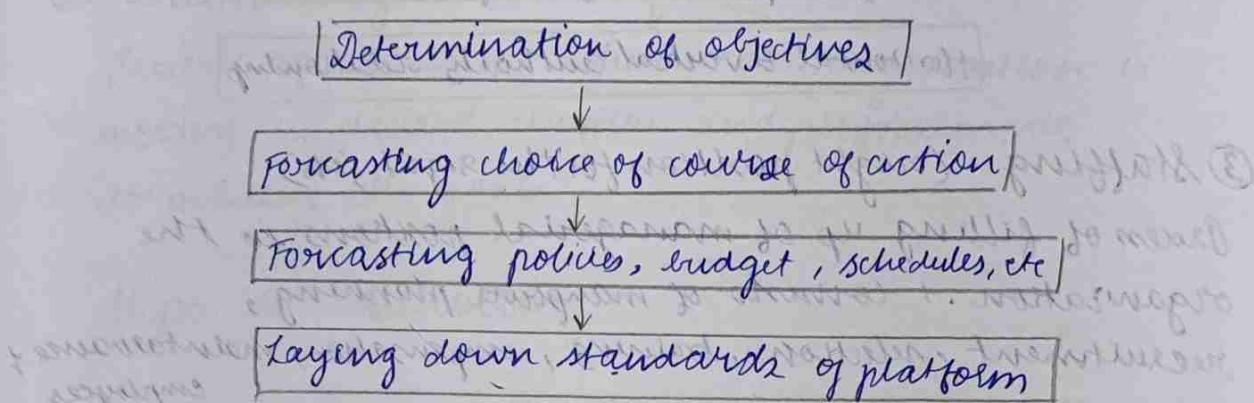
(d) Negotiator: have to work with suppliers, distributors by and labour managers.

## \* Functions of Management:

### ① Planning:

(may be long term or short term)

Steps involved in Planning



Planning is a continuous process which helps the org to feel uncertainty and change.

Planning is prevalent and present at all levels.

### ② Organising

Process of establishing authority, responsibility, relationship among the members of the enterprise. The network of authority and responsibility relation is known as organisational structure.

It serves as framework within which the people work together for accomplishing organizational objectives or steps together.

Steps in organization

Defining and determining the activities for achieving planned goals

grouping activities in the logical units (ex: marketing)

Assigning duties and positions for the people.

Delegating authority to people and position

Fixing responsibility for performance

Horizontal & vertical authority relationship

### ③ Staffing: (right position for the right job)

Process of filling up of managerial positions in the organisation. It consists of manpower planning, recruitment, selection, training, compensation, maintenance, employees

### ④ Directing:

Directing is the managerial function of Guiding, Supervising, Motivating, Leading the employees towards planned target of performance

G - Guide

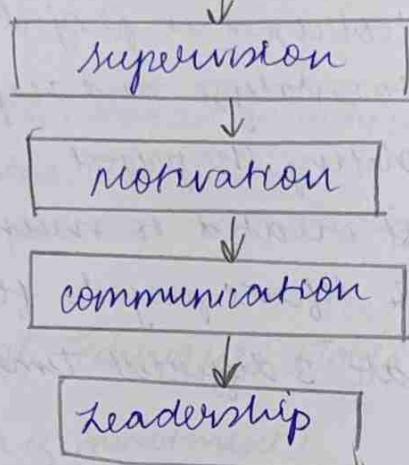
S - Supervise

M - Motivate

L - Lead

Steps in directing:

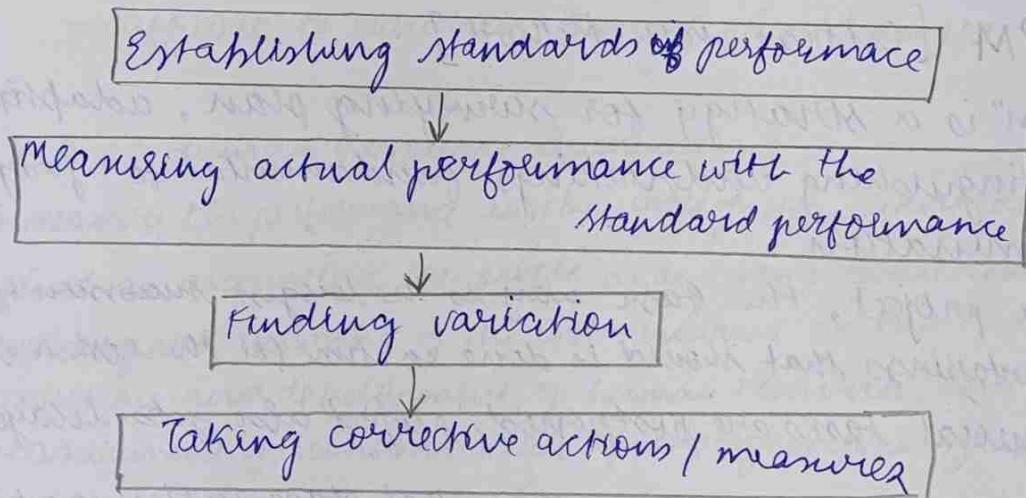
Providing / issuing orders to individuals



## ⑤ Controlling:

Process of ensuring whether an organisation is moving in desired direction and progress made to achieve the goals.

Steps in controlling:



## \* PERT (Program Evaluation & Review Technique)

- PERT is a statistical tool used in project management which was designed to analyse and represent the tasks involved in completing the project. (1950's)
- PERT charts were first created to manage the creation of weapons & defence projects for the US Navy.
- With PERT, you can create 3 different time estimates for the project.

1) The shortest possible amount of time each task takes,

2) The most probable amount of time

3) The longest amount of time task might take if things go not as planned.

- PERT is calculated backward from the fixed end date since contractors' deadlines can't be moved / changed.

## \* CPM [Critical Path Method]

- "CPM" is a strategy for surveying plan, adapting and distinguishing undertakings fundamental for project culmination.
- In a project, the basic way is the longest succession of undertakings that should be done on time for the task to be done.
- If crucial tasks are postponed, project also gets delayed.

**ES** (Early start time) is the initial stage in the project is when an activity can begin. One can't make this decision without initially understanding whether you have any task dependancies

**LS** (Latest start time) is the very last second when a task can be started without affecting the timeline of the project.

**EF** (Earliest finish time) the earliest task can be finished determined by its duration and earliest start time

LF (Latest finish time) The lastest that the task can be finished is calculated using its duration and latest start time.

Float refers to how long an activity can be postponed without affecting the task order.

The critical path has NO float since they can't be delayed.

## \* Modern Control Techniques / Tools:

### ① ROI (Return of Investment)

- Ratio between total investment and total profit.
- It helps to improve the overall profit performance of a company and its segments.
- Used for both planning and controlling processes.
- Uses:
  - indicates how effectively resources are employed
  - used for interfirm and interdepartment comparisons.

### • Drawbacks:

- difficult to calculate during price changes

### • #

### ② HRA (Human Resource Accounting)

- To measure the performance in the case of HR, Likert developed it.
- Defined as accounting for people as an organizational resource involving measurement of the cost incurred in the acquisition and development of human resource, and measurement of economic value of employees to an organization.

### ③ Management audit: (MA)

- Periodic evaluation of past and present managerial activities or practices to identify whether adjustments are necessary to make the organization more effective.

### ④ Responsibility accounting (RA):

- Each supervisory area in the org is charged only with the cost for which it is responsible and over which it has no control
- The costs are accumulated and reported by levels of responsibility within the org.

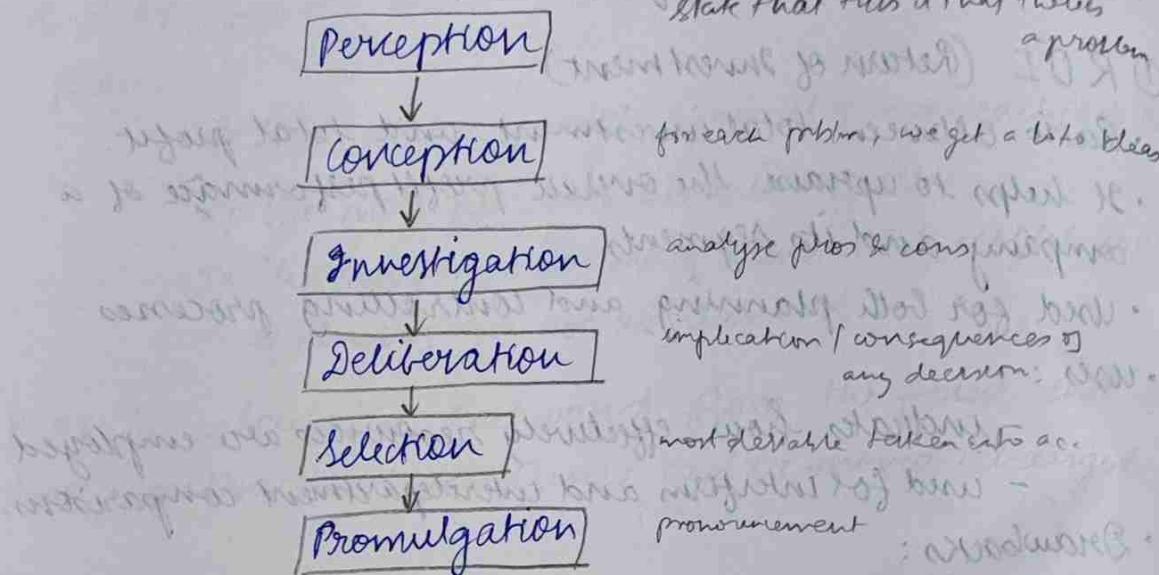
## \* Decision making :

{ Decision making is a part of planning }

• Acc to Peter F. Drucker, "whatever the manager does, he does it through making decisions".

## Stages

### Stages of Decision making:



Perception → state of awareness which gives rise to consciousness of the problem.

Conception → designs for actions is called concept

Investigation → searching info so that relative pros & cons for each action can be compared.

Deliberation → evaluating implications/consequences of alternate course of actions.

Selecting → selecting most desirable course of action.

Promulgation → declaration to all peeps concerned or notified or informed.

## \* Problems in Decision Making

### 1. Lack of Time: (leads to taking hasty decisions)

- hasty decisions often lead to disastrous effects.
- However, businesses are subject to emergencies and sometimes, as the decision making authority, you will find limited time.
- But, an effective leader has to go through these times.

### 2. Lack of Reliable data:

- can be a major hindrance
- incomplete data often makes it difficult to take appropriate decisions which may not be suitable to the org.

### 3. Risk taking ability:

- It's necessary to calculate risks for effective decision making.
- If risks are ignored also, decision may be inappropriate.

### 4. Too many options:

- A manager can be in a dilemma if too many options are available for effective selection.
- Finding the appropriate one can be difficult.

### 5. Inadequate support:

- A manager can't work from inadequate support from superiors as well as subordinates.

### 6. Lack of resources:

- Difficult to implement decisions due to lack of resources (time, staff, equip., etc.)

### 7. Inability to change:

- Every organization has its own culture which describes the policies. There are changes in the environment too.
- If mgt & subordinates are very rigid, then they can't take positive decisions.

## \* CSR [Corporate Social Responsibility]

- CSR is a type of business regulation with the aim of social accountability and making a positive impact on society.
- Many companies choose to go beyond the requirements with the idea of doing good to the society.

## \* Why CSR is important?

- CSR includes customer's perception of the brand.
- It is increasingly important for companies to have a socially conscious image.
- To stand out among the competition, the company needs to prove to the public that it is a "force for good".
- It is an excellent way for the business to stay top of mind and also to increase Brand Value.
- It attracts and retains employees.

[Tata (Ratan Tata) did adoptions, day care centres, old age homes. The next generation of employees are seeking homes out on employers that are focused on 3 bottom lines  
→ People → Plant → Revenue  
In that way, CSR helps to attract & retain employees.

(Royal Enfield → reduced sound & pollution, Brand value ↑)

- CSR increased your appeal to investors (stakeholders)
- Companies that take CSR seriously, focusing on both investors & partners in short term and long term gain

## \* 4 types of corporate responsibility business practices:

### 1. Environmental efforts:

CSR primarily focuses on environment.  
All the companies have to take steps to protect the people as well as environment

## 2. Philanthropy

Business can practice social responsibility by donating money, products or services to social causes and for non profits.  
*(Nike sold shoes and donated some to African kids)*

## 3. Ethical Labour practices

Companies can demonstrate CSR by treating employees fairly and ethically.

## 4. Volunteering:

- Participating in local causes or community events says a lot about a company's sincerity.
- When your company does good deeds, without expecting anything in return, the company's Brand Image increases.

## \* Corporate Governance:

- Corporate governance is a structure of rules, practices, and processes used to direct and manage a company.
- Company BOD is the primary influencing force for corporate governance.

### Fundamental pillars of corporate governance:

#### Accountability

{ ensuring that company's actions and decisions are accountable

#### Transparency

{ providing accurate & timely info about the company

#### Responsibility

{ ensuring that company complies with all laws and regulations

#### Fairness

{ treating stakeholders equally/fairly and safeguard against prejudice.

# UNIT - 2

## \* Organisational Design

- Organizational design is the process for shaping the way organizations are structured and run.
- It involves many aspects including information, decision making procedures, communication channels, etc.
- Involves implementing organizational structures and systems that align to organization's core strategies.

## \* Dimensions of organizational design:

- Formalization
- Specialization
- Hierarchy of authority
- Complexity
- Centralization

Formalization pertains to the amount of written document in the organization like procedures, job descs, etc. It is often measured by simply counting the number of pages of documentation in the organization.

Specialization refers to division of labour i.e. the degree to which organizational tasks are subdivided into separate jobs.

If specialization is extensive → each employee performs only a narrow set of tasks.

Specialization is low → employees perform a wide range of tasks

Hierarchy of Authority - who reports to whom and span of control for each managers. (no. employees reporting)

complexity is the number of distinct departmental units within the same organization.

centralization refers to a set-up in which decision making powers are in a few leaders at the top of organizational structure.

### \* What is classical approach?

#### Henry Fayol principles:

The list of 14 principles of management given by Henry Fayol is widely accepted.

- ① Division of work [depending on specialization, delegating] & of work to others
- ② Authority and responsibility
- ③ Discipline
- ④ Unity of command
- ⑤ Unity of direction
- ⑥ Subordination of individual interest to general interest
- ⑦ Remuneration of personnel
- ⑧ Scalar chain
- ⑨ Centralization
- ⑩ Order
- ⑪ Equity
- ⑫ Stability of tenure of personnel
- ⑬ Initiative
- ⑭ Esprit de corps

## ① Division of work:

- Helps a person to acquire an ability and accuracy with which he can do more and better work with the same effort.
- It can be applied at all levels of organization.

## ② Authority and Responsibility:

- Responsibility is the natural consequence of authority.
- There should be an equal balance.

## ③ Discipline: (outward marks of respect & obedience)

- Directing at achieving obedience.
- Necessary for smooth running of an enterprise.

## ④ Unity of command:

- Every subordinate should receive order and to be accountable to only one superior.
- Multiple command is a source of conflict and it threatens the stability of an organization.

## ⑤ Unity of direction:

- Ensures unity of action
- One head one command.

## ⑥ Subordination of individual interest to general interest:

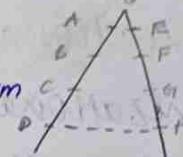
- Efforts should be taken to coordinate individual interest to general interest.
- When there is a conflict between the 2, the interest of the organization

## ⑦ Remuneration of Personnel: [non financial benefits] [perks or fringe benefits]

- The amount of remuneration (Sudexo, Leave travel allowance) should be just and fair and should provide max possible satisfaction to both employees & employers.

### ⑧ Scalar chain:

- Refers to chain of supervisors ranging from top to lowest level in the org.
- All upward & downward communication should (Gang plank) go through each position of authority along scalar chain.
- The chain of command should be short circuited only in special circumstances and it is called as "gang plank".
- Gang plank allows 2 employees to deal directly with each other.



### ⑨ Centralization:

- The degree of concentration of authority in one hand is known as centralization.

### ⑩ Order:

- Arrangement of things & placement of people.
- In material order, should be place for everything in its proper place.
- In social order, there should be an appointed place for everyone in every place.

### ⑪ Equality:

- Equality implies that employees should be treated with justice and kindness.
- Manager should be fair and impartial in the dealing with the subordinates.

### ⑫ Stability of tenure of personnel:

- Time needed for an emp to get used to new env. & work
- An emp can't render worthwhile service if he's removed from job b4 he gets accustomed.

### ⑬ Initiative:

- Emps at all levels should have an opp to take initiative and exercise judgement in formulation & execution of plans.
- Refers to freedom to think for oneself and doing the work.

### ⑭ Espirit de corps:

- "Union is strength". Unity of staff is considered to be foundation of success in any organization.

## ★ Organizational Structure: (OMP)

- organizational structure is the method by which work flows through an organization and allows groups to work together with their individual functions to manage staffs.
- organizational structure is the systematic arrangement of human resources in an org so as to achieve common business objectives. It outlines the roles and responsibilities of each member ensuring the smooth functioning of an organization.

## ★ Types of Organizational Structure:

→ centralized

→ decentralized

### ① Hierarchical structure

- Type of centralized org structure.
- There is a hierarchy of workers with leaders at the top, the workers below, and supervisors placed inbetween to get work done.
- Concentrates on decision making at the top level. As a result, the org suffers from lack of creativity from various levels of management.

Ex: government sector

### ② FLAT structure:

- The org structure is devoid of any hierarchy.
- Nobody commands or controls the employees.
- Decisions are made at every levels of management.
- Thus, it's usually used in small company with <sup>few emp</sup>.
- But, if business grows, it may cause chaos and inefficiency.

### ③ FLATARCHY structure: [Flat + Hierarchy]

- Includes the features of both. It's a temporary form of OS that comes into existence when a new prod / service is developed or tested.
- Org can have specialized teams to handle them more <sup>effec</sup> tively.
- Best for tackling change in the management.

#### ④ Functional structure (one product only)

- Creates a fixed set of departments based on functions like HR, Accounts, marketing, etc.
- It segregates the workforce based on the requirements of each departments.
- Allows the employees to work for a particular functional goal without worrying about other departments.

#### ⑤ Divisional structure: (two or more product lines)

sector

- comes into play when a firm emerged as a giant,
- Ex. If a fashion garment division, there will be kids wear, mens wear, ladies wear, affordable clothing divisions.
- Each division will have its own production, IT, sales teams

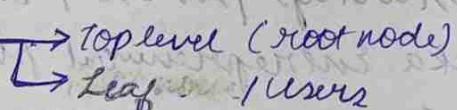
#### ⑥ Matrix structure:

- Under this, there is no clear differentiation of roles and responsibilities of resources.
- Resources may be shared across different teams to ensure max efficiency.
- They don't use OS, so it's complex & confusing.
- It reduces operating cost, but affects emp work efficiency.
- It's a form of decentralized OS.

#### ⑦ Virtual organizational structure:

- A "VOS" is an Adhoc organizational structure that is created for specific temporary basis.
- You can use VOS to combine usage ~~for~~ <sup>users</sup> that belong to multiple organizational structures

Ex. • Users of functional dept under specific location

- VOS has only 2 levels. 

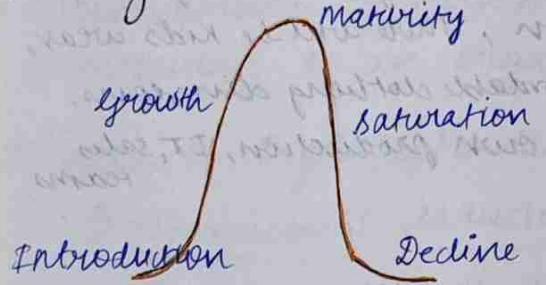
#### ⑧ Simple organizational structure:

- most basic operating system that the business can use to centralise its activities
- aka flat structure cuz no multiple layers of mgt.

## ⑨ Hybrid organizational structure

- It is a framework that employs multiple reporting structures in the organization.
- A hybrid form of organization is created by combining functional & product structures
- Ex • Starbucks - has a mix of 3 os, i.e. functional, geographical and product based os.

## \* Organizational lifecycle : (OMP)



The organizational lifecycle is referred as a model that has linked business operations w living org and proposed that it passes through predictable sequence of various dev and growth stages.

- It is believed that like human beings, orgs are also born, they grow and mature with time , and there comes a stage when they start declining like other human beings die .
- Some of the organizations have long shelf life whereas others are unable to cope up with the demands and have a short life.
- It is upto the mgt to realize and understand all the phases of the organizational lifecycle so that they can understand the priorities of that stage and make decisions that will work best for the period.

### ① Startup phase / Introduction phase

- aka Entrepreneurial phase Ex: Self driving cars ; AI approach products
- First stage of organizational lifecycle, and it has several names with same meanings and it signifies the start of the organization.
- Stage when company has to accumulate capital , develop prods & services and hire workers
- Also includes forming a business plan, formation of various themes , making investment plans, etc

- At this stage, the firm exhibits simple structure with centralized power at the top.

Ex: EV; Solar energy;

## ② Growth or Survival Stage:

- 2nd stage at a survival stage our atm company try to establish a framework, pursue growth and develop their capabilities
- there are 2 possible scenarios:
  - some companies enjoy success & move to next stage.
  - some organizations are unable to achieve success and subsequently fail to survive.
- Growth stage is crucial for an org for tailoring products
- To suit new market, they have identify subgroup of customers and make mods in products and services to serve them better.

Ex: Video games

## ③ Maturity phase:

- The company enters a hierarchical structure of management
- In this phase, the company pays fewer focus on expansion but focus more on safeguarding their interests and maintaining their existing growth & dev strategies and plans.

NOTE: It is the middle & topmost level of management, where the firm has to focus more for developing the products.

- During this stage, the products begin to enter the most profitable stage. The cost of production reduces & sales increases.

## ④ Saturation phase:

- During this phase, competitors have begun to take up a portion of the market and products will experience neither growth nor decline in sales. Ex: Soft drinks - Lipton, Torino, etc.
- We have a hold of customers but not prospective customers.
- Point when most consumers are using a product but there are many competing companies. Ex: Cereals - Kellogg's, varieties.
- If you want your product to become brand preference - you need to provide exceptional service; build strong relish w/ customers
- Innovation & RnD helps to retain market share.

## ⑤ Decline phase:

Ex: CD, cassettes;

- If the prod doesn't become the preferred brand in the market.
- Sales ↓ due to competition that's hard to overcome.
- Atm they have to discontinue the product, sell company, or innovate the product. Ex: Bawanti - Kalimoni bought

# UNIT - 3

## \* Organizational Behavior:

- The study of human behavior in organization's settings, interface between human behavior and organization ; and the organization itself.
- Organizational behavior has been influenced by many disciplines including
  - Sociology      → Psychology
  - Economics     → Philanthropy etc.

## \* Definition of OB:

"Organizational behavior is directly concerned with UPC, understanding, Predicting, and control of human behavior in organizations."

## \* Nature of OB:

- "A separate field of study , and not a discipline":  
(discipline → part of whole system      OB → whole system with parts)
- OB has multi-inter disciplinary programs and not based on theoretical background.
- "An inter-disciplinary approach":
  - Tries to integrate relevant knowledge from various disciplines like psychology, sociology and anthropology
  - To make them applicable for studying & analysing OB.
- "An applied science":
  - There is a diff b/w pure science & applied science
  - Pure science → only theoretical aspects
  - Applied science → applications of theory in org analysis.
- Hence OB is called science as well as art.
- "Normative science":  
Science - [ normative (causative & effectual)]
- Normative because OB prescribes how the findings of applied research can be applied to socially accepted org. goals.
- "A total system approach": integrates all variables that affect all the org functions.

## ★ Importance of OB:

- ① The employee absenteeism, productivity and turn over are emphasized. (as they are correlated).
- ② Productivity / performance of an employee is determined by organizational citizenship concept.  
(working beyond job desc, overtime; attachment w organization)
- ③ Attitude consists of evaluated statements that are favourable or unfavourable concerned with people and objects/crews  
- Attitude is formed from 3 basic elements:

→ Cognition → Effect → Behavior

(Psych.)

(concept)

- The belief, knowledge and opinion possessed by a person constitute the cognitive element of a person

- The feelings or emotion constitutes the element of attitude

- There are 3 job-related attitudes:

- Job involvement

- Job satisfaction

- Organizational commitment

## ④ Foundations of Individual behavior:

Level of analysis — [ Individual  
group  
organizational ]

→ Individual level of analysis:

• org behaviors at this level of analysis includes learning, perception, motivation, etc.

• In addition to this it also studies about turnover, coordinated behaviors, ethics, etc.

• Ex: 'A' joins a company as intern and has urge to learn But, time passes & he gets promoted, by that he becomes rude.

→ Group level analysis:

• includes psychological, sociological, discipline.

• intra & inter group conflict, leadership, power, norms, etc.

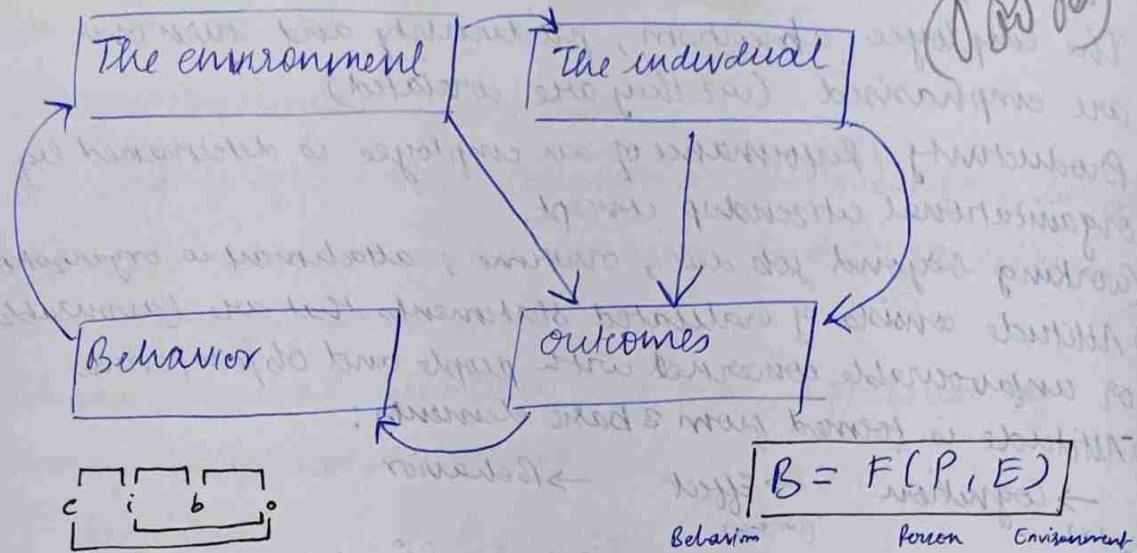
→ Organizational level analysis:

• draws upon sociology & political science, org structure, org culture, technology

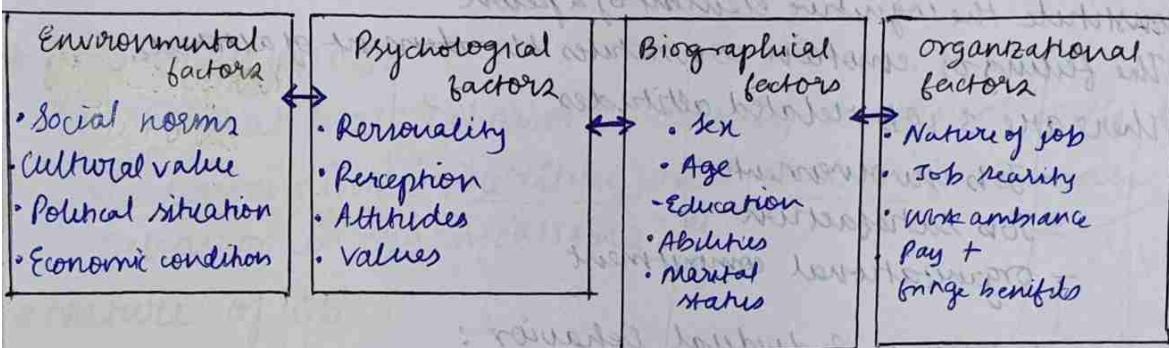
• Ex: 'X' wants to be singer. Parents force → SEngineer. At this case, there's a clash b/w opinions. This is indiv level analysis. If X seeks help from group → group level analysis.

If the external envir. when X finds soln from → org level analysis.

## \* Individual behavior framework:



## \* Foundations of individual behavior:



### ① Biographical factors

#### Gender:

- Research conducted by JP Leigh, found that there is a higher degree of absenteeism among women employees since women have to shoulder many greater domestic responsibilities.
- The larger attrition (leaving/reengaging) rate is also high among women employees; esp after marriage.
- But in organization, for maintaining confidential info and for sincerity, women are preferred more than men.

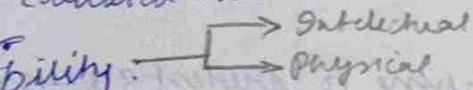
#### Age factors:

- Age has a lot to do with absenteeism, turnover and job satisfaction.  $Age \propto \left(\frac{1}{\text{Absenteeism}}\right)^{-1}$
- Older people have high rate of absenteeism (age and poor health)

## Education:

- Higher education higher the reward the person expects.
- Edu has an effect on an individual's behavior.
- Behaviors of edu & unedu are different.
- Educated ones are well mannered & are courteous.

## Ability:



- Individual capacity / capability to perform a task
- Intellectual ability is needed to perform mental activities  
Ex: GMAT, CAT, GRE, GATE
- Physical ability - individual stamina

## (2) Psychological factors:

### Personality:

- Pattern of behavior of an individual & emotion shown.
- Environment affects one's personality.

### Perception:

- Way one thinks of something. [Halo effect]
- process through which we select, organize & interpret info to understand the world around us.

### Attitudes:

- Cognitive aspect of a person
- One's feeling about pol. org., obj., social issues, etc.

### Values:

- Morality and Ethics
- Represents one's moral behavior w.r.t. right/wrong Good / Bad.

## (3) Economic factors:

### Economic condition:

- There are diff phases of an economy like boom, recession, depression, which have an impact on emp behavior
- Boom → job oppur plenty, more pay, promotion, etc.  
Emp keeps shifting jobs for quality of life.
- Recession → less oppur, slowdown spreads to all sectors.  
leads to depression.

### Technological changes situation:

- The absorption of tech has an effect on employees work performance
- IT sector, digital environment bad for health.
- They feel more workload than manual laborers.

## Government Policies

- The popular policies of the govt have an impact on individuals behavior and work perf.
- Privatization, outsourcing, compulsory retirement, tax policies, etc.

## Cultural Environment:

- Workers in the west work overtime to protest against anti-labour policy while Asian countries go on strike.
- So, lifetime appointment is normal in India, France and corruption is more in developing countries.
- Local culture impacts & reflects employee behavior.

## ④ Organizational factors:

### Pay and Fringe benefits:

- Higher pay enables a person to perform with full satisfaction.
- Inadequate pay or absence of allowances are likely to demotivate employees. → negative behavior.

### Job security:

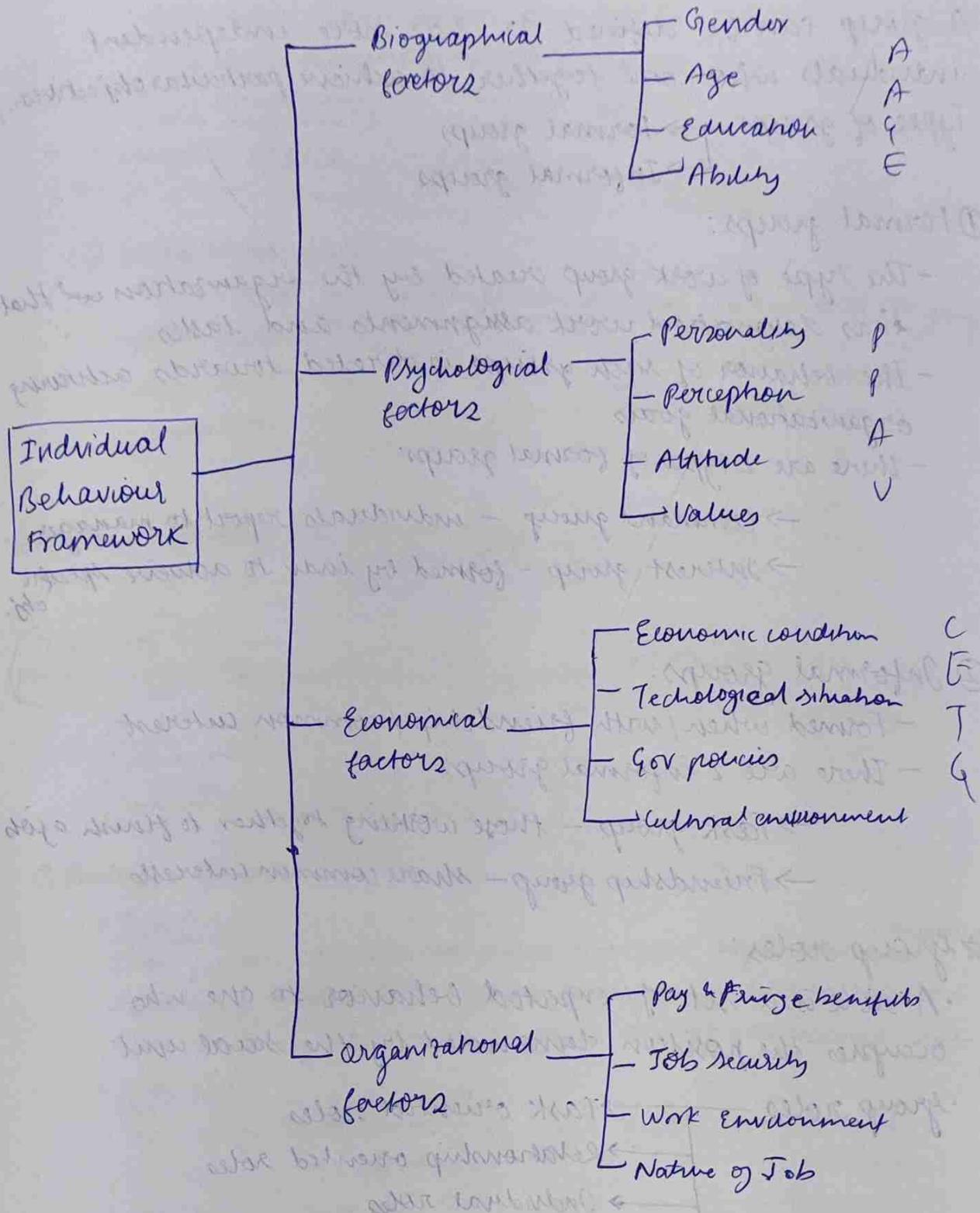
- Increases employee morale. When emp are under constant fear, they won't be loyal to the organization.

### Work Environment:

- denotes physical & social environments.
- Physical - canteen, drinking water, cabins, lighting, etc.
- Social - relationship between superior and subordinates.

### Nature of Job

- Routine jobs make employees feel dull.
- Challenging jobs make them work with enthusiasm.



(Rough)

## ★ Foundations of group behavior : (OMP)

- A group can be defined as 2 or more independent individuals who come together to achieve particular objectives.
- Types of groups → Formal groups  
    ↳ Informal groups

### ① Formal groups:

- The type of work group created by the organization that has designated work assignments and tasks.
- The behavior of such groups is directed towards achieving organizational goals.
- There are 2 types of formal groups:
  - Command group - individuals report to manager
  - Interest group - formed by indiv to achieve specific obj.

### ② Informal groups:

- Formed when / with friendship / common interest.
- There are 2 informal groups:
  - Task group - those working together to finish a job.
  - Friendship group - share common interests

## \* Group roles:

- A role is a set of expected behavior to one who occupies the position demanded by the social unit.
- Group roles →
  - Task oriented roles
  - Relationship oriented roles
  - Individual roles

### ① Task oriented roles:

- Role allotted to the individuals according to their work and eligibility. (6 categories)
- Initiator, Informer, Clarifier, Summarizer, Reality tester, Information provider

proposes & suggests

offers facts, exps

critical analyzer

provides info about data

interprets & clarifies

concludes & summarizes

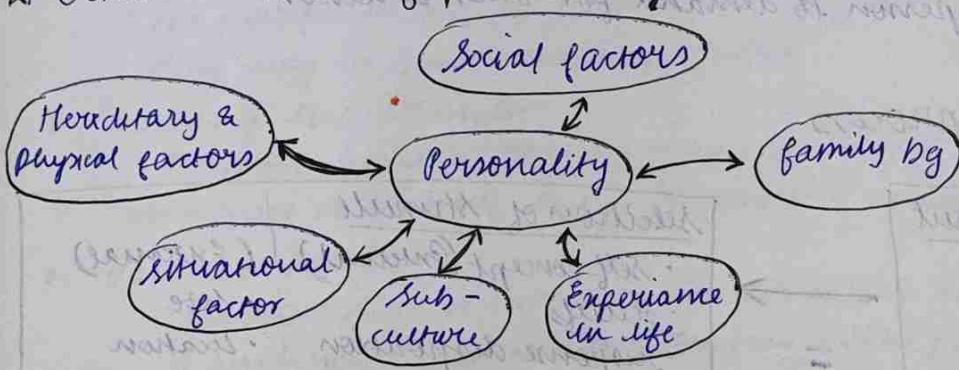
## ② Relationship oriented roles:

- Roles that group indiv. have to take effort to maintain healthy relationship in the group are role on grp.
- (5 categories)
- |                                                          |                                               |                                              |
|----------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| - Harmonizer<br>(limits disagreement)                    | - Gate Keeper<br>(make others to participate) |                                              |
| - Consensus tester<br>(analyzes decision making process) | - Encourager<br>(motivates & empathizes)      | - Compromiser<br>(limits anger and conflict) |

## ③ Individual roles:

- Role that an individual has to play in a part of the group.
- |                                             |                                                          |
|---------------------------------------------|----------------------------------------------------------|
| - Aggressor<br>(derives others' ideas)      | - Cavalier<br>(participate in non-productivity activity) |
| - Blocker<br>(disagrees with others' ideas) | - Avoidance<br>(avoids tasks)                            |
| - Dominator<br>(superior over others)       |                                                          |

## ★ Determination of personality:



## ① Biological factors:

### → Heredity:

- Those factors transmitted from ancestors to generations together.
- Researches conducted in genetic engineering has established that heredity influences physical, mental & emotional state.

### → Brain:

- The struct & composition of brain has a lot to do with personality development.

### → Physical features:

- Pf like tallness / shortness, color of skin, muscular strength has its impact on personality.

## ② Social factors:

- Home env & members of the family influence the personality development of a child. Children learn the basic habits from their parents. Other than this, schools where they spend a lot of time shapes the personality.

### ③ Sub-culture:

- culture is nothing but the blend of values, beliefs, norms shared by people. People from diff cultures tend to have diff personalities - influences their behavior.

### ④ Family background:

- includes education of parents, their status, experience during childhood, their occupation, etc shapes and nurtures the individuals.

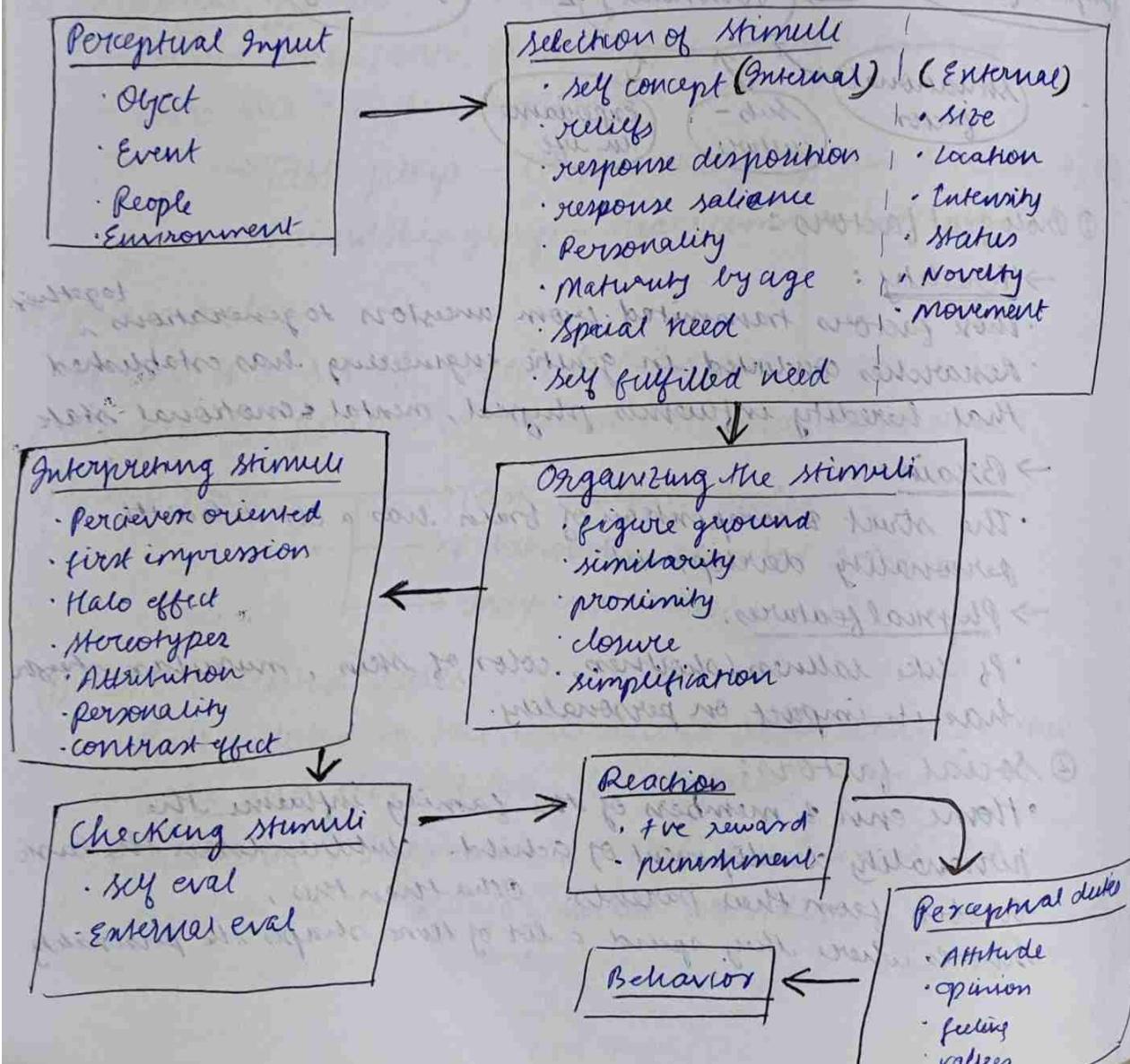
### ⑤ Experiences in life:

- the experiences both true & we have influence on one's personality.

### ⑥ Situational factors:

- A person behaves based on a given situation.
- A situation may either constrain ones behavior or pushes down a person's demand for other behavior.

## \* Perceptual process:



- Reacting to stimuli:
  - In this stage, a person is excited by stimuli. The sensory organs react to stimuli like event, object, people and environment.
  - Stimuli may be internal or external.  
Thus, when a person interacts with it, sensation takes place.
- Perceptual mechanism (selection):
  - It's not possible for an indiv to select the stimuli.  
Thus, he becomes choosy of stimuli.
- Organizing stimuli:
  - The stimulus received are organized in some form.
  - Various forms → Figure ground; grouping; simplification; close
- Interpreting stimuli:
  - The perceptual inputs received are organized by that there may be some misinterpretation.
- Checking the stimuli:
  - Perceiver checks correctness of interpretation by asking some ques to himself. By that he verifies if interpret is correct.
- Reaction to stimuli:
  - Perceiver has to react to the perception about something.  
If perception is favourable - reaction will be fine.  
If perceptions -ve; -ve action follows.

#### \* Factors involved in interpretation of stimuli:

##### → First impression:

- Opinion made in the first encounter sometimes lasts forever. It may be correct if based on adequate info.
- However, it may not reflect a person's true self without info collected.

##### → Halo effect:

- Based on one trait / quality, one judges a person completely.
- Tendency to form an impr about a person based on single trait.
- If qual perceived by persons are outstanding, he tends to perceive all the quals to be outstanding.

##### → Stereotyping:

- When inds are judged on the basis of characteristics of the group they belong to. (first used by Walter Lippmann)

##### → Attribution: (cause & effect) aka

- refers to the process by which cause of behavior is determined.

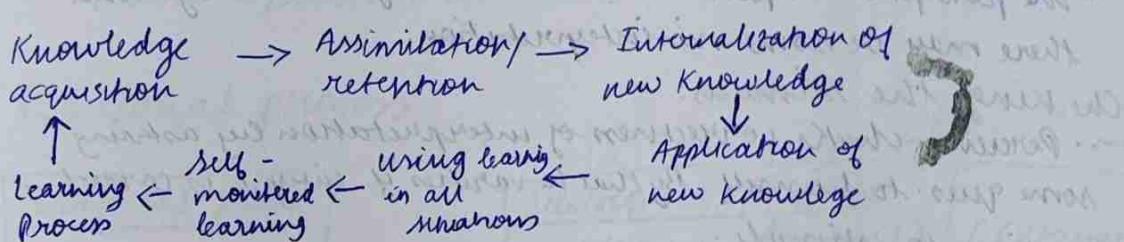
## \* Learning :

- Modification of behavior taking place through observation, training or practise.
- According to Schiffman, learning is a process by which indvs acquire knowledge and experience which they apply to their future behaviors.

## \* Features of Learning:

- Psychological process
- Continuous process
- involves permanent change in the behavior
- Occurs through repetitive practices

## \* Steps in Learning:



### ① Knowledge acquisition:

- First step - acquiring new input in terms of knowledge, understanding, developing, etc. When the process is picked quick, learning = effective.

### ② Assimilation or Retention:

- The info acquired shld be retained in memory for long. If it is short lived, learning wont be effective.

### ③ Internalization:

- Integration of kn acquired shld go to the individual's psychological system. if not, he will be a knower, not a doer.

### ④ Application:

- The info, behavior learnt shld be put to use.  
If not practiced its called Ornamental learning.

### ⑤ Using learning in all situ:

- An indv shld apply whatever learnt

### ⑥ Self monitored learning:

- Learning shld inc a person's capability for learning more on his own.

## A Reinforcement:

Anything that increases strength of response & tend to introduce repetition of the behavior is called Reinforcement.

- Positive Reinforcement
- Extrinsinc Reinforcement
- Primary Reinforcement
- Punishment
- Negative Reinforcement
- Intrinsic Reinforcement
- Secondary Reinforcement
- Extinction.

### Positive Reinforcement:

Strengthens the Behavior of pleasant or desirable performance

### Negative Reinforcement:

Anything that avoids unpleasant or undesirable response.

### Extrinsic Reinforcement:

Refers to external stimuli which make one to learn a particular behaviour

### Intrinsic Reinforcement:

One is driven by ones own feelings or motives to learn

### Primary Reinforcement:

One which influences to learn primary needs of the people.

### Secondary Reinforcement:

Drives and motives are administered to learners to learn the complex behaviors. Introduced for adoption of the behavior

### Punishment:

Complex method of learning which decreases and weakens the learning process.

### Extinction:

Overlooking of the response

Ex: If a manager ignores the sarcastic remarks of an angry worker, then it is extinction.

## \* Workplace emotions and Attitudes:

Emotions are intense feelings about something or someone.

### \* Types of emotions:

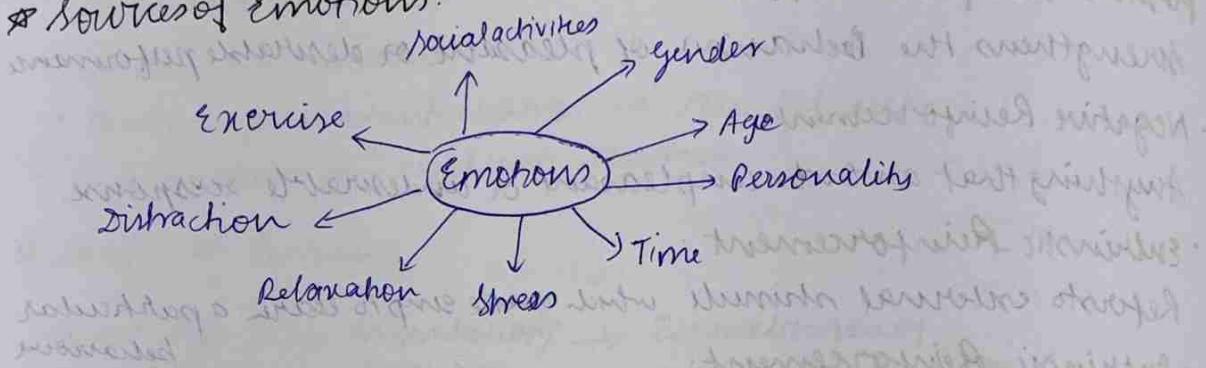
#### ① Positive / Primary emotions:

include love, affection, happiness, joy, surprise

#### ② Negative emotions:

include fear, sadness, anger, shame, disgust, hate

### \* Sources of Emotions:



Gender: Psychology says women are more emotional and women are capable of reading others' emotions.

Acc to them men are taught to be strong, women to be caring & nurturing.

Age: Elders are more stable than young ones & have less -ve emotion.

Personality: Introverted & Extraverted

Time: - diff days of a week. mornings-fresh; evening-dull

Stress: Tension / Stress affects emotions. usually short tenured.

Rest/Relax: Sleep helps change bad mood, relaxes mind

Exercise: helps ones spirit and improved mood. energy level ↑

Social activities: regain mood by socializing and chatting

Distractions: playing instruments, movies, etc to mood shift.

## \* Attitude:

Attitude are evaluative statements or judgement about objects, people or events. Ones attitude may be favourable or unfavourable.

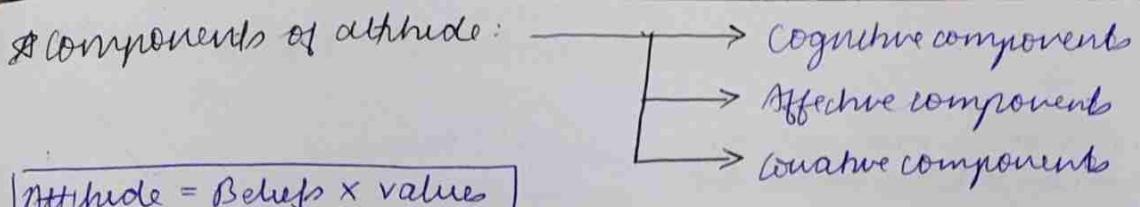
Characteristics:

→ Refers to ones feelings / belief about other person or thing

→ maybe +ve or -ve or favourable.

→ Attitude may be formed over a period of time

→ every ind has an attitude.



$$\boxed{\text{Attitude} = \text{Beliefs} \times \text{values}}$$

① Cognitive components:

includes perception, ideas of a person towards things.

Ex: Stmt of belief - my boss is good

② Affective components:

emotional or feeling segment of an attitude.

Statement which affects a person.

Ex: fear or hate ; loves babies ; hates smoking

③ Conative / behavioral component:

a persons tendency to behave in a particular way towards something. intention in short run or long run.

## \* Motivation:

meaning: derived from the word 'motive' - inner state of mind that activates own behavior.

definition: motivation is the willingness to exert higher levels of efforts towards organizational goal

### \* Process of motivation:

Need → Drive → Goal incentive

- Need is deficiency of Physiological or Psychological nature
- Drive is action oriented towards goal
- Incentive is anything that activates a need to reduce the desire

### \* Types of motivation:

① Positive motivation

people are motivated by rewards and awards

fall into 2 types:

— Financial — nonfinancial

✓  
pay, bonus, incentive

)  
praise, recognition

create/favorable org climate

② Negative motivation

ensures work performance through exerting fear into emp minds

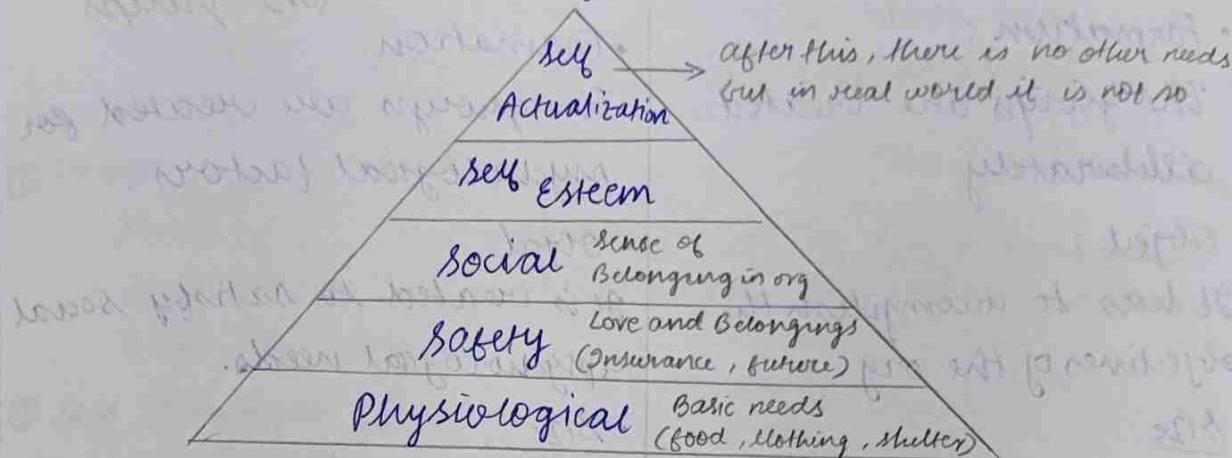
2 types:

— financial → nonfinancial

✓  
fine, penalty, payout

)  
demotion, punishment

## \* Maslow Need Hierarchy Theory:



### • Physiological needs:

Basic needs like food, clothing and shelter.

### • Security or Safety needs:

Man wants to be assured of stable income, pensions, compensation to meet the basic needs in later days.

### • Social needs:

Affection, love, sense of belonging come under this.

Man wants to build relations with others in society.

### • Esteem needs:

Dignity, status, self-respect are included here.

In short, he wants to be held in esteem by others.

### • Self Actualization needs:

Refers to man's desire to become what one is

capable of becoming. He wants to maximize his

potential to accomplish something. (lower end needs)

## \* Herzberg two factor theory:

- The hygiene factors are similar to Maslow's lower level needs. They don't motivate employees but their absence causes dissatisfaction.

- The second group of needs are motivators. All the factors don't motivate people, but they must be present to prevent dissatisfaction and it is the only second set of factors that are real motivators.

Hygiene factor

Motivation factor

(higher end needs)

## \* Difference between Formal & Informal organizations. (or) groups

### • Formation:

The groups are created deliberately

### • Object:

It has to accomplish the objectives of the org.

### • Size:

Large formal group.

### • Behaviour:

The behaviour of members is governed by rules and regulations.

### • Formation:

The groups are created by psychological factors.

### • Object:

It is created to satisfy social psychological needs.

### • Size:

Size is small.

### • Behaviour:

The behavior of informal members is governed by norms, beliefs and values.

## \* Group dynamics:

- Refers to dynamics of interaction, patterns of interaction, pressure exerted by group, group decision making, etc.
- In simple terms, it refers to the social process by which people interact and behave in a group environment.

## \* Types of Teams :

→ Functional team

→ Cross functional / Cross sectional team

→ Self managed work teams

→ Problem solving team

→ Virtual team

A team consists of indvs collaborating on a specific task to achieve common goals of an org.

## ① Functional team:

Functional team includes members of same dept with diff responsibilities. A manager is resp for everything and everyone reports to them.

## ② Cross functional team:

Made up of individual from various departments.

These teams tackle specific tasks that require different expertise inputs.

## ③ Self managed team

Individuals in self managed team are employees of the same org who work together to reach a common goal.

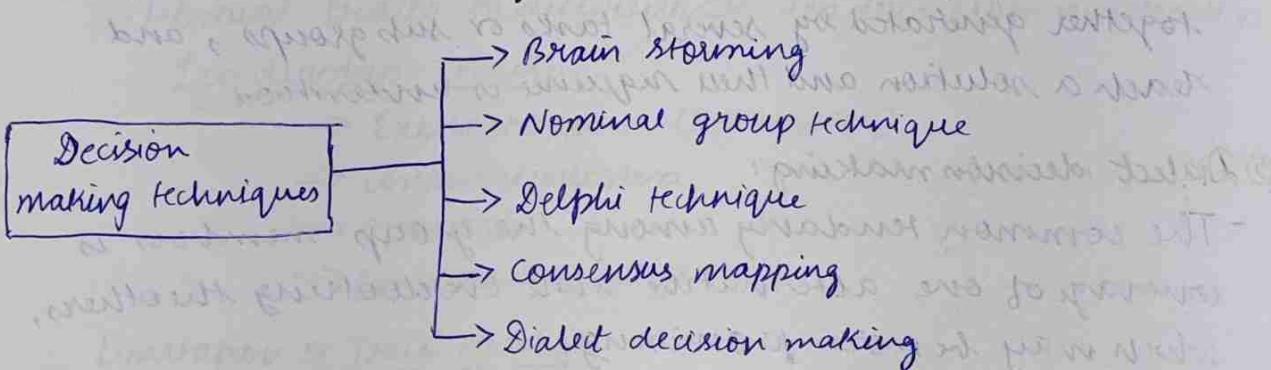
## ④ Virtual team:

Virtual team dont interact in real life and rely on diff tools to collaborate in their work. Often have members from diff geographical regions. (Remote working or WFH)

## ⑤ Problem solving team:

Individuals from various depts combine together to solve a problem through brain storming session and by that finding soln to a problem is a problem solving team.

## \* Team Decision making methods / Techniques:



## ① Brain storming: (Osborn in 1938)

- Is a conference technique by which a grp seeks to find a soln for a specific problem by members' spontaneous ideas.

- Process : group of 10 - 15

↓  
not from same dept

↓  
but familiar with  
the probm / issue

↓  
probm given to  
the group

Member ideas → Ideas generation

↓  
Idea evaluation → Ideas evaluation

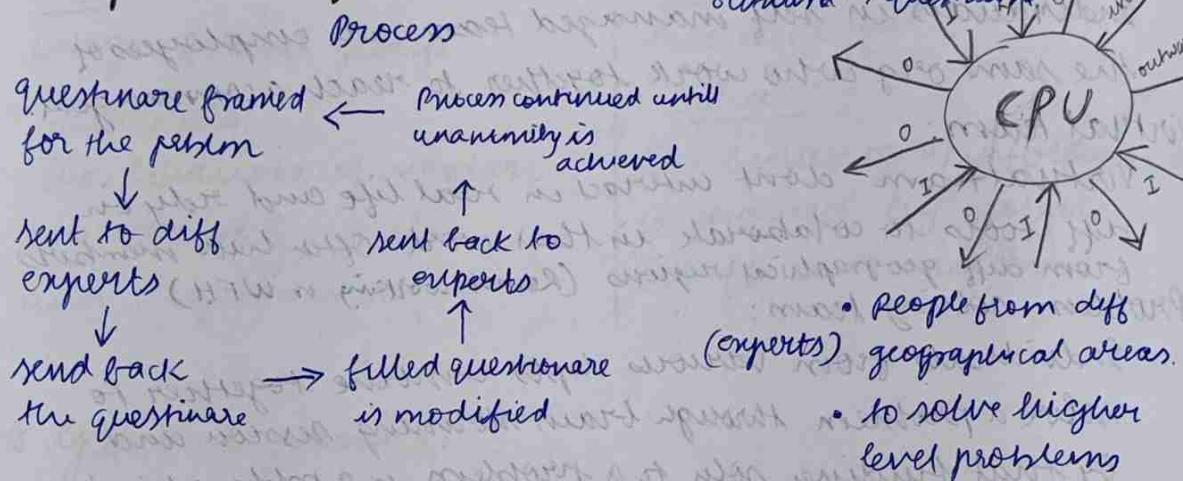
↓  
Alternatives → Alternatives

↓  
Final decision → Final decision

## ② Nominal group technique :

- Structured group meeting with verbal presentation of ideas by the group members.
- Process : writing ideas ← verbal presentation  
↓  
discussing  
↓  
selecting best idea by ranking process

## ③ Delphi technique :



## ④ Consensus mapping:

- Attempt made to arrive at a decision by pooling of ideas together generated by several tasks or sub groups , and reach a solution and their sequence is understood

## ⑤ Dialectic decision making :

- The common tendency among the group members is coverage of one alternative while overlooking the others, which may be more promising.
- Dialectic decision method provides an alternative platform for members to discuss each alternative in depth.
- Unilateral decision group of

## ⑥

### Unilateral decision of group leader:

Group leader takes decision without consulting others in the group

### Consultative decision making by group leader:

Decision by majority vote : [all members discuss & express views  
final decision made on majority view]

## \* Machiavellianism :

The use of cleverness, but often dishonest methods that deceive people in order to win the power or control.

## \* Figure head role/principle:

Represents the organization which motivates the team to achieve the role.

They the way people get things done in an organization.

Ex: The managerial role is a source of power and authority.

## \* Role of organizational behavior:

U - Understand

P - Predict

C - Control

D - Describe

## \* Basic approach to leadership and applications

The ability to influence a group and by that achieving the goals of an organization is called "Leadership".

### • Trait theory : ("Leaders are born")

Theory that considers personality, social, physical or intellectual traits to differentiate leaders from non leaders.

#### Leadership Traits:

- Extraversion (Extrovert)
- Conscientiousness
- Openness
- Emotional Intelligence

#### • Limitation of Trait theory:

- No universal trait found that the qualities that are predicted as leadership will be applied in all situations
- Unclear evidence of the cause and effect relationship of leadership and traits.

#### • Behavioural theory : ("Leaders are made")

- Proposing that the specific behavior of an individual differentiate leaders from non leaders.
- Leadership behavior can be taught

Limitation of Behavioral approach theory:

Effective behaviour does not generalize across situations.

- Contingency approach:

- There are various situational factors or variables which causes one's leadership style to be more effective than another. (e.g.) Leadership is strongly influenced by situations and from that, leader emerges.

Q.U.E.: CASE STUDY

A limited decided to go for perfect coordination in various aspects of the company. At this stage thinking, what is to be done to go for throughout a year, they decide to go for:

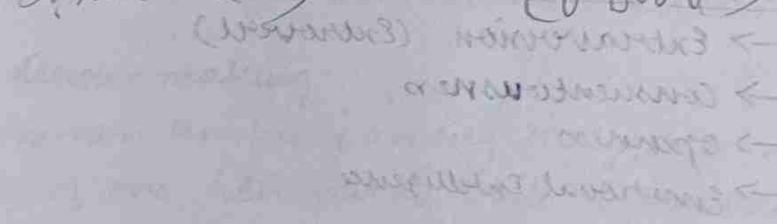
the harmony b/w the goals of the org and those of indiv dep'ts. When they were employees, they evaluate their work in terms of how efficient they are. Finally, in the last month of production, they check deviation b/w the set target and the actual production.

(WWW.CBSE.TUQS.COM)

(Wk stress & stress mgmt) (M&P) (CS)

(Org Structure)

(M&P)



present need & variation

we both will go with total break from learning all  
involved we in change so new guidelines at teaching  
interactions b/w teacher and student will go according to  
their own guidelines

(changes are coming) present teaching

what we do now is based on four principles  
which are now changing towards  
theory of new teaching guidelines

## \* Factors for organizational Politics: (Reasons)

### ① Organizational factor:

#### ①.1 Competitor power:

Power is a limited resource. When people in an org would like to exercise more power, political behaviour emerges.

Such power disrupts the smooth flow of functions in an organization.

#### ①.2 Discretionary power:

Organization gives discretionary power to certain depts. Power agents use this power only in emergency situations.

Ex: SDE dept recruits without informing HR dept

#### ①.3 Reduction or Reallocation of resources:

When an org downsizes, they reduce their resources. People threatened by loss of resources and engage in politics.

#### ①.4 Promotion:

Promotion invites politics. Promotion encourages people to compete for a limited positions and freely influences the decision.

#### ①.5 Trust:

Lack of trust creates politics. Lower the level of trust, higher politics.

## ① Role ambiguity:

When the role of a person is not defined properly so the prescribed behavior of an emp not clearly defined.

## ①.7 Subjective performance evaluation:

Subjective evaluation may lead to political behavior.

Judgement of superior can't be measured in quantified terms.

## ①.8 Saturation in promotion:

Some people who have reached the peak of their career create politics.

## ①.9 Situation and culture:

The culture of an org like yrs loose situation, in rewards, they engage in politics.

## ①.10 Decision making:

Some orgs are autocratic in management. Managers feel below dignity to consult with subordinates.

## ①.11 Premature stress:

Premature emp undergoes a likely to enter politicking

## ①.12 Organizational ~~Environment~~ Climate:

Politicking by superiors will give permission at to those at lower level to play politics implying that such behavior is acceptable.

## ② Individual factors:

### ②.1 Perceived job alternatives:

The more the jobs opp to the indiv, which causes an ind to engage in illegitimate political actions.

### ②.2 Internal locus of control:

Individuals to believe that she/he can control the environment, attempt to manipulate the situations.

### ②.3 Machiavellian personality:

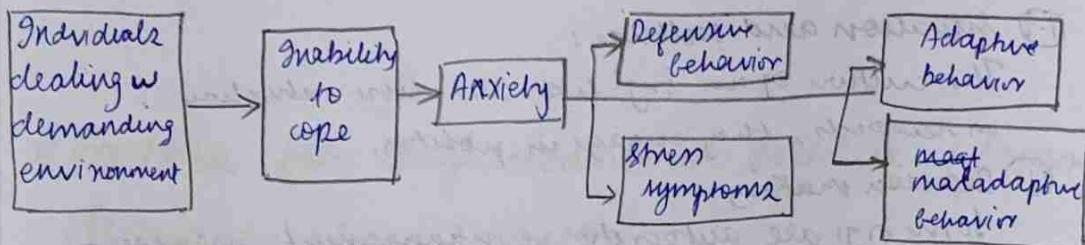
Manipulating things in order to get the power

### ②.4 Expectations of success:

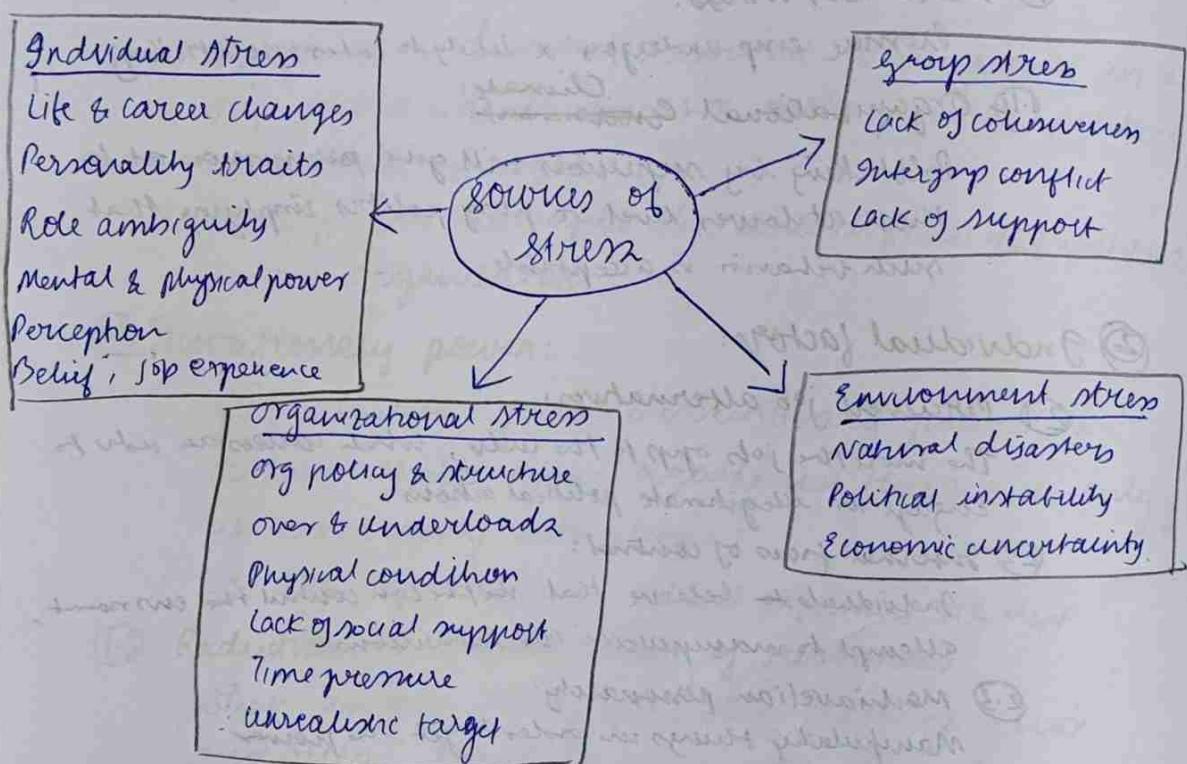
When an indiv has high expectations of success, then they more indulge in politicking.

\* **Workplace stress and Stress Management.**  
 Stress arises when a person is unable to cope up with demands of the situation owing to mental and physical incapacity.

### \* Development of Stress:



### \* Causes of Stress:



### \* Consequences of stress:

- ① Physical problem (BP, sugar, hormones)
- ② Psychological problem (nervous, depression)
- ③ Behavioural problem (smoking, drinking)
- ④ Eustress (when we take stress in positive way)
- ⑤ Burnout
- ⑥ Rustout (capacities are underutilized)

## \* Management of Stress :

### Individual coping strategy

- Physical exercise
- Relaxation
- Cognitive therapy
- Networking
- Time management & orderly arrangement of things

### Organizational coping strategy

- conducive work climate
- Job enrichment (Participative)
- Role clarity (adding flavours to the job)
- Career planning

## \* Organizational culture:

Refers to a system of shared meaning held by the members of one organization which distinguishes from other org.

## \$ Elements of organizational culture :

### Recognition:

- single largest contributor which is a driving force for employee engagement.
- But some organizations treat recognition as something special for occasions like anniversary celebrations which fails to make impact on employees.
- Instead of that, instill a culture of frequent monitoring and social recognition from top-bottom and bottom-up.

### Values:

- Start by clearly laying out the values that your company and employees can understand.

### Employee voice:

- Employees must feel comfortable in expressing their true thoughts.
- This can help to improve business outcome and employee experience.

### Leadership:

- If employees believe that the manager is a good leader, then it is set for success
- Ensure that leaders follow 2 way communication with the team members.

### Belonging:

- sense of belonging = foundation of any culture.

## Merging Cultures:

- Organizations come together for a variety of reasons (Joint ventures, mergers, acquisitions, strategic alliance, etc.)
- While merging cultures, there will be a different starting point, methods, and outcome; for which the organization must follow certain points:
  - Develop a change management plan including effective communication.
    - help each side understand the others' point of view from both sides.
  - Clearly articulate why some things could no longer be done. help both the sides why things are different in the new world.
  - Aim to adapt and enhance and create a new culture.
- We have to take both organizational set of values which can be developed into a new one.
  - Take the opportunity physically move people. Employees in both orgs are waiting for a chance to make a new lifestyle.
  - Consider what can be done immediately to start the process of working together and moving ahead.
  - The end result is the joint venture between people from both sides of the organization, and showing a future state of working together.

## \* Managing cultural diversity:

5 strategies that help transform the organization, and manage differences in the work culture

### ① Hiring:

Recruitment must not be biased and must aim for diversity. For that, the org must widen the applicant search on diverse job boards.

### ② Communication:

Organization must ensure that all procedures, safety rules, and other information should be defined properly in order to overcome cultural and language barriers.

### ③ Religious accomodation:

As an employer, they have to provide workplace religious accomodation like dresscode, and excused absence from programs which might be conflictive with the employee's beliefs.

### ④ Team building:

Make sure that everyone feels that they are an imp part of the group, which inturn helps for team building.

### ⑤ Intercultural interaction

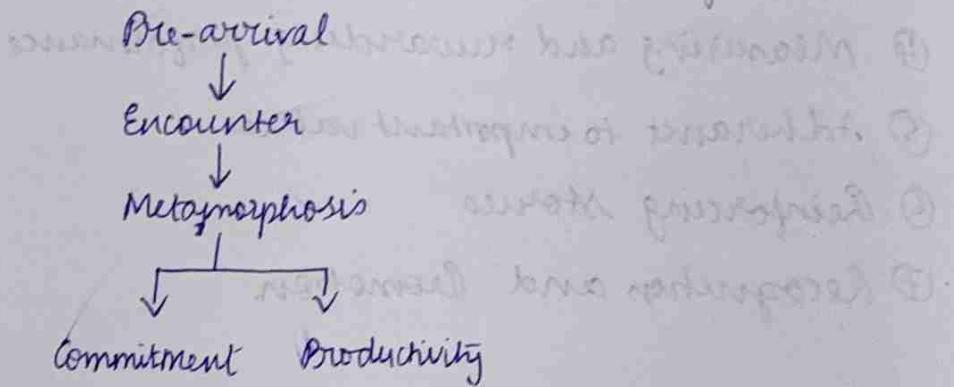
Best way to show your employee that you appreciate and respect cultural differences by being open to traditions and values.

Avoid promoting one culture, and make effort to make emp traditions & gatherings

## \* Organizational Socialization

The process of learning to behave in a way that is acceptable to the society is called socialization.

\* Stages in socialization process: Metamorphosis



Pre-arrival  $\Rightarrow$  All the learning that occurs before the new employee joins the organization. Every emp joins the org with a set of values, norms and expectations.

They come with preconceived idea about the company and new work to be done in the company.

Encounter  $\Rightarrow$  Here, new recruits confronts the reality of the situation in terms of job, superior, peers, etc. If this expectation are with the reality, he adapts himself to the culture, if not, he should go through socialization and should adapt to the current situation.

Metamorphosis  $\Rightarrow$  Here, new emp adapts himself to values and norms of the org, and modified himself to the new organization.

## \* Process of socialization of employees:

- ① Selection of entry level persons
- ② Placement on the job
- ③ Job mastery
- ④ Measuring and rewarding performance
- ⑤ Adherence to important values
- ⑥ Reinforcing stories
- ⑦ Recognition and Promotion.

# END SEMESTER:

## 1) Effectiveness or Efficiency?

- Effectiveness → only output focused
- efficiency → output and cost factors are considered.
- so, it depends on the organizational context.
- If resources are a priority → Efficiency (optimal utilization)
- If high quality results achieving objectives → Effectiveness.

## 2) Standardization:

Setting a standard for all business activities from start to end.  
→ consistency → efficiency → Quality control.

## 3) Two types of interacting features in organization are:

① Organization Structure    ② Organization Culture

Divisional department (grouping) example:

- |           |                          |
|-----------|--------------------------|
| Beverages | → Beverage production    |
|           | → sales and distribution |
|           | → Quality assurance      |
|           | → Product innovation     |

## 4) Organization with high relational coordination: (<sup>how to?</sup>)

- Build collaborative culture
- Develop shared goals & values
- Employee empowerment ; training & development encourage
- Establish feedback mechanisms

## 5.) Power

- Ability to influence or control others
- Formal or informal
- Can be used constructively and destructively

Ex: Leaders influencing people through inspiration

## Authority

- Legitimate right to exert power and make decisions.
  - Formal - recognized by organization.
  - Used only for organizational benefit.
- Ex: Managers giving instructions to employees.

## 6) Types of Teams:

### Functional teams

includes members of same dept and diff responsibility, one manager to whom everyone reports to.

### Gross functional teams

includes members from diff depts who tackle a specific problem that requires expertise from diff people.

### Self managed teams

employees of the same organization who work together to reach a common goal

### Virtual teams

members from diff geographical locations. depend on tools (virtual) since dont interact in real life

### Problem solving teams

7) Cooptation is when an organization brings in, or includes individuals or groups that were initially critical or opposed to it.

Done to reduce opposition, gain support, or be diverse.

Ex: Students - food bad - create committee - review and suggest

## 8) Perception:

- The process by which people interpret and make sense of sensory information from external environment.
- Involves organization, identification & interpretation of stimuli
- Subjective and cognitive process.

9) Organizational design is process of shaping how an org is structured and run.

- Involves arranging various components for better efficiency, etc.
- Involves implementing systems and structures that align with the organizations core strategies

→ formalization

→ Specialization

→ Hierarchy of authority

→ complexity

→ centralization

## 10) Key managerial roles:

### Interpersonal roles

- Figure head
- Liaison
- Leader

### Informational roles

- Monitor
- Disseminator
- Spokesperson

### Decisional roles

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator

## 11) Power

- Ability to influence or control others
- Expertise, experience, position, control over resources can be sources
- Formal or informal

Ex:

### Politics

- Use of tactics and strategies to gain and maintain power or influence.
- Strategic use of influence, networking or manipulating.
- Informal (within an org)

Ex:

## 12) Halo Effect:

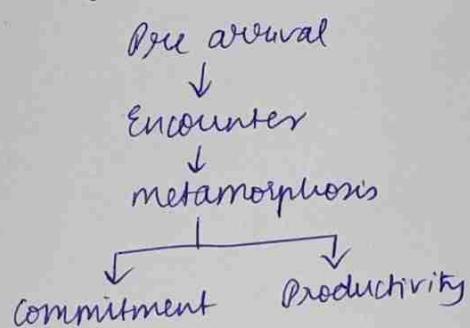
It is a cognitive bias where a ~~person's~~ positive quality in a person influences our overall perception

Ex: If a person is handsome, we might get into conclusions that ~~she~~ he might be intelligent as well.

## 13) Organizational socialization:

Process of learning to behave in a way that's acceptable to the society or organization is called socialization.

Stages:



14) Organizational culture: shared values, beliefs, behaviors and norms that shape how people interact in an organization.

"Personality" of the org:

→ Recognition  
→ Values

→ Employee voice  
→ Leadership

→ Belonging.