Semester - I

18BAU101   CORE – FUNDAMENTALS OF MANAGEMENT AND   4H – 4C
ORGANIZATIONAL BEHAVIOUR

Instruction Hours / week: L: 4 T: 0 P: 0   Marks: Internal: **40**   External: **60** Total: **100**
End Semester Exam: 3 Hours
Course Objectives
To make the students
- Understand the concepts of management.
- Gain the knowledge in the functions of management.
- Familiar with the human behaviour concepts.
- Understand the importance of motivation and leadership skills.
- Understand the importance of organization system including group, team, conflict and change.

Course Outcomes (COs)
Learners should be able to

- Describe the concept, functions and levels of management and how the different schools of thoughts are integrated into management principles and practices.
- Specify how the managerial functions of planning, organizing and controlling are executed in a variety of circumstances.
- Analyze the behaviour of individual and groups its influence organization.
- Resolve group dynamics, handle conflict and manage change.

UNIT I
Definition of Management –managerial roles and skills – Evolution of Management – Scientific, human relations , system and contingency approaches – Management by Objectives (MBO) – Management by Exception (MBE) - Types of Business organization - Sole proprietorship, partnership, company-public and private sector enterprises - Special forms of ownership : Franchising -Licensing- Leasing- Corporate Expansion :mergers and acquisitions - Diversification, forward and backward integration -Jointventures, Strategic alliance

UNIT II
Nature and purpose of planning – planning process – types of planning – objectives – setting objectives – policies – Planning premises – Strategic Management – Planning Tools and Techniques – Decision making steps and process - Organizing – Formal and informal organization – organization chart – organization structure – types – Line and staff authority – departmentalization – Span of Control - Delegation of authority – centralization and decentralization – System and process of controlling – budgetary and non-budgetary control

techniques – use of computers and IT in Management control – Productivity problems and management – control and performance – direct and preventive control – reporting.

UNIT III
Importance of organizational Behaviour–OB Model - Attitudes – Components – Attitude and Behaviour– Job attitudes – Values – importance – Terminal and Instrumental values – Generational Values – Personality and values.
Personality – Types – Factors influencing personality – Theories – Perceptions – Importance – Factors influencing perception – Judging others, perception and individual decision making

UNIT IV
Learning - Concept and Theories of Learning, Reinforcement,. Motivation – Importance – Theories: Need, Content and Process Theories – Application.
Leadership – Theories – Trait and Contingency theories – Power and politics – Bases of power – Causes and consequences of political behavior

UNIT V
Groups and Teams - Definition, Difference between Groups and teams - Stages of Group Development - Group Cohesiveness - Types of teams
Conflict: Concept, Sources- Types, Stages of conflict - Management of conflict,
Organisational Change :Concept, Resistance to change, Managing resistance to change, Implementing Change –Kurt Lewin Theory of Change

SUGGESTED READINGS:
TEXT BOOKS
1. DinkarPagare.(2015).*Principles of Management*. New Delhi: S.Chand and Co Ltd.
2. Aswathappa, K. (2014). *Organizational Behaviour*.Mumbai: Himalaya Publishing House.

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1. Gilbert. (2011).*Principles of Management*. New Delhi: Tata McGraw Hill Publishers Pvt. Ltd.
2. Jerald Greenberg. (2011).*Behavior in Organizations*. New Delhi: Pearson Prentice Hall of India.
3. Vijay Kumar Kaul. (2011).*Business Organization and Management:* Text and Cases. New Delhi : Pearson Education India.
4. Vijay Kumar Kaul. (2016).*Principles and Practices of Management*. New Delhi: VikasPublication.
5. Kavita Singh. (2015).*Organizational Behaviour: Text and Cases*(3rd ed.).New Delhi: Vikas Publications.
6. Koontz.,& Heinz Weihrich. (2010).*Essential of Management.* New Delhi: McGraw Hill.
7. Fred Luthans.(2005). *Organizational Behaviour*(10th ed.). New Delhi: Tata McGraw - Hill Education.
8. Mc Shane,L., Steven, Glinow Mary Ann Von & Sharma Radha, R.(2008). *Organisational Behaviour*., New Delhi: Tata McGraw Hill Publishers Pvt. Ltd.
9. Newstrom John, W. (2006).*Organisational Behaviour*(12th ed.).New Delhi: McGraw Hill Higher Education.

10. Richard L., Daft. (2008).*Principles of Management*(8th ed.).New Delhi: Cengage Learning India.
11. Robbins Stephen, P. (2014). *Organisational Behaviour*(7th ed.).New Delhi: Pearson Prentice Hall of India.
12. Stephen P Robbins., David, A.,DeCenzo, Mary Coulter & Ian Anderson, (2013).*Fundamentals of Management*(7th ed.).New Delhi: Pearson Education.
13. Bhushan, Y.K. (2013).*Fundamentals of Business Organization and Management*(19th ed.).New Delhi: Sultan Chand and Sons.
14. NavinMathur.(2004).*Management Gurus Ideas and Insights*. Uttarakhand: National Publishing House.

UNIT-I

SYLLABUS

Definition of Management –managerial roles and skills – Evolution of Management – Scientific, human relations , system and contingency approaches – Management by Objectives (MBO) – Management by Exception (MBE) - Types of Business organization - Sole proprietorship, partnership, company-public and private sector enterprises - Special forms of ownership : Franchising -Licensing- Leasing- Corporate Expansion :mergers and acquisitions -Diversification, forward and backward integration –Joint ventures, Strategic alliance.

OVERVIEW OF MANAGEMENT

DEFINITION

According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals".

LEVELS OF MANAGEMENT

The three levels of management are as follows

1. The Top Management

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows –

a.   Top management lays down the objectives and broad policies of the enterprise.
b.   It issues necessary instructions for preparation of department budgets, procedures, schedules.
c.   It prepares strategic plans & policies for the enterprise.
d.   It appoints the executive for middle level i.e. departmental managers.
e.   It controls & coordinates the activities of all the departments.
f.   It is also responsible for maintaining a contact with the outside world.
g.   It provides guidance and direction.
h.   The top management is also responsible towards the shareholders for the performance of the enterprise.

2.   Middle Level Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as –

a.   They execute the plans of the organization in accordance with the policies and directives of the top management.
b.   They make plans for the sub-units of the organization.
c.   They participate in employment & training of lower level management.
d.   They interpret and explain policies from top level management to lower level.
e.   They are responsible for coordinating the activities within the division or department.
f.   It also sends important reports and other important data to top level management.
g.   They evaluate performance of junior managers.
h.   They are also responsible for inspiring lower level managers towards better performance.

3.   Lower Level Management
Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to R.C. Davis, "Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees". In other words, they are concerned with direction and controlling function of management. Their activities include

a.   Assigning of jobs and tasks to various workers.
b.   They guide and instruct workers for day to day activities.
c.   They are responsible for the quality as well as quantity of production.
d.   They are also entrusted with the responsibility of maintaining good relation in the organization.
e.   They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
f.   They help to solve the grievances of the workers.
g.   They supervise & guide the sub-ordinates.
h.   They are responsible for providing training to the workers.
i.   They arrange necessary materials, machines, tools etc for getting the things done.
j.   They prepare periodical reports about the performance of the workers.
k.   They ensure discipline in the enterprise.
l.   They motivate workers.
m.   They are the image builders of the enterprise because they are in direct contact with the workers.

FUNCTIONS OF MANAGEMENT

Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from

operative functions like marketing, finance, purchase etc. Rather these activities are common to each and every manger irrespective of his level or status.

Different experts have classified functions of management. According to George & Jerry, "There are four fundamental functions of management i.e. planning, organizing, actuating and controlling". According to Henry Fayol, "To manage is to forecast and plan, to organize, to command, & to control". Whereas Luther Gullick has given a keyword 'POSDCORB' where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O'DONNEL i.e. Planning, Organizing, Staffing, Directing and Controlling.

For theoretical purposes, it may be convenient to separate the function of management but practically these functions are overlapping in nature i.e. they are highly inseparable. Each function blends into the other & each affects the performance of others.

1.   Planning

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, "Planning is deciding in advance – what to do, when to do & how to do. It bridges the gap from where we are & where we want to be". A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

2.   Organizing

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

•   Identification of activities.

•   Classification of grouping of activities.

•   Assignment of duties.

•   Delegation of authority and creation of responsibility.

•   Coordinating authority and responsibility relationships.

3.   Staffing

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of

business, complexity of human behavior etc. The main purpose o staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O'Donell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed un the structure". Staffing involves:

• Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
• Recruitment, selection & placement.
• Training & development.
• Remuneration.
• Performance appraisal.
• Promotions & transfer.

4. Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:

• Supervision
• Motivation
• Leadership
• Communication

(i)   Supervision- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

(ii)   Motivation- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

(iii)   Leadership- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

(iv)   Communications- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

5. Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, "Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation". According to Koontz & O'Donell "Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished". Therefore controlling has following steps:

(i)   Establishment of standard performance.

(ii)   Measurement of actual performance.

(iii)   Comparison of actual performance with the standards and finding out deviation if any.

(iv)   Corrective action.

ROLES OF MANAGER

Henry Mintzberg identified ten different roles, separated into three categories. The categories he defined are as follows:

a) Interpersonal Roles

The ones that, like the name suggests, involve people and other ceremonial duties. It can be further classified as follows

•   Leader – Responsible for staffing, training, and associated duties.

•   Figurehead – The symbolic head of the organization.

•   Liaison – Maintains the communication between all contacts and informers that compose the organizational network.

 b) Informational Roles

Related to collecting, receiving, and disseminating information.

•   Monitor – Personally seek and receive information, to be able to understand the organization.

•   Disseminator – Transmits all import information received from outsiders to the members of the organization.

•   Spokesperson – On the contrary to the above role, here the manager transmits the organization's plans, policies and actions to outsiders.

c) Decisional Roles

Roles that revolve around making choices.

• Entrepreneur – Seeks opportunities. Basically they search for change, respond to it, and exploit it.

• Negotiator – Represents the organization at major negotiations.

• Resource Allocator – Makes or approves all significant decisions related to the allocation of resources.

• Disturbance Handler – Responsible for corrective action when the organization faces disturbances.

EVOLUTION OF MANAGEMENT THOUGHT

The practice of management is as old as human civilization. The ancient civilizations of Egypt (the great pyramids), Greece (leadership and war tactics of Alexander the great) and Rome displayed the marvelous results of good management practices.

The origin of management as a discipline was developed in the late 19th century. Over time, management thinkers have sought ways to organize and classify the voluminous information about management that has been collected and disseminated. These attempts at classification have resulted in the identification of management approaches. The approaches of management are theoretical frameworks for the study of management. Each of the approaches of management are based on somewhat different assumptions about human beings and the organizations for which they work.

The different approaches of management are

a) Classical approach,

b) Behavioral approach,

c) Quantitative approach,

d) Systems approach,

e) Contingency approach.

The formal study of management is largely a twentieth-century phenomenon, and to some degree the relatively large number of management approaches reflects a lack of consensus among management scholars about basic questions of theory and practice.

a) THE CLASSICAL APPROACH: The classical approach is the oldest formal approach of management thought. Its roots pre-date the twentieth century. The classical approach of thought generally concerns ways to manage work and organizations more efficiently. Three areas of study

that can be grouped under the classical approach are scientific management, administrative management, and bureaucratic management.

(i) Scientific Management. Frederick Winslow Taylor is known as the father of scientific management. Scientific management (also called Taylorism or the Taylor system) is a theory of management that analyzes and synthesizes workflows, with the objective of improving labor productivity. In other words, Traditional rules of thumb are replaced by precise procedures developed after careful study of an individual at work.

(ii) Administrative Management. Administrative management focuses on the management process and principles of management. In contrast to scientific management, which deals largely with jobs and work at the individual level of analysis, administrative management provides a more general theory of management. Henri Fayol is the major contributor to this approach of management thought.

(iii) Bureaucratic Management. Bureaucratic management focuses on the ideal form of organization. Max Weber was the major contributor to bureaucratic management. Based on observation, Weber concluded that many early organizations were inefficiently managed, with decisions based on personal relationships and loyalty. He proposed that a form of organization, called a bureaucracy, characterized by division of labor, hierarchy, formalized rules, impersonality, and the selection and promotion of employees based on ability, would lead to more efficient management. Weber also contended that managers' authority in an organization should be based not on tradition or charisma but on the position held by managers in the organizational hierarchy.

 b) THE BEHAVIORAL APPROACH: The behavioral approach of management thought developed, in part, because of perceived weaknesses in the assumptions of the classical approach. The classical approach emphasized efficiency, process, and principles. Some felt that this emphasis disregarded important aspects of organizational life, particularly as it related to human behavior. Thus, the behavioral approach focused on trying to understand the factors that affect human behavior at work.

(i) Human Relations.

The Hawthorne Experiments began in 1924 and continued through the early 1930s. A variety of researchers participated in the studies, including Elton Mayo. One of the major conclusions of the Hawthorne studies was that workers' attitudes are associated with productivity. Another was that the

workplace is a social system and informal group influence could exert a powerful effect on individual behavior. A third was that the style of supervision is an important factor in increasing workers' job satisfaction.

(ii) Behavioral Science. Behavioral science and the study of organizational behavior emerged in the 1950s and 1960s. The behavioral science approach was a natural progression of the human relations movement. It focused on applying conceptual and analytical tools to the problem of understanding and predicting behavior in the workplace. The behavioral science approach has contributed to the study of management through its focus on personality, attitudes, values, motivation, group behavior, leadership, communication, and conflict, among other issues.

c) THE QUANTITATIVE APPROACH: The quantitative approach focuses on improving decision making via the application of quantitative techniques. Its roots can be traced back to scientific management.

(i) Management Science (Operations Research) Management science (also called operations research) uses mathematical and statistical approaches to solve management problems. It developed during World War II as strategists tried to apply scientific knowledge and methods to the complex problems of war. Industry began to apply management science after the war. The advent of the computer made many management science tools and concepts more practical for industry

(ii) Production and Operations Management.

This approach focuses on the operation and control of the production process that transforms resources into finished goods and services. It has its roots in scientific management but became an identifiable area of management study after World War II. It uses many of the tools of management science. Operations management emphasizes productivity and quality of both manufacturing and service organizations. W. Edwards Deming exerted a tremendous influence in shaping modern ideas about improving productivity and quality. Major areas of study within operations management include capacity planning, facilities location, facilities layout, materials requirement planning, scheduling, purchasing and inventory control, quality control, computer integrated manufacturing, just-in-time inventory systems, and flexible manufacturing systems.

d) SYSTEMS APPROACH: The simplified block diagram of the systems approach is given below.

The systems approach focuses on understanding the organization as an open system that transforms inputs into outputs. The systems approach began to have a strong impact on management thought in the 1960s as a way of thinking about managing techniques that would allow managers to relate different specialties and parts of the company to one another, as well as to external environmental factors. The systems approach focuses on the organization as a whole, its interaction with the environment, and its need to achieve equilibrium.

e) CONTINGENCY APPROACH: The contingency approach focuses on applying management principles and processes as dictated by the unique characteristics of each situation. It emphasizes that there is no one best way to manage and that it depends on various situational factors, such as the external environment, technology, organizational characteristics, characteristics of the manager, and characteristics of the subordinates. Contingency theorists often implicitly or explicitly criticize the classical approach for its emphasis on the universality of management principles; however, most classical writers recognized the need to consider aspects of the situation when applying management principles.

CONTRIBUTION OF FAYOL AND TAYLOR

F.W. Taylor and Henry Fayol are generally regarded as the founders of scientific management and administrative management and both provided the bases for science and art of management.

Taylor's Scientific Management Frederick Winslow Taylor well-known as the founder of scientific management was the first to recognize and emphasis the need for adopting a scientific approach to the task of managing an enterprise. He tried to diagnose the causes of low efficiency in industry and came to the conclusion that much of waste and inefficiency is due to the lack of order and system in the methods of management. He found that the management was usually ignorant of the amount of work that could be done by a worker in a day as also the best method of doing the job. As a result, it remained largely at the mercy of the workers who deliberately shirked work. He therefore, suggested that those responsible for management should adopt a scientific approach in their work, and make use of "scientific method" for achieving higher efficiency.

The scientific method consists essentially of (a) Observation (b) Measurement (c) Experimentation and (d) Inference. He advocated a thorough planning of the job by the management and emphasized

the necessity of perfect understanding and co-operation between the management and the workers both for the enlargement of profits and the use of scientific investigation and knowledge in industrial work. He summed up his approach in these words:

• Science, not rule of thumb

• Harmony, not discord

• Co-operation, not individualism

• Maximum output, in place of restricted output

• The development of each man to his greatest efficiency and prosperity.

Elements of Scientific Management:

The techniques which Taylor regarded as its essential elements or features may be classified as under: 1. Scientific Task and Rate-setting, work improvement, etc. 2. Planning the Task. 3. Vocational Selection and Training 4. Standardization (of working conditions, material equipment etc.) 5. Specialization 6. Mental Revolution. 1. Scientific Task and Rate-Setting (work study): Work study may be defined as the systematic, objective and critical examination of all the factors governing the operational efficiency of any specified activity in order to effect improvement.

Work study includes.

(a) Methods Study: The management should try to ensure that the plant is laid out in the best manner and is equipped with the best tools and machinery. The possibilities of eliminating or combining certain operations may be studied.

(b) Motion Study: It is a study of the movement, of an operator (or even of a machine) in performing an operation with the purpose of eliminating useless motions.

(c) Time Study (work measurement): The basic purpose of time study is to determine the proper time for performing the operation. Such study may be conducted after the motion study. Both time study and motion study help in determining the best method of doing a job and the standard time allowed for it.

(d) Fatigue Study: If, a standard task is set without providing for measures to eliminate fatigue, it may either be beyond the workers or the workers may over strain themselves to attain it. It is necessary, therefore, to regulate the working hours and provide for rest pauses at scientifically determined intervals.

(e) Rate-setting: Taylor recommended the differential piece wage system, under which workers performing the standard task within prescribed time are paid a much higher rate per unit than inefficient workers who are not able to come up to the standard set.

2. Planning the Task: Having set the task which an average worker must strive to perform to get wages at the higher piece-rate, necessary steps have to be taken to plan the production thoroughly so that there is no bottlenecks and the work goes on systematically.

3. Selection and Training: Scientific Management requires a radical change in the methods and procedures of selecting workers. It is therefore necessary to entrust the task of selection to a central personnel department. The procedure of selection will also have to be systematised. Proper attention has also to be devoted to the training of the workers in the correct methods of work.

4. Standardization: Standardization may be introduced in respect of the following.

(a) Tools and equipment: By standardization is meant the process of bringing about uniformity. The management must select and store standard tools and implements which will be nearly the best or the best of their kind.

(b) Speed: There is usually an optimum speed for every machine. If it is exceeded, it is likely to result in damage to machinery.

(c) Conditions of Work: To attain standard performance, the maintenance of standard conditions of ventilation, heating, cooling, humidity, floor space, safety etc., is very essential.

(d) Materials: The efficiency of a worker depends on the quality of materials and the method of handling materials.

5. Specialization: Scientific management will not be complete without the introduction of specialization. Under this plan, the two functions of 'planning' and 'doing' are separated in the organization of the plant. The `functional foremen' are specialists who join their heads to give thought to the planning of the performance of operations in the workshop. Taylor suggested eight functional foremen under his scheme of functional foremanship.

(a) The Route Clerk: To lay down the sequence of operations and instruct the workers concerned about it.

(b) The Instruction Card Clerk: To prepare detailed instructions regarding different aspects of work.

(c) The Time and Cost Clerk: To send all information relating to their pay to the workers and to secure proper returns of work from them.

(d) The Shop Disciplinarian: To deal with cases of breach of discipline and absenteeism.

(e) The Gang Boss: To assemble and set up tools and machines and to teach the workers to make all their personal motions in the quickest and best way.

(f) The Speed Boss: To ensure that machines are run at their best speeds and proper tools are used by the workers.

(g) The Repair Boss: To ensure that each worker keeps his machine in good order and maintains cleanliness around him and his machines.

(h) The Inspector: To show to the worker how to do the work.

6. Mental Revolution: At present, industry is divided into two groups – management and labour. The major problem between these two groups is the division of surplus. The management wants the maximum possible share of the surplus as profit; the workers want, as large share in the form of wages. Taylor has in mind the enormous gain that arises from higher productivity. Such gains can be shared both by the management and workers in the form of increased profits and increased wages.

Henry Fayol's 14 Principles of Management: The principles of management are given below:

1. Division of work: Division of work or specialization alone can give maximum productivity and efficiency. Both technical and managerial activities can be performed in the best manner only through division of labour and specialization.

2. Authority and Responsibility: The right to give order is called authority. The obligation to accomplish is called responsibility. Authority and Responsibility are the two sides of the management coin. They exist together. They are complementary and mutually interdependent.

3. Discipline: The objectives, rules and regulations, the policies and procedures must be honoured by each member of an organization. There must be clear and fair agreement on the rules and objectives, on the policies and procedures. There must be penalties (punishment) for non-obedience or indiscipline. No organization can work smoothly without discipline - preferably voluntary discipline.

4. Unity of Command: In order to avoid any possible confusion and conflict, each member of an organization must received orders and instructions only from one superior (boss).

5. Unity of Direction: All members of an organization must work together to accomplish common objectives.

6. Emphasis on Subordination of Personal Interest to General or Common Interest: This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.

7. Remuneration: Fair pay with non-financial rewards can act as the best incentive or motivator for good performance. Exploitation of employees in any manner must be eliminated. Sound scheme of remuneration includes adequate financial and nonfinancial incentives.

8. Centralization: There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

9. Scalar Chain: The unity of command brings about a chain or hierarchy of command linking all members of the organization from the top to the bottom. Scalar denotes steps.

10. Order: Fayol suggested that there is a place for everything. Order or system alone can create a sound organization and efficient management.

11. Equity: An organization consists of a group of people involved in joint effort. Hence, equity (i.e., justice) must be there. Without equity, we cannot have sustained and adequate joint collaboration.

12. Stability of Tenure: A person needs time to adjust himself with the new work and demonstrate efficiency in due course. Hence, employees and managers must have job security. Security of income and employment is a pre-requisite of sound organization and management.

13. Esprit of Co-operation: Esprit de corps is the foundation of a sound organization. Union is strength. But unity demands co-operation. Pride, loyalty and sense of belonging are responsible for good performance.

14. Initiative: Creative thinking and capacity to take initiative can give us sound managerial planning and execution of predetermined plans.

ORGANIZATION AND ENVIRONMENTAL FACTORS

An organization is a group of people intentionally organized to accomplish a common or set of goals. Types of Business Organizations When organizing a new business, one of the most important decisions to be made is choosing the structure of a business.

 a) Sole Proprietorships:

The vast majority of small business starts out as sole proprietorships . . . very dangerous. These firms are owned by one person, usually the individual who has day-to-day responsibility for running the business. Sole proprietors own all the assets of the business and the profits generated by it. They also

assume "complete personal" responsibility for all of its liabilities or debts. In the eyes of the law, you are one in the same with the business.

Merits: • Easiest and least expensive form of ownership to organize. • Sole proprietors are in complete control, within the law, to make all decisions. • Sole proprietors receive all income generated by the business to keep or reinvest. • Profits from the business flow-through directly to the owner's personal tax return. • The business is easy to dissolve, if desired.

Demerits: • Unlimited liability and are legally responsible for all debts against the business. • Their business and personal assets are 100% at risk. • Has almost been ability to raise investment funds. • Are limited to using funds from personal savings or consumer loans. • Have a hard time attracting high-caliber employees, or those that are motivated by the opportunity to own a part of the business. • Employee benefits such as owner's medical insurance premiums are not directly deductible from business income (partially deductible as an adjustment to income).

b) Partnerships:

In a Partnership, two or more people share ownership of a single business. Like proprietorships, the law does not distinguish between the business and its owners. The Partners should have a legal agreement that sets forth how decisions will be made, profits will be shared, disputes will be resolved, how future partners will be admitted to the partnership, how partners can be bought out, or what steps will be taken to dissolve the partnership when needed. Yes, its hard to think about a "break-up" when the business is just getting started, but many partnerships split up at crisis times and unless there is a defined process, there will be even greater problems. They also must decide up front how much time and capital each will contribute, etc.

Merits: • Partnerships are relatively easy to establish; however time should be invested in developing the partnership agreement. • With more than one owner, the ability to raise funds may be increased. • The profits from the business flow directly through to the partners' personal taxes. • Prospective employees may be attracted to the business if given the incentive to become a partner.

Demerits: • Partners are jointly and individually liable for the actions of the other partners. • Profits must be shared with others. • Since decisions are shared, disagreements can occur. • Some employee benefits are not deductible from business income on tax returns. • The partnerships have a limited life; it may end upon a partner withdrawal or death.

c) Corporations

A corporation, chartered by the state in which it is headquartered, is considered by law to be a unique "entity", separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements. The owners of a corporation are its shareholders. The shareholders elect a board of directors to oversee the major policies and decisions. The corporation has a life of its own and does not dissolve when ownership changes.

Merits: • Shareholders have limited liability for the corporation's debts or judgments against the corporations. • Generally, shareholders can only be held accountable for their investment in stock of the company. (Note however, that officers can be held personally liable for their actions, such as the failure to withhold and pay employment taxes.) • Corporations can raise additional funds through the sale of stock.

• A corporation may deduct the cost of benefits it provides to officers and employees. • Can elect S corporation status if certain requirements are met. This election enables company to be taxed similar to a partnership.

Demerits: • The process of incorporation requires more time and money than other forms of organization. • Corporations are monitored by federal, state and some local agencies, and as a result may have more paperwork to comply with regulations. • Incorporating may result in higher overall taxes. Dividends paid to shareholders are not deductible form business income, thus this income can be taxed twice.

d) Joint Stock Company: Limited financial resources & heavy burden of risk involved in both of the previous forms of organization has led to the formation of joint stock companies these have limited dilutives. The capital is raised by selling shares of different values. Persons who purchase the shares are called shareholder. The managing body known as; Board of Directors; is responsible for policy making important financial & technical decisions. There are two main types of joint stock Companies.

(i) Private limited company.

(ii) Public limited company

(i) Private limited company: This type company can be formed by two or more persons. Te maximum number of member ship is limited to 50. In this transfer of shares is limited to members only. The government also does not interfere in the working of the company.

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(ii) Public Limited Company: Its is one whose membership is open to general public. The minimum number required to form such company is seven, but there is no upper limit. Such company's can advertise to offer its share to genera public through a prospectus. These public limited companies are subjected to greater control & supervision of control.

Merits: • The liability being limited the shareholder bear no Risk & therefore more as make persons are encouraged to invest capital. • Because of large numbers of investors, the risk of loss is divided. • Joint stock companies are not affected by the death or the retirement of the shareholders. Disadvantages: • It is difficult to preserve secrecy in these companies.

• It requires a large number of legal formalities to be observed. • Lack of personal interest. e) Public Corporations: A public corporation is wholly owned by the Government centre to state. It is established usually by a Special Act of the parliament. Special statute also prescribes its management pattern power duties & jurisdictions. Though the total capital is provided by the Government, they have separate entity & enjoy independence in matters related to appointments, promotions etc.

Merits: • These are expected to provide better working conditions to the employees & supported to be better managed. • Quick decisions can be possible, because of absence of bureaucratic control. • More Hexibility as compared to departmental organization. • Since the management is in the hands of experienced & capable directors & managers, these ate managed more efficiently than that of government departments.

Demerits: • Any alteration in the power & Constitution of Corporation requires an amendment in the particular Act, which is difficult & time consuming. • Public Corporations possess monopoly & in the absence of competition, these are not interested in adopting new techniques & in making improvement in their working.

f) Government Companies: A state enterprise can also be organized in the form of a Joint stock company; A government company is any company in which of the share capital is held by the central government or partly by central government & party by one to more state governments. It is managed b the elected board of directors which may include private individuals. These are accountable for its working to the concerned ministry or department & its annual report is required to be placed ever year on the table of the parliament or state legislatures along with the comments of the government to concerned department.

Merits: • It is easy to form. • The directors of a government company are free to take decisions & are not bound by certain rigid rules & regulations.

Demerits: • Misuse of excessive freedom cannot be ruled out.

Special forms of Ownership:

Franchising

Franchising is a business arrangement in which the owner of a trademark, trade name, or copyright has licensed others to use it in selling goods or services. It can be sole proprietorship, partnership or company form.

Advantages of franchises:

i. Personal ownership

ii. An Established Business

A franchise offers the advantage of operating under the banner of an already established business. The ideas, the brand, the operating techniques and much more are already tried and tested and in place ready to be implemented again and again at a new location as each franchisee takes up the mantle.

iii. A Known Brand

Operating under the banner of a franchise allows a franchisee to take advantage of the previously established brand of the business. This means there will (in theory) be far less work (and cost) involved in trying to establish and build on the brand of the business. It will already be known and trusted by the market and therefore should produced a steady stream of brand-loyal customers.

Disadvantages of a Franchise

i. No Control

The first and most significant disadvantage of a franchise is the fact that the franchisee has no control of the business or how it is run (or very limited control). The rules of the business are already established and part of the franchise agreement. How the business operates is set out by the brand of the franchise and it is very rare that a new franchisee will be able to operate outside of these borders.

ii. Tied to Suppliers

Operating a business, you'd probably like to keep costs down. Finding the cheapest suppliers to minimise your overheads and maximise your profits. But being part of a franchise means you'll be required to use the franchise supply network.

iii. Cut Of Your Profit

The franchisor will expect a cut of your profit. You do all the hard work and still have to pay them for the privilege of using their name (and support). When times are hard, this might mean a further reduction in already low profits and a struggle for your business.

Leasing

A lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset. Property, buildings and vehicles are common assets that are leased. Industrial or business equipment is also leased. A lease agreement is a contract between two parties, the lessor and the lessee. The lessor is the legal owner of the asset; the lessee obtains the right to use the asset in return for regular rental payments. The lessee also agrees to abide by various conditions regarding their use of the property or equipment. For example, a person leasing a car may agree that the car will only be used for personal use.

Licensing

Licensing is a business arrangement in which one company gives another company permission to manufacture its product for a specified payment. There are few faster or more profitable ways to grow your business than by licensing patents, trademarks, copyrights, designs, and other intellectual property to others.

Corporate Expansion:
Mergers and Acquisitions - M&A

Mergers and acquisitions (M&A) is a general term that refers to the consolidation of companies or assets through various types of financial transactions. M&A can include a number of different transactions, such as mergers, acquisitions, consolidations, tender offers, purchase of assets and management acquisitions. In all cases, two companies are involved. The term M&A also refers to the department at financial institutions that deals with mergers and acquisitions.

In a merger, the boards of directors for two companies approve the combination and seek shareholders' approval. After the merger, the acquired company ceases to exist and becomes part of

the acquiring company. In a simple acquisition, the acquiring company obtains the majority stake in the acquired firm, which does not change its name or legal structure.

Diversification

Diversification is a corporate strategy to enter into a new market or industry in which the business doesn't currently operate, while also creating a new product for that new market.

Types of Diversification Strategy

Concentric Diversification Strategies:

The introduction of new but related products in the new markets is considered as concentric diversification strategy. For example, the AT&T Company in America is involved in the application of concentric diversification strategy by adding cable lines for fast internet services across the country.

Horizontal Diversification Strategies:

Horizontal diversification occurs when new & unrelated products are provided to the existing customers. Horizontal diversification strategy is less risky than conglomerate diversification because of the fact that the current customers of the organization are already exposed.

Conglomerate Diversification Strategies:

Diversification strategies include conglomerate diversification in which new products are added in the pool of the business organization that are not related to the existing ones. There are certain organizations that are involved in the conglomerate diversification on the basis of expectation that they can earn profit by acquiring other firm and breaking & selling its parts in a piecemeal.

Backward and forward integration:

Backward and forward integration are strategic initiatives companies may perform to reduce risks and interdependencies with external business partners in the supply chain. Fundamentally, companies may increase their control over a wider scope of the supply chain by performing backward and/or forward integration, and increase their own decision-making power over key resources and competencies important to the competitiveness of the organization.

Backward integration:

Backward integration can involve a purchase of suppliers in order to reduce supplier dependency with regard to e.g. timely deliveries, quality concerns, innovation ability etc.

Forward integration:

Forward integration is a strategy in which companies expand their activities to control the direct distribution of their products. This might be required, if companies would potentially benefit from handling e.g. the shipping of own products directly to customers, or the retail selling of own brands in brand stores.

There might be various good reasons for companies to perform either backward or forward integration, but such strategic initiatives should always add specific value to the company, and should always be aligned with the overall strategy of the company and with customer needs and wants.

Strategic Alliance:

A strategic alliance is an arrangement between two companies that have decided to share resources to undertake a specific, mutually beneficial project. A strategic alliance is less involved and less binding than a joint venture, in which two companies typically pool resources to create a separate business entity. In a strategic alliance, each company maintains its autonomy while gaining a new opportunity.

Joint Venture:

When two companies invest funds into creating a third, jointly owned company, that new subsidiary is called a joint venture. Because the joint venture can access assets, knowledge and funds from both of its partners it can combine the best features of those companies without altering the parent companies. The new company is an ongoing entity that will be in business for itself, but profits are owned by the parents.

Part A (ONE Mark)

Multiple Choice Questions

Online Examination

Part B

(2 Marks)

1. What is Strategic Alliance? Give Example.
2. What is franchising? Give an Example.
3. List out the managerial functions.
4. Define Mergers and Acquisition and give example.
5. What is diversification?

Part C (8 Marks)

1. Enumerate the role and importance of management in the present society?
2. Explain the concept of scientific management as developed by Taylor and his followers.
3. Enumerate the merits and demerits of Partnership Firm.
4. Describe the managerial functions in detail?
5. Explain the term 'Corporate Expansion'. Why does a firm seek to grow?
6. Describe Henry Fayol's 14 principles of management?
7. Distinction between Company and Partnership.
8. Explain the evolution of management theory?
9. Discuss the different forms of ownership in detail?
10. Elaborate the roles and responsibilities of a manager?

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DEPARTMENT OF MANAGEMENT
FUNDAMENTALS OF MANAGEMENT AND ORGANISATIONAL BEHAVIOR
UNIT – I

S.No	Questions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Answer
1	In whole sale trade goods are exchanged_____	In small quantities	in large quantities	In very small quantities	not exchanged			in large quantities
2	Hindrance of risk is removed by_____	Transport warehousing	warehousing	Insurance	Banking			Insurance
3	A sole trader business is started by_____	at least two persons	at least seven persons	any one person	two or more persons			any one person
4	_____ of the following is not the characteristic of sole proprietorship	Single ownership	One man control	Whole profit to proprietorship	Non-flexibility			Non-flexibility
5	_____is the advantage of sole proprietorship	Small capital	Hasty decision	Limited capital	Limited managerial ability			Limited capital
6	The agreement of partnership_____	Must be oral	Must be in writing	Must be writing in the stamp paper	Can be either oral or in writing			Must be writing in the stamp paper
7	co-operative society can be started_____	By the operation of law	By an express agreement	By an express or implied agreement	By inheritance of property			By an express agreement

8	Management of a Jointstock company is entrusted to_____	The Registrar of companies	The Board of Directors	The shareholder	The debenture holders			The Board of Directors
9	Registration is compulsory in the case of_____	A Sole trader	A partnership	A joint stock company	A joint hindu family business			A joint stock company
10	The primary aim of co operative is to _____	Earn profit	serve members	Raise production	increase profit			serve members
11	The share capital of the government company must not be less than_____	75%	60%	95%	51%			51%
12	A multinational company is also known as_____	Global giant	Partnership	Co-operative society	Public corporation			Global giant
13	Membership by birth is main feature in	Sole trader	Joint Hindu family business	Co-operative society	Partnership			Joint Hindu family business
14	Partnership act _____	1932	1942	1962	1982			1932
15	The liability of sole trader is _____	Unlimited	limited	certain period	certain month			Unlimited
16	Partners share profits and losses _____	not in ratio	In an agreed ratio	any ratio	fraction			In an agreed ratio

17	In India registration of partnership is _____	compulsory	limited	Optional	unlimited			Optional
18	In co-operative society all members are ___	Equal	not equal	not same	seperated			Equal
19	A company is regarded as a _____	sole trader	person by law	person not by law	non trader			person by law
20	Public corporation is known as _____ corporation	non statutory	private	Statutory	both private and public			Statutory
21	Government Company employees are not_____	Government servants.	private servants	servants	intermediary			Government servants.
22	business means _____	not busy	State of being busy	idle	simple			State of being busy
23	The minimum number Of Persons in partnership is _____	three	two	five	six			two
24	In partnership in the case of non-banking business the minimum number is _____	30	40	20	50			20
25	Basis of profit sharing in sole proprietor is	partial	full	ratio	fraction			full

26	The person who contributes capital and manages the business is called as	preference share holders	sole trader	debenture holders	public			sole trader
27	In sole proprietorship Windind up is _____	at will	as per rules	certain period	compulsory			at will
28	In public limited the continuity of business is_____	long life	limited life	10 years	20 years			long life
29	transferability of shares is restricted in _____	public company	private company	public corporation	public enterprises			private company
30	Sweet shops, Bakery shops, Petty shops, etc are examples for_____	soletrader	joint stock companies	public company	public enterprises			soletrader
31	In private limited company the minimum members are_____	5	2	8	7			2
32	In private limited company the maximum members are	60	20	50	10			50
33	The life of sole Proprietorship business depends upon the life of the	soletrader	Partners	members	shareholders			soletrader
34	The liability of a soletrader is	Limited only to his investment in the business	Limited to total property of the business	Unlimited	limited			Unlimited

35	Sole proprietorship is suitable for	Large scale concerns	Medium scale concerns	Small scale concerns	large and medium			Small scale concerns
36	Decision-making process in soletrading business is _____	Quick	Slow	Neither quick nor slow	very slow			Quick
37	A soletrader is _____	Cannot keep his business secrets	Can keep his business secrets	None of the above	no secrets			Can keep his business secrets
38	A partnership is formed by _____	Agreement	Relationship among persons	The direction of government	by words			Agreement
39	The basis of partnership is _____	Utmost good faith	Money available for investment	Desire to work together	capital			Utmost good faith
40	A partner who does not take part in the working of the firm is Called_____partner	active	sleeping	estoppel	minor			sleeping
41	_____ of the following is created by a Special Act of Parliament or in State assemblies	Chartered company	Foreign company	Government company	Statutory company			Statutory company
42	The company, which need not have separate Articles of Association of its own is _____company limited by shares.	Public	private	sole trader	partnership			Public
43	The value of qualification shares of a director in a public limited company shall not exceed _____	Rs.5000	Rs.5,00,000	Rs.50,000	Rs.500			Rs.5000

44	The Quorum for a General Meeting of members of a public Company is_____	Five	six	seven	eight			Five
45	A partner who takes active part in the management of the partnership firm is known as_____	nominal	Active partner	minor partner	sub partner			Active partner
46	A minor is a person who has not completed 18 years of age is called_____	partner in profits	sub partner	minor partner	nominal			minor partner
47	A company incorporated outside India but having a place of business in India is _____	Foreign Company	government company	private company	indian company			Foreign Company
48	The name of the company must end with the words " Private Limited" is for _____	public company	Private Ltd company	subsidiary companies	foreign company			Private Ltd company
49	secrets can be maintained only in case of	sole trader	partnership	public company	joint stock company			sole trader
50	One man one vote is the most important principle	partnership	cooperatives	company	sole trader			cooperatives
51	tranformation of raw materials into finished goods is called	Marketing function	production fuction	personnel function	finanace function			production fuction
52	Father of Scientific Management' is _____.	Henry Fayol	Koontz o' Donnel.	Fredrick Winslow Taylor	Luther Gullik			Fredrick Winslow Taylor

53	Father of Management is _____.	Henry Fayol	Koontz o' Donnel	Fredrick Winslow Taylor	Luther Gullik			Henry Fayol
54	Manager is what a manager does" is said by _____	Koontz o' Donnel	Mary Parker Follet	Louis Allen	Luther Gullik			Louis Allen
55	Placing right person in the right job is called as _____	recruiting	staffing	hiring	transfer			staffing
56	A systematic way of doing things is called as _____	process	planning	directing	controlling			process
57	Administration is generally regarded as _____	higher level activity	lower level activity	managerial activity	middle level			higher level activity
58	Fayol gave _____ famous management principles	11	12	13	14			14
59	The Scientific Management Theory Over simplified the workers………….	Development	Imagination	Motivation	task			Motivation
60	Management is…………….	A science	An art	A science as well as an art	Social Studies			A science as well as an art

UNIT-I

SYLLABUS

Nature and purpose of planning – planning process – types of planning – objectives – setting objectives – policies – Planning premises – Strategic Management – Planning Tools and Techniques – Decision making steps and process - Organizing – Formal and informal organization – organization chart – organization structure – types – Line and staff authority – departmentalization – Span of Control - Delegation of authority – centralization and decentralization – System and process of controlling – budgetary and non-budgetary control techniques – use of computers and IT in Management control – Productivity problems and management – control and performance – direct and preventive control – reporting.

1. MEANING OF PLANNING

Planning is an important managerial function in that there is no choice between planning and no planning.

The choice is only in regard to the method and techniques used to plan. It is anybody's knowledge that weplan many things in our day to day lives. We plan to go on a holiday trip,plan our careers, and plan our investments and so on. Organizations are no exception. Lot of planning is done by managers at all levels.

> Planning is the basic process by which we use to select our goals and determine the means to achieve them.

Lot of information has to be gathered and processed before a plan is formulated. In other words, a plan is like a puzzle. All the pieces have to be put together properly, so that they make sense.

Importance of planning

a. **To achieve objectives**

- ❖ While developing a plan, you have to ask yourself a few questions.
- ❖ Why am I making this plan?
- ❖ What am I trying to accomplish?
- ❖ What resources do I need to execute the plan?

❖ Objectives are the ends sought to be achieved by the organizations.

The above questions, if properly answered provide lot of clarity to the objectives.

In other words, they force you to be clear about the objectives, the timeframe required to achieve them and the resources required. It forces you to visualize the future in an organized manner. The saying that "when a man doesn't know what harbour he is making for, no wind is the right wind" is quite appropriate in the case of planning. Systematic planning, thus, starts with a clear statement of objectives. All the important inputs necessary to achieve the objectives are carefully thought of. The uncertainties of the future, if any, are also taken into consideration.

b. **Plans make the things happen**

Effective managers anticipate future and prepare themselves to meet the challenges of the future. They are rather pro-active. They influence the outcome of the events in a significant way. In any modern business, the interests of many people are involved. The shareholders, employees, creditors, consumers and the Government are the major interest groups in any organization.

Further, the interests and expectations of all these groups are varied and at times are in conflict. That apart, they constantly change in a dynamic business environment. In the light of the uncertainties involved in the environment, your job, as a manager, is to foresee the future and predict the consequences of actions. In other words, you have to look down the road into future and prepare yourself to meet the uncertainties ahead. A well thought out plan solves many of the problems associated with the future.

c. **Plans help to cope with change**

Organizations are products of environment. The ability to deal with the environment has enabled many an organization to survive, despite other weaknesses. Alert managements continually

tune in to theenvironmental forces. On the other hand, managements which fail to adaptwould eventually fall on the way side. Therefore, in the managerial job,you have to constantly analyze the impending changes in the environmentand assess their impact on your business. For instance, the liberalizationpolicies pursued by the government have, of late, brought in too manychanges. Markets are shifting due to increased competition. Pressure onthe existing resources is increasing. Expectations of the employees as wellas the consumers are changing. Product life cycles are becoming shorterdue to rapid technological changes. All these changes exert a tremendouspressure on the management.

Steps in Planning

Though there may be a few variations in the exact procedureadopted by different organizations in planning, the following are the broadsteps:

- **1. Setting of goals**
- **2. Outlining Planning premises**
- **3. Decide the planning period**
- **4. Develop alternatives and select the course of action**
- **5. Derivative plans**
- **6. Review periodically**

a.Setting of goals

Planning begins with decisions about what the organization wantsto achieve during a specified period. The goals of an organization andvarious subunits have to be decided and spelt out in clear terms. It is alwaysdesirable to express the goals in quantitative terms for all the key areas ofthe business like production, profit, productivity, market share, employeerelations, social responsibilities, etc.

Since goal setting is the essential first step in planning, managerswho fail to set meaningful goals cannot make effective plans. If Telco is ableto retain its dominance in the Heavy Commercial Vehicle (HCV) segment,it is because all the employees of the organization know clearly that theprimary objective is retaining the leadership in the industry.

b.Outlining Planning premises

Planning premises, in simple, are the assumptions about the variouselements of the environment. Planning assumptions or premises providethe basic framework in which plans operate. Appropriate assumptionshave to be made on various aspects of the environment – both internaland external to the organization. Otherwise, it will be like fighting a battlewithout a clear assessment of the enemy's strengths and weaknesses.

    i.   **Internal premises**

    ii.   **ii. External premises**

c.Decide the planning period

How far in the future should a plan be made is another pertinentquestion in the process of planning. Businesses vary in their planningperiods. In some cases plans are made for a short period, varying from afew months to a year, while in some other cases, they are made to covera longer period, to cover a period of more than a year. The period mayextend up to 5-10 years and even beyond. Companies normally plan for aperiod that can be reasonably anticipated. The lead time

involved in thedevelopment and commercialization of a product and time required torecover the capital investment (pay-back period) influence the choice of thelength of the plan. Again, in the same organization, different plan periodsmay exist for different purposes. This gives raise to the two importantconcepts – operational planning and strategic planning. While operationalplans focus on the short-term, strategic plans focus on the long-term.

d.Develop alternatives and select the course of action

The next logical step in planning involves the development of variousalternative courses of action, evaluating these alternatives and choosingthe most suitable alternative. Objectives may be achieved by differentcourses of action (alternatives).

e.Derivative plans

The plan finalized after a thorough analysis of various alternativessuggests the proposed course of action. To make it operational, it has tobe split into departmental plans. Plans for the various operational unitswithin the departments have to be formulated. The plans thus developedfor the various levels down the organization are called derivative plans.

f. Review periodically

Success of the plan is measured by the results and the ease withwhich it is implemented. Therefore, provision for adequate follow-up todetermine compliance should be included in the planning work. To makesure that the plan is contributing for the results, its review at regularintervals is essential. Such a review helps in taking corrective action, whenthe plan is in force.

Characteristics of a Sound Plan

A sound plan should have the following characteristics:

(a) Primacy: Planning is an important managerial function thatusually precedes other functions. Obviously, without setting the goalsto be reached and the lines of actions to be followed, there is

nothing toorganize, to direct, or to control in the enterprise. But this should not leadus to think that planning is isolated from other managerial functions.

(b) Continuity: Planning is a continuous and never ending activityof a manager to keep the enterprise as a going concern. One plan begetsanother plan to be followed by a series of other plans in quick succession.

Actually, a hierarchy of plans operates in the enterprise at any time.Planning gets used up where tomorrow becomes today and calls forfurther planning day in and day out. Again, the incessant changes makere-planning a continuous necessity.

(c) Flexibility: Planning leads to the adoption of a specific courseof action and the rejection of other possibilities. This confinement to onecourse takes away flexibility. But if future and assumptions upon whichplanning is based prove wrong, the course of action is to be modified foravoiding any deadlock. Accordingly, when the future cannot be moldedto conform to the course of action, the flexibility is to be ingrained inplanning by way of adapting the course of action to the demands of currentsituations.

(d) Consistency: Planning is made by different managers atdifferent times. Maintenance of consistency or the unity of planning is oneof its essential requirements. Objectives provide the common focus forunifying managerial action in planning. Moreover, policies and proceduresintroduce a consistency of executive behaviour and action in matters ofplanning.

(e) Precision: Planning must be precise with respect to itsmeaning, scope and nature. As guides to action, planning is to be framedin intelligible and meaningful terms by way of pinpointing the expectedresults. Planning must be realistic in scope rather than being dreamsindicating pious desires. As planning errors are far more serious andcannot be offset by effective organizing or controlling, the accuracy andprecision is of outmost importance.

(f) Pervasiveness: Planning is a pervasive activity covering the entire enterprise and every level of management. Planning is not the exclusive responsibility of top management only. But it extends to middle and lower managements as well. Although top managers are mostly preoccupied with planning because of the wider scope of operation and decision making authority, planning is of equal importance to every manager.

2. DECISION MAKING

Meaning

> Decision making is a continuous process. It involves a choice and therefore presupposes the existence of alternatives.

It is said that decisions are the principal diet on which a manager thrives. It is decision-making power which distinguishes a manager from others in an organization. Hardly a day passes without making some decision or other in the executive's life. Whatever a manger does, he does through making decisions.

As such, decision-making constitutes the most exciting and eventful part of any executive's career. Considering the importance of decision-making some authors even view it synonymously with management.

In other words, if there are no alternatives, there is no choice. Therefore, the question of decision-making and the associated dilemma do not arise. Thus, the following characteristics emerge from the definition of decision making.

Characteristics of Decision Making

• Decision making is a continuous process

• It involves a choice and therefore presupposes the existence of alternatives

• Decision making is always purposive in that decisions should aim at achieving some

purposes

• It is an intellectual process supported by sound-reasoning and judgment

• Decision-making is all pervasive in the sense that all levels of managers take decisions,

though at the impact and scope of decisions vary.

Type of Decisions

Decisions taken by managers may be classified under various categories depending upon the

scope, importance and the impact that they create in the organisation.

The following are the different types of decisions:

1. **Programmed and Non-programmed Decisions**

Programmed decisions are normally repetitive in nature. They are the easiest to make. Usually these decisions are taken in consultation with the existing policy, rule or procedure which are already laid down in the organisation. For example: making purchase orders, sanctioning of different types of leave, increments in salary, settlement of normal disputes, etc. Managers in dealing with such issues of routine nature usually follow the established procedures. On the other hand, non-programmed decisions are different in that they are non-routine in nature. They are related to some exceptional situations for which there are no established methods of handling such things.

Non-Programmed Decisions.

As one moves up in the hierarchy, many of the decisions that managers make are non-programmed in nature. It is important to note that the effectiveness of a manager lies in handling exceptional situations. Such situations call for ingenuity and sound judgment. Surprisingly, many

managers get bogged down in the routine issues at the cost of the non-routine issues. The saying that ―routine drives out the non-routine‖ instead of the other way round is true in many organizations. Such a tendency results in devoting less time for the important issues.

2. **Operational and Strategic Decisions**

Operational or tactical decisions relate to the present. The primary purpose is to achieve high degree of efficiency in the company's ongoing operations. Better working conditions, effective supervision, prudent use of existing resources, better maintenance of the equipment, etc., fall in this category. One the other hand, expanding the scale of operations, entering new markets, changing the product mix, shifting the manufacturing facility from one place to the other, striking alliances with other companies, etc., are strategic in nature.
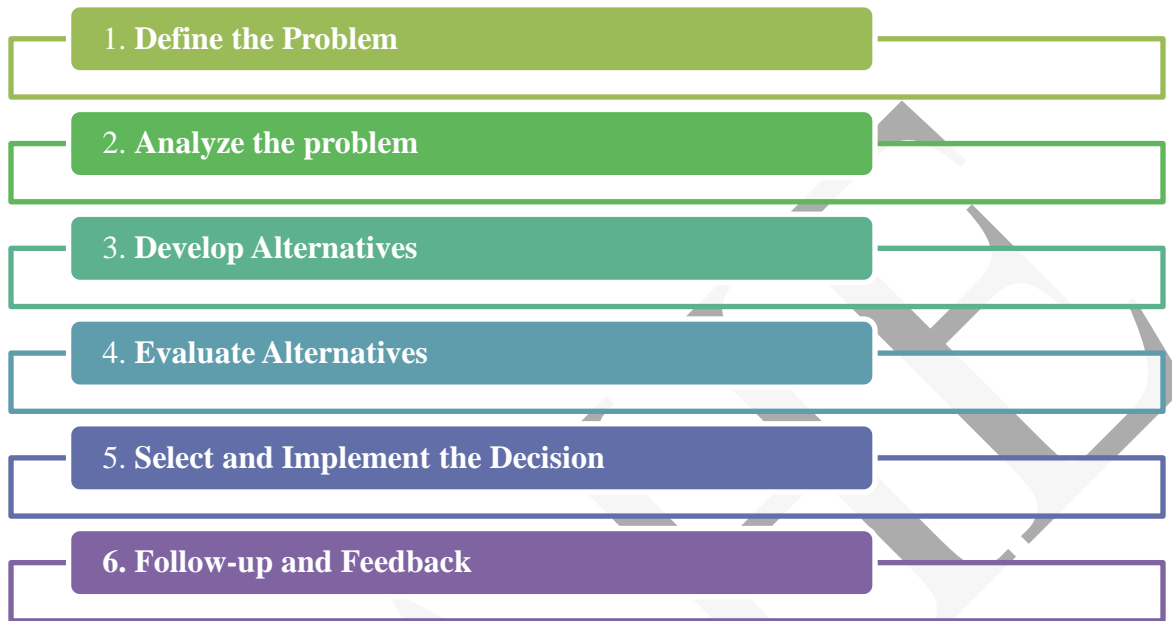
3. **Organizational and Personal Decisions**

Decisions taken by managers in the ordinary course of business in their capacity as managersrelating to the organizational issues are organizational decisions. For example: decisionsregarding introducing a new incentive system, transferring an employee, reallocation orredeployment of employees etc. are taken by managers to achieve certain objectives. As against such decisions, managers do take some decisions which are purely personal in nature.

4. **Individual and Group Decisions**

It is quite common that some decisions are taken by a manager individually while somedecisions are taken collectively by a group of managers. Individual decisions are taken where the problem is of routine nature, whereas important and strategic decisions which have a bearing on many aspects of the organisation are generally taken by a group. Group decision making is preferred these days because it contributes for better coordination among the people concerned with the implementation of the decision.

Steps in the Decision-Making Process

Rational decision-making process contains the following steps:

1. **Define the Problem**

2. **Analyze the problem**

3. **Develop Alternatives**

4. **Evaluate Alternatives**

5. **Select and Implement the Decision**

6. **Follow-up and Feedback**

a. **Define the Problem**

Problem definition is the most crucial step in the entire decision making process. As the saying goes, "a problem well defined is a problem half-solved," utmost care has to be exercised in this stage for wrong definition of the problem leads to wrong solutions. This is also called diagnostic stage. Jumping to conclusions on the basis of certain symptoms has to be avoided. The problem has to be examined from different angles so as to identify the exact causes. Unless exact causes are identified, right decisions cannot be taken.

b. **Analyze the problem**

The problem has to be thoroughly analyzed. The past events that contributed to the problem, the present situation and the impact of the problem on the future have to be examined. Problems do no crop up overnight. The genesis of the problem and the various contributing factors need to be

analyzed. In analyzing the problem, personal prejudices have to be avoided. As far as possible, an objective assessment of the situation is useful to arrive at right decisions.

c. **Develop Alternatives**

There are hardly few problems for which there are not many alternatives. Effective decisionmakingdepends on the development of as many alternative solutions as possible. The underlyingassumption is that a decision selected from among many alternatives tends to be a better one.

The ability to identify and develop alternative courses of action depends on the manager'screativity and imagination. As the thinking of two people may not be similar, the skills andabilities in developing alternatives significantly vary from one manager to the other.

d. **Evaluate Alternatives**

The next step in the decision-making process involves evaluation of the alternative courses orsolutions identified to solve the problem. Alternatives have to be evaluated in the light of theobjectives to be achieved and the resources required.

e. **Select and Implement the Decision**

Scientific evaluation of the alternatives reveals the acceptability of various alternatives. Afterweighing the pros and cons in detail, the best alternative has to be selected and implemented. It may not always be possible to select the best alternative for a given problem for want ofcomplete information, time and resources. In such a case, the manager has to satisfy with limited information and optimize the yields under a given set of circumstances.Once an alternative is selected that becomes the decision and it has to be implemented in asystematic way.

f. **Follow-up and Feed back**

Once the decision is implemented, it has to be closely monitored. Adequate follow-up measures have to be taken. In the course of implementation, so many unexpected events may render the decision ineffective. The decision may not yield the desired results. Constant follow up helps to take corrective measures as and when necessary.

Further, such a follow-up enables to identify the shortcomings or negative consequences of the decision. It provides valuable feed-back on which the decision may be reviewed or reconsidered.

Techniques of Decision-Making

Now-a-days, different techniques are used by managers in making decisions. These techniques,if used properly, would contribute for the effectiveness of the decisions. Some of the importanttechniques are discussed below.
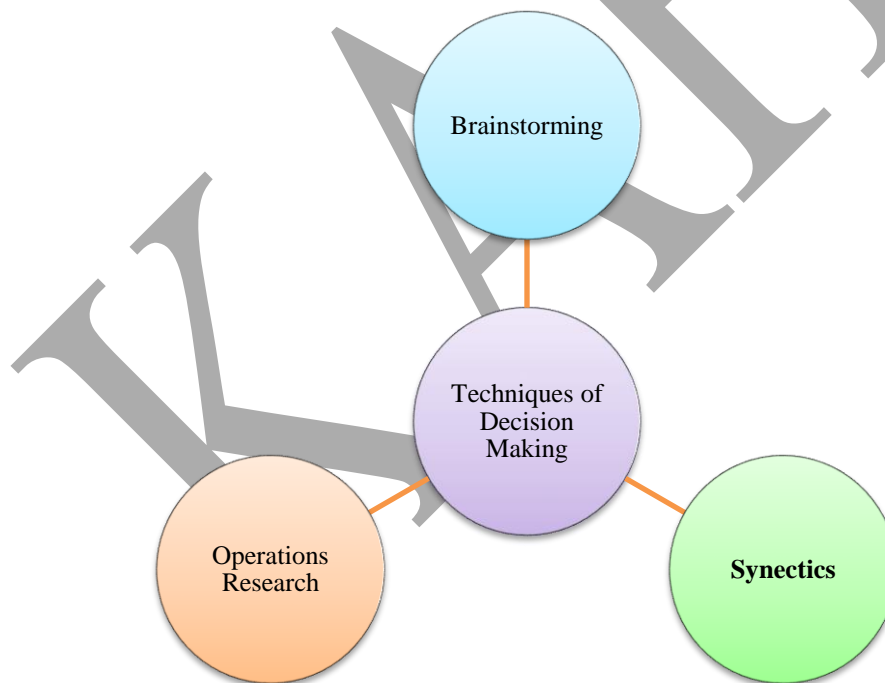
1. Brainstorming:

Brainstorming is the oldest and widely followed technique for encouragingcreative thinking. It was originally developed by A.F. Osborn. It involves the use of a group. The success of the

technique lies in creating a free and open environment where embers of the group participate without any inhibitions. It starts on the premise that when people interact in a free environment, the possibility for creative ideas to emerge to higher continuous interaction throughfree discussions may result in spontaneous and creative thinking. The larger are the number of solutions, the fairer are the chances in locating an acceptable solution. Established researchproves that one hour brainstorming session is likely to generate 50- 150 ideas. Of course most of them may be impracticable; at least, some of them merit serious consideration. This groupprocess is not without limitations. It consumes lot of time and therefore is an expensive exercise.

Secondly, it emphasizes only quantity of solutions, which more often than not prove to besuperficial. By overcoming the above limitations, a modern manager can use this as an effectivetool.

2. Synectics

Synectics is a new concept developed by William J.J.Gordon. The term _synectics' is derived from a Greek word which means ―Fitting together of diverse elements. It starts on the premise of encouraging that this concept encourages novel thinking for the development of alternatives through putting together different ideas which are distinct from each other.

3. Operations Research

The origin and development of operations research is attributed tomilitary operations and applications during Second World War. The war put tremendouspressure on the use of available scarce resources for various strategic and tactical operations.The success of operations research in developing effective options is instrumental in making thisapproach dependable in decision making process. *Operations Research employs optimizing models like Linear Programming, Project Management, Inventory Control, Decision Theory and Waiting Line Theory.*

NATURE OR CHARACTERISTICS OF ORGANIZING

From the study of the various definitions given by different management experts we get the following information about the characteristics or nature of organization,

(1) Division of Work: Division of work is the basis of an organization. In other words, there can be no organization without division of work. Under division of work the entire work of business is divided into many departments .The work of every department is further sub-divided into sub works. In this way each individual has to do the saran work repeatedly which gradually makes that person an expert.

(2) Coordination: Under organizing different persons are assigned different works but the aim of all these persons happens to be the some - the attainment of the objectives of the enterprise. Organization ensures that the work of all the persons depends on each other's work even though it happens to be different. The work of one person starts from where the work of another person ends. The non-completion of the work of one person affects the work of everybody. Therefore, everybody completes his work in time and does not hinder the work of others. It is thus, clear that it is in the nature of an organization to establish coordination among different works, departments and posts in the enterprise.

(3) Plurality of Persons: Organization is a group of many persons who assemble to fulfill a common purpose. A single individual cannot create an organization.

(4) Common Objectives: There are various parts of an organization with different functions to perform but all move in the direction of achieving a general objective.

(5) Well-defined Authority and Responsibility: Under organization a chain is established between different posts right from the top to the bottom. It is clearly specified as to what will be the authority

and responsibility of every post. In other words, every individual working in the organization is given some authority for the efficient work performance and it is also decided simultaneously as to what will be the responsibility of that individual in case of unsatisfactory work performance.

(6) Organization is a Structure of Relationship: Relationship between persons working on different posts in the organization is decided. In other words, it is decided as to who will be the superior and who will be the subordinate. Leaving the top level post and the lowest level post everybody is somebody's superior and somebody's subordinate. The person working on the top level post has no superior and the person working on the lowest level post has no subordinate.

(7) Organization is a Machine of Management: Organization is considered to be a machine of management because the efficiency of all the functions depends on an effective organization. In the absence of organization no function can be performed in a planned manner. It is appropriate to call organization a machine of management from another point of view. It is that machine in which no part can afford tube ill-fitting or non-functional. In other words, if the division of work is not done properly or posts are not created correctly the whole system of management collapses.

(8) Organization is a Universal Process: Organization is needed both in business and non business organizations. Not only this, organization will be needed where two or mom than two people work jointly. Therefore, organization has the quality of universality. (9) Organization is a Dynamic Process: Organization is related to people and the knowledge and experience of the people undergo a change. The impact of this change affects the various functions of the organizations. Thus, organization is not a process that can be decided for all times to come but it undergoes changes according to the needs. The example in this case can be the creation or abolition of a new post according to the need.

ORGANIZATION STRUCTURE

An organization structure is a framework that allots a particular space for a particular department or an individual and shows its relationship to the other. An organization structure shows the authority and responsibility relationships between the various positions in the organization by showing who reports to whom. It is an established pattern of relationship among the components of the organization.

March and Simon have stated that-"Organization structure consists simply of those aspects of pattern of behavior in the organization that are relatively stable and change only slowly." The structure of an organization is generally shown on an organization chart. It shows the authority and responsibility relationships between various positions in the organization while designing the organization structure, due attention should be given to the principles of sound organization.

Significance of Organization Structure

• Properly designed organization can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.

• Organization structure determines the location of decision-making in the organization.

• Sound organization structure stimulates creative thinking and initiative among organizational members by providing well defined patterns of authority.

• A sound organization structure facilitates growth of enterprise by increasing its capacity to handle increased level of authority.

• Organization structure provides the pattern of communication and coordination.

• The organization structure helps a member to know what his role is and how it relates to other roles.

PRINCIPLES OF ORGANIZATION STRUCTURE

Modern organizational structures have evolved from several organizational theories, which have identified certain principles as basic to any organization structure.

a) Line and Staff Relationships:

Line authority refers to the scalar chain, or to the superior-subordinate linkages, that extend throughout the hierarchy (Koontz, O'Donnell and Weihrich). Line employees are responsible for achieving the basic or strategic objectives of the organization, while staff plays a supporting role to line employees and provides services. The relationship between line and staff is crucial in organizational structure, design and efficiency. It is also an important aid to information processing and coordination.

b) Departmentalization:

Departmentalization is a process of horizontal clustering of different types of functions and activities on any one level of the hierarchy. Departmentalization is conventionally based on purpose, product, process, function, personal things and place.

c) Span of Control:

This refers to the number of specialized activities or individuals supervised by one person. Deciding the span of control is important for coordinating different types of activities effectively.

d) De-centralization and Centralization:

De-centralization refers to decision making at lower levels in the hierarchy of authority. In contrast, decision making in a centralized type of organizational structure is at higher levels. The degree of centralization and de-centralization depends on the number of levels of hierarchy, degree of coordination, specialization and span of control.

Every organizational structure contains both centralization and de-centralization, but to varying degrees. The extent of this can be determined by identifying how much of the decision making is concentrated at the top and how much is delegated to lower levels. Modern organizational structures show a strong tendency towards de-centralization.

FORMAL AND INFORMAL ORGANIZATION

The formal organization refers to the structure of jobs and positions with clearly defined functions and relationships as prescribed by the top management. This type of organization is built by the management to realize objectives of an enterprise and is bound by rules, systems and procedures. Everybody is assigned a certain responsibility for the performance of the given task and given the required amount of authority for carrying it out. Informal organization, which does not appear on the organization chart, supplements the formal organization in achieving organizational goals effectively and efficiently. The working of informal groups and leaders is not as simple as it may appear to be. Therefore, it is obligatory for every manager to study thoroughly the working pattern of informal relationships in the organization and to use them for achieving organizational objectives.

FORMAL ORGANIZATION

Chester I Bernard defines formal organization as -"a system of consciously coordinated activities or forces of two or more persons. It refers to the structure of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability." The essence of formal organization is conscious common purpose and comes into being when persons–

(i) Are able to communicate with each other

(ii) Are willing to act and

(iii) Share a purpose.

The formal organization is built around four key pillars. They are:

• Division of labor

• Scalar and functional processes

• Structure and

• Span of control

Thus, a formal organization is one resulting from planning where the pattern of structure has already been determined by the top management.

Characteristic Features of formal organization

• Formal organization structure is laid down by the top management to achieve organizational goals.

• Formal organization prescribes the relationships amongst the people working in the organization.

• The organization structures is consciously designed to enable the people of the organization to work together for accomplishing the common objectives of the enterprise

• Organization structure concentrates on the jobs to be performed and not the individuals who are to perform jobs.

• In a formal organization, individuals are fitted into jobs and positions and work as per the managerial decisions. Thus, the formal relations in the organization arise from the pattern of responsibilities that are created by the management.

• A formal organization is bound by rules, regulations and procedures.

• In a formal organization, the position, authority, responsibility and accountability of each level are clearly defined.

• Organization structure is based on division of labor and specialization to achieve efficiency in operations.

• A formal organization is deliberately impersonal. The organization does not take into consideration the sentiments of organizational members.

• The authority and responsibility relationships created by the organization structure are to be honored by everyone.

• In a formal organization, coordination proceeds according to the prescribed pattern.

Advantages of formal organization

• The formal organization structure concentrates on the jobs to be performed. It, therefore, makes everybody responsible for a given task.

• A formal organization is bound by rules, regulations and procedures. It thus ensures law and order in the organization.

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• The organization structure enables the people of the organization to work together for accomplishing the common objectives of the enterprise

Disadvantages or criticisms of formal organization

• The formal organization does not take into consideration the sentiments of organizational members.

• The formal organization does not consider the goals of the individuals. It is designed to achieve the goals of the organization only.

• The formal organization is bound by rigid rules, regulations and procedures. This makes the achievement of goals difficult.

INFORMAL ORGANIZATION

Informal organization refers to the relationship between people in the organization based on personal attitudes, emotions, prejudices, likes, dislikes etc. an informal organization is an organization which is not established by any formal authority, but arises from the personal and social relations of the people. These relations are not developed according to procedures and regulations laid down in the formal organization structure; generally large formal groups give rise to small informal or social groups. These groups may be based on same taste, language, culture or some other factor. These groups are not pre-planned, but they develop automatically within the organization according to its environment.

Characteristics features of informal organization

• Informal organization is not established by any formal authority. It is unplanned and arises spontaneously.

• Informal organizations reflect human relationships. It arises from the personal and social relations amongst the people working in the organization.

• Formation of informal organizations is a natural process. It is not based on rules, regulations and procedures.

• The inter-relations amongst the people in an informal organization cannot be shown in an organization chart.

• In the case of informal organization, the people cut across formal channels of communications and communicate amongst themselves.

• The membership of informal organizations is voluntary. It arises spontaneously and not by deliberate or conscious efforts.

• Membership of informal groups can be overlapping as a person may be member of a number of informal groups.

• Informal organizations are based on common taste, problem, language, religion, culture, etc. it is influenced by the personal attitudes, emotions, whims, likes and dislikes etc. of the people in the organization.

Benefits of Informal organization

• It blends with the formal organization to make it more effective.

• Many things which cannot be achieved through formal organization can be achieved through

informal organization.

• The presence of informal organization in an enterprise makes the managers plan and act more carefully.

• Informal organization acts as a means by which the workers achieve a sense of security and belonging. It provides social satisfaction to group members.

• An informal organization has a powerful influence on productivity and job satisfaction.

• The informal leader lightens the burden of the formal manager and tries to fill in the gaps in the manager's ability.

• Informal organization helps the group members to attain specific personal objectives.

• Informal organization is the best means of employee communication. It is very fast.

• Informal organization gives psychological satisfaction to the members. It acts as a safety valve for the emotional problems and frustrations of the workers of the organization because they get a platform to express their feelings.

• It serves as an agency for social control of human behavior.

LINE AND STAFF AUTHORITY

In an organization, the line authority flows from top to bottom and the staff authority is exercised by the specialists over the line managers who advise them on important matters. These specialists stand ready with their specialty to serve line mangers as and when their services are called for, to collect information and to give help which will enable the line officials to carry out their activities better. The staff officers do not have any power of command in the organization as they are employed to provide expert advice to the line officers. The 'line' maintains discipline and stability; the 'staff' provides expert information. The line gets out the production, the staffs carries on the research, planning, scheduling, establishing of standards and recording of performance. The authority by which the staff performs these functions is delegated by the line and the performance must be acceptable to the line before action is taken.

DEPARTMENTATION BY DIFFERENT STRATEGIES

DEPARTMENTATION refers to the process of grouping activities into departments.

Departmentation is the process of grouping of work activities into departments, divisions, and

other homogenous units.

Key Factors in Departmentation

• It should facilitate control.

• It should ensure proper coordination.

• It should take into consideration the benefits of specialization.

• It should not result in excess cost.

• It should give due consideration to Human Aspects.

Departmentation takes place in various patterns like departmentation by functions, products, customers, geographic location, process, and its combinations.

a) FUNCTIONAL DEPARTMENTATION

Functional departmentation is the process of grouping activities by functions performed.

Activities can be grouped according to function (work being done) to pursue economies of scale by placing employees with shared skills and knowledge into departments for example human resources, finance, production, and marketing. Functional departmentation can be used in all types of organizations.

Advantages:

• Advantage of specialization

• Easy control over functions

• Pinpointing training needs of manager

• It is very simple process of grouping activities.

Disadvantages:

• Lack of responsibility for the end result

• Overspecialization or lack of general management

• It leads to increase conflicts and coordination problems among departments.

b) PRODUCT DEPARTMENTATION

Product departmentation is the process of grouping activities by product line. Tasks can also be grouped according to a specific product or service, thus placing all activities related to the product or the service under one manager. Each major product area in the corporation is under the authority of a senior manager who is specialist in, and is responsible for, everything related to the product line. Dabur India Limited is the India's largest Ayurvedic medicine manufacturer is an example of company that uses product departmentation. Its structure is based on its varied product lines which include Home care, Health care, Personal care and Foods.

Advantages

• It ensures better customer service

• Unprofitable products may be easily determined

• It assists in development of all around managerial talent

• Makes control effective

• It is flexible and new product line can be added easily.

Disadvantages

• It is expensive as duplication of service functions occurs in various product divisions

• Customers and dealers have to deal with different persons for complaint and information of different products.

c) CUSTOMER DEPARTMENTATION

Customer departmentation is the process of grouping activities on the basis of common customers or types of customers. Jobs may be grouped according to the type of customer served by the organization. The assumption is that customers in each department have a common set of problems and needs that can best be met by specialists. UCO is the one of the largest commercial banks of India is an example of company that uses customer departmentation. Its structure is based on various services which includes Home loans, Business loans, Vehicle loans and Educational loans.

Advantages

• It focused on customers who are ultimate suppliers of money

• Better service to customer having different needs and tastes

• Development in general managerial skills

Disadvantages

• Sales being the exclusive field of its application, co-ordination may appear difficult between sales function and other enterprise functions.

• Specialized sales staff may become idle with the downward movement of sales to any specified group of customers.

d) GEOGRAPHIC DEPARTMENTATION

Geographic departmentation is the process of grouping activities on the basis of territory. If an organization's customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola Ltd has reflected the company's operation in various geographic areas such as Central North American group, Western North American group, Eastern North American group and European group.

Advantages

• Help to cater to the needs of local people more satisfactorily.

• It facilitates effective control

• Assists in development of all-round managerial skills

Disadvantages

• Communication problem between head office and regional office due to lack of means of communication at some location

• Coordination between various divisions may become difficult.

• Distance between policy framers and executors

• It leads to duplication of activities which may cost higher.

e) PROCESS DEPARTMENTATION

Geographic departmentation is the process of grouping activities on the basis of product or service or customer flow. Because each process requires different skills, process departmentation allows homogenous activities to be categorized. For example, Bowater Thunder Bay, a Canadian company that harvests trees and processes wood into newsprint and pulp. Bowater has three divisions namely tree cutting, chemical processing, and finishing (which makes newsprint).

Departmentation by process: -

Advantages

• Oriented towards end result.

• Professional identification is maintained.

• Pinpoints product-profit responsibility.

Disadvantage

• Conflict in organization authority exists.

• Possibility of disunity of command.

• Requires managers effective in human relation

f) MARTIX DEPARTMENTATION

In actual practice, no single pattern of grouping activities is applied in the organization structure with all its levels. Different bases are used in different segments of the enterprise. Composite or hybrid method forms the common basis for classifying activities rather than one particular method, One of the mixed forms of organization is referred to as matrix or grid organization's According to the

situations, the patterns of Organizing varies from case to case. The form of structure must reflect the tasks, goals and technology if the originations the type of people employed and the environmental conditions that it faces. It is not unusual to see firms that utilize the function and project organization combination. The same is true for process and project as well as other combinations. For instance, a large hospital could have an accounting department, surgery department, marketing department, and a satellite center project team that make up its organizational structure.

Advantages

• Efficiently manage large, complex tasks

• Effectively carry out large, complex tasks

Disadvantages

• Requires high levels of coordination

• Conflict between bosses

• Requires high levels of management skills

SPAN OF CONTROL

Span of Control means the number of subordinates that can be managed efficiently and effectively by a superior in an organization. It suggests how the relations are designed between a superior and a subordinate in an organization.

Factors Affecting Span of control:

a) Capacity of Superior:

Different ability and capacity of leadership, communication affect management of subordinates.

b) Capacity of Subordinates:

Efficient and trained subordinates affects the degree of span of management.

c) Nature of Work:

Different types of work require different patterns of management.

d) Degree of Centralization or Decentralization:

Degree of centralization or decentralization affects the span of management by affecting the degree of involvement of the superior in decision making.

e) Degree of Planning:

Plans which can provide rules, procedures in doing the work higher would be the degree of span of management.

f) Communication Techniques:

Pattern of communication, its means, and media affect the time requirement in managing subordinates and consequently span of management.

g) Use of Staff Assistance:

Use of Staff assistance in reducing the work load of managers enables them to manage more number of subordinates.

h) Supervision of others:

If subordinate receives supervision form several other personnel besides his direct supervisor. In such a case, the work load of direct superior is reduced and he can supervise more number of persons.

Span of control is of two types:

1. Narrow span of control: Narrow Span of control means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.

Advantages:

• Close supervision

• Close control of subordinates

• Fast communication

Disadvantages:

• Too much control

• Many levels of management

• High costs

• Excessive distance between lowest level and highest level

2. Wide span of control: Wide span of control means a single manager or supervisor oversees a large number of subordinates. This gives rise to a flat organizational structure.

Advantages:

• More Delegation of Authority

• Development of Managers

• Clear policies

Disadvantages:

• Overloaded supervisors

• Danger of superior's loss of control

• Requirement of highly trained managerial personnel

• Block in decision making

Centralization and Decentralization

CENTRALIZATION:

It is the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. The span of control of top managers is relatively broad, and there are relatively many tiers in the organization.

Characteristics

• Philosophy / emphasis on: top-down control, leadership, vision, strategy.

• Decision-making: strong, authoritarian, visionary, charismatic.

• Organizational change: shaped by top, vision of leader.

• Execution: decisive, fast, coordinated. Able to respond quickly to major issues and changes.

• Uniformity. Low risk of dissent or conflicts between parts of the organization.

Advantages of Centralization

• Provide Power and prestige for manager

• Promote uniformity of policies, practices and decisions

• Minimal extensive controlling procedures and practices

• Minimize duplication of function

Disadvantages of Centralization

• Neglected functions for mid. Level, and less motivated beside personnel.

• Nursing supervisor functions as a link officer between nursing director and first-line management.

DECENTRALIZATION:

It is the process of transferring and assigning decision-making authority to lower levels of an organizational hierarchy. The span of control of top managers is relatively small, and there are relatively few tears in the organization, because there is more autonomy in the lower ranks.

Characteristics

• Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.

• Decision-making: democratic, participative, detailed.

• Organizational change: emerging from interactions, organizational dynamics.

• Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.

• Participation, accountability. Low risk of not-invented-here behavior.

Three Forms of decentralization

• De-concentration. The weakest form of decentralization. Decision making authority is redistributed to lower or regional levels of the same central organization.

• Delegation. A more extensive form of decentralization. Through delegation the responsibility for decision-making are transferred to semi-autonomous organizations not wholly controlled by the central organization, but ultimately accountable to it.

• Devolution. A third type of decentralization is devolution. The authority for decision making is transferred completely to autonomous organizational units.

Advantages of Decentralization

• Raise morale and promote interpersonal relationships

• Relieve from the daily administration

• Bring decision-making close to action

• Develop Second-line managers

• Promote employee's enthusiasm and coordination

• Facilitate actions by lower-level managers

Disadvantages of Decentralization

• Top-level administration may feel it would decrease their status

• Managers may not permit full and maximum utilization of highly qualified personnel

• Increased costs. It requires more managers and large staff

• It may lead to overlapping and duplication of effort

Centralization and Decentralization are two opposite ways to transfer decision-making power and to change the organizational structure of organizations accordingly.

There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

DELEGATION OF AUTHORITY

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub allocation of powers to the subordinates in order to achieve effective results.

Elements of Delegation

1. Authority - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.

2. Responsibility - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.

3. Accountability - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of

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job. Accountability, in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

DELEGATION PROCESS

The steps involved in delegation are given below

1. Allocation of duties – The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.

2. Granting of authority – Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason; every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.

3. Assigning of Responsibility and Accountability – The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted.

4. Creation of accountability – Accountability, on the others hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore every manager, i.e., the delegator has to follow a system to finish up the delegation process. Equally important is the delegatee's role which means his responsibility and accountability is attached with the authority over to here.
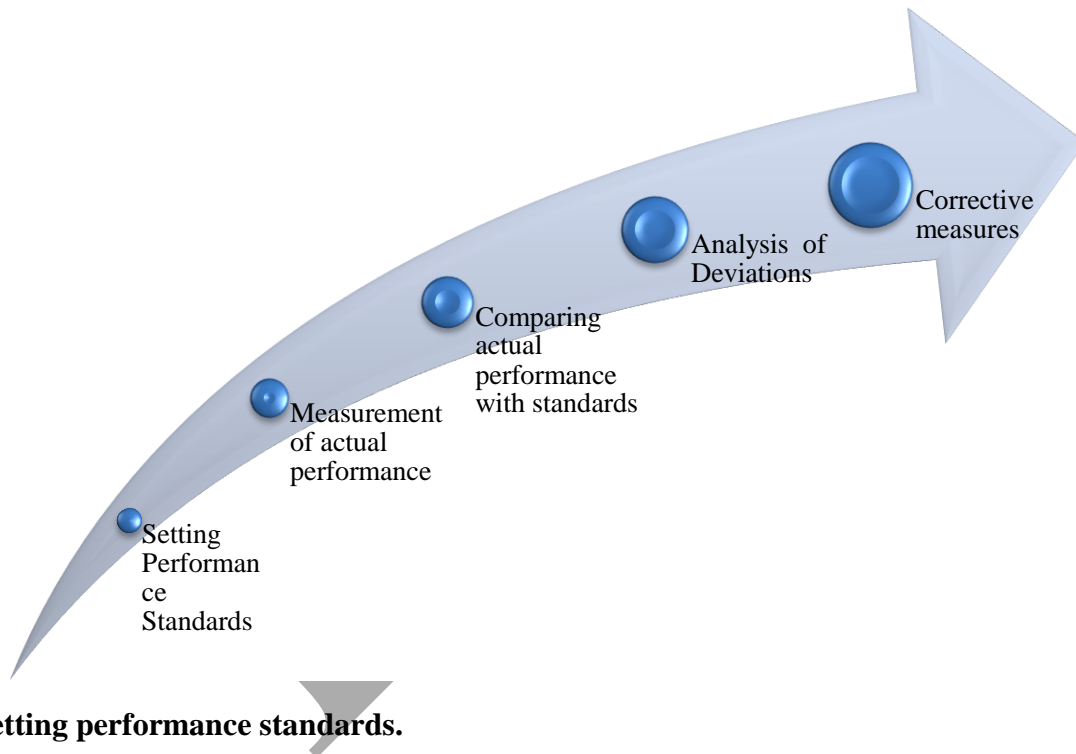
CONTROL

Meaning

Control or **controlling**, is one of the managerial functions like planning, organizing, staffing and directing. It is an important function because it helps to *check the errors* and to take the *corrective action* so that deviation from *standards are minimized* and stated goals of the organization are achieved in a desired manner.

Process of Control

Corrective measures

Analysis of Deviations

Comparing actual performance with standards

Measurement of actual performance

Setting Performance Standards

Setting performance standards.

Standards are the criteria against which actual performance will be measured. Standards are set in both quantitative and qualitative terms.

Measurement of actual performance

Performance is measured in an objective and reliable manner. It should be checked in the same unit in which the standards are set.

Comparing actual performance with standards.

Analysis deviations

Taking corrective measures

Features of Controlling Function

Following are the characteristics of controlling function of management-

1. **Controlling is an end function-** A function which comes once the performances are made in conformities with plans.
2. **Controlling is a pervasive function-** which means it is performed by managers at all levels and in all type of concerns.
3. **Controlling is forward looking-** because effective control is not possible without past being controlled. Controlling always look to future so that follow-up can be made whenever required.
4. **Controlling is a dynamic process-** since controlling requires taking reviewalmethods, changes have to be made wherever possible.
5. **Controlling is related with planning-** Planning and Controlling are two inseperable functions of management. Without planning, controlling is a meaningless exercise and without controlling, planning is useless. Planning presupposes controlling and controlling succeeds planning.

Techniques of control
1. Direct Supervision and Observation

'Direct Supervision and Observation' is the oldest technique of controlling. The supervisor himself observes the employees and their work. This brings him in direct contact with the workers. So, many problems are solved during supervision. The supervisor gets first hand information, and he has better understanding with the workers. This technique is most suitable for a small-sized business.

2. Financial Statements

All business organisations prepare Profit and Loss Account. It gives a summary of the income and expenses for a specified period. They also prepare Balance Sheet, which shows the

financial position of the organisation at the end of the specified period. Financial statements are used to control the organisation. The figures of the current year can be compared with the previous year's figures. They can also be compared with the figures of other similar organisations.

3. Budgetary Control

A budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. It is the essence of financial control. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue. Budgetary control is done by the budget committee.

4. Break Even Analysis

Break Even Analysis or Break Even Point is the point of no profit, no loss. For e.g. When an organisation sells 50K cars it will break even. It means that, any sale below this point will cause losses and any sale above this point will earn profits. The Break-even analysis acts as a control device. It helps to find out the company's performance. So the company can take collective action to improve its performance in the future. Break-even analysis is a simple control tool.

5. Return on Investment (ROI)

Investment consists of fixed assets and working capital used in business. Profit on the investment is a reward for risk taking. If the ROI is high then the financial performance of a business is good and vice-versa.

ROI is a tool to improve financial performance. It helps the business to compare its present performance with that of previous years' performance. It helps to conduct inter-firm comparisons. It also shows the areas where corrective actions are needed.

6. Management by Objectives (MBO)

MBO facilitates planning and control. It must fulfill following requirements :-Objectives for individuals are jointly fixed by the superior and the subordinate.Periodic evaluation and regular feedback to evaluate individual performance.

7. Management Audit

Management Audit is an evaluation of the management as a whole. It critically examines the full management process, i.e. planning, organising, directing, and controlling. It finds out the efficiency of the management. To check the efficiency of the management, the company's plans, objectives, policies, procedures, personnel relations and systems of control are examined very carefully. Management auditing is conducted by a team of experts. They collect data from past records, members of management, clients and employees. The data is analysed and conclusions are drawn about managerial performance and efficiency.

8. Management Information System (MIS)

In order to control the organisation properly the management needs accurate information. They need information about the internal working of the organisation and also about the external environment. Information is collected continuously to identify problems and find out solutions. MIS collects data, processes it and provides it to the managers. MIS may be manual or computerised. With MIS, managers can delegate authority to subordinates without losing control.

9. PERT and CPM Techniques

Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) techniques were developed in USA in the late 50's. Any programme consists of various activities and sub-activities. Successful completion of any activity depends upon doing the work in a given sequence and in a given time.

CPM / PERT can be used to minimise the total time or the total cost required to perform the total operations.

10. Self-Control

Self-Control means self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for top level managers because they do not like external control.

Part A (ONE Mark)
Multiple Choice Questions
Online Examination

Part B
(2 Marks)

1. What is the definition of planning?
2. What is meant by delegation?
3. What is meant by control?
4. What is Organizational structure?
5. What is delegation?

Part C

1. Explain the factors affecting delegation of authority and its process?
2. Explain the salient features of line and staff organization?
3. Explain the different steps of planning.
4. Describe the process of control.
5. Explain the various steps in decision making.
6. What are the advantages of line and staff organization?
7. Planning is the essence of management-Elucidate.
8. Explain the factors affecting the decentralization.
9. What are the different types in decision making?
10. What are the merits and demerits of decentralization?

KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT OF MANAGEMENT
FUNDAMENTALS OF MANAGEMENT AND ORGANISATIONAL BEHAVIOR
UNIT – II

S.NO	Questions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Answer
1	The formulation of strategies to achieve organisational goals is part of…………	The organising function.	The leading function.	The co-ordinating function.	The planning function.			The planning function.
2	Implementation of policy is concerned with……………………	Management	Administration	Business	Profession			Administration
3	Planning is _____ and _____ function of management.	Middle and important	First and foremost	Important and secondary	First and Last			First and foremost
4	Characteristics of planning does not include………………	Looking into future	Required at all levels of management	Offer direction to members of organisation	Presentation in monetary terms			Looking into future
5	Planning helps management pull the individual to achieve common goals by ……….	Provision of well defined objectives	Unity of direction	Well published procedures	Well Execution			Provision of well defined objectives
6	Forecasting involves detailed analysis of the past and present events to………	Set objectives for each function	Get clear cut idea about probable events in	Arrange comparisons	Well published procedures			Get clear cut idea about probable events in future

			future					
7	_____ is the function that determines in advance what should be done.	Planning.	Organizing	Staffing	Controlling			Planning.
8	The definition, "A Plan is a trap laid to capture the future" was given by _____.	Henry Fayol.	F.W.Taylor.	Louis Allen.	M.S. Hurky.			Louis Allen.
9	Effective planning facilitates _____.	future course of action.	proper allocation of resources.	working environment.	Early achievements of objectives			Early achievements of objectives
10	Planning is an interdependent process which co-ordinates _____.	A. various departments.	A. various business activities.	A. various levels of management.	various dimensions.			various business activities.
11	Planning anticipates _____.	future.	co-ordination.	unpredictable future.	economy in operation.			unpredictable future.
12	Planning does not come to an end with the establishment of a business concern because it is _____.	A. common to all.	flexible.	a continuous process.	a linchpin for all activities.			a continuous process.
13	_____ is a systematic attempt to probe the future by inference from known facts.	Panning	Forecasting	Routing	Scheduling			Forecasting

14	Planning is an expensive exercise, both in terms of _____ and _____.	time,money	time,investment	money,technology	money,employees			time,money
15	_____ of an organization should together contribute to the accomplishment of its long-term plans	Strategic plans	Alternative plans	Flexible plans	Short-term plans			Short-term plans
16	Short-range planning, also called _____.	tactical planning	immediate planning	quick planning	Strategic Planning			tactical planning
17	Organizational planning is done by _____.	top level management	Middle Level Management	Low Level Management	people from all level of management.			top level management
18	Planning is a _____ function	significant	Pervasive	development	Forecasting			Pervasive
19	Long-range planning is also called as _____.	strategic planning	tactical planning	immediate planning	quick planning			strategic planning
20	_____ make the strategic plan come to life.	Strategies	Objectives	Tactics	Motives			Tactics
21	_____ determine how to accomplish objectives outlined in a strategic plan.	Strategies	Objectives	Tactics	Motives			Strategies

22	_____ is the process of determining objectives, deciding upon strategies, and implementing the tactics.	Marketing planning	Strategic Planning	Strategic research	Advertising planning			Strategic Planning
23	Strategic planning is a three-tiered process that starts with the _____.	marketing plan	initial investment	business plan	goal formulation			business plan
24	Delegation of authority should achieve _____.	expected results	accountability	reduction of work	organizational task			expected results
25	_____ helps the manager to concentrate on the important work of planning, organizing and controlling.	Delegation of authority	Delegation of responsibility	Leadership	Conferring authority			Delegation of authority
26	_____ means granting authority to the subordinate to perform various managerial activities.	Specific delegation	General delegation	Formal delegation	Accrued delegation			General delegation
27	_____ means the authority which is delegated on the basis of custom, conversion or usage.	Accrued delegation	Unwritten delegation	Sideward delegation	General delegation			Unwritten delegation
28	Decision which does not incur any expense is known as ------------------------	Non-economic decisions	Group decision	Personal decision	Operative decision.			Non-economic decisions
29	------------ is the process which enable a person to assign a work	Authority	Process	Delegation	Responsibility			Authority

30	Decision making is a prerequisite of an----------------------------	Authority	Responsibility	Accountability	Power			Authority
31	Obligation to do something is -----------------------	Authority	Responsibility	Accountability	Power			Accountability
32	A broad guideline to decision making is called………..	Plan	Organisation	Procedure	Policy			Procedure
33	Selecting one from several alternatives is called……………….	Forecasting	Decision Making	Planning	Process			Decision Making
34	Routine and strategic decisions are…………….	Repetitive	Non – repetitive	Unimportant decisions	important decision			Repetitive
35	Line organization is also known as --------	Staff organization	Military organization	Functional organization	Matrix Organization			Military organization
36	Line authority	Is an advisory authority	Has no right to command	Has wide powers	Has limited powers			Is an advisory authority
37	Staff authority is an -------------	Executive authority	Advisory authority	Planning authority	Functional authority			Advisory authority

38	Line authority has ------------- powers	Wide	Narrow	Tight	Lose			Wide
39	Staff authority has _____	No right to command	Right to command	authority	implementing			Right to command
40	Leadership behaviour is the sum total of ---------.	series	traits	people	quality imporvement			traits
41	Line authority is an-------	Executive authority	Advisory authority	Planning authority	Functional authority			Executive authority
42	The effectiveness of supervision is always related to……………	Span of control	Specialisation	Centralization	Improving the work			Span of control
43	Co-ordination creeps----------.	Mis-understanding	images	delay	conflict			Mis-understanding
44	co operation is-----------to work.	seeing	willing ness	intersting	understanding			willing ness
45	Motivation is an act of------------oneself.	stimulating	attracting	watching	inducing			stimulating

46	A-------------is an inspiration process.	action	motivation	employee feedback	training			motivation
47	Motivation is a reported----------.	concept	process	urge	process			process
48	An individual is motivated-----------.	half	fully	partially	moderately			partially
49	Motivation may be-------------.	calculated	non-financial	process	needs fulfilled			non-financial
50	Negative motivation is based on-----------.	gain	profit	fear	recognition			fear
51	Positive motivation is based on----------.	sales	company	firm	rewards			rewards
52	In Maslow's Need hierarchy which needs are shown between Esteem needs and Safety needs	Social needs	Esteem needs	Security needs	Basic need			Social needs
53	Maslow's "basic needs" are also known as	Social needs	Esteem needs	Security needs	Physiological needs			Physiological needs

54	A-------- Motivation is of incentives.	behaviour	positive	perform	money			positive
55	People have---------to work.	accepted	direct	calculated	ability			direct
56	Motivation helps to solve----------problems.	personal	indulge	labour	organizational			labour
57	A manager----------people.	interests	guides	watch	trains			guides
58	A-------------is a goal oriented behaviour.	motivation	plan	train	control			motivation
59	Workers work sincerely through------------.	profit	inspiration	sales	gain			inspiration
60	Motivation is different from----------.	Employee satisfaction	job satisfaction	orientation	perception			job satisfaction

UNIT-III

SYLLABUS

Importance of organizational Behaviour – OB Model - Attitudes – Components – Attitude and Behaviour– Job attitudes – Values – importance – Terminal and Instrumental values – Generational Values – Personality and values. Personality – Types – Factors influencing personality – Theories – Perceptions – Importance – Factors influencing perception – Judging others, perception and individual decision making

1. MEANING OF OB

Organisational Behaviour is the study of Human Behaviour. The study is about behaviour in organisations and knowledge about human behaviour would be useful in improving an organisation's effectiveness.

Organizational Behaviour means the study of the behaviour of individuals and Group of Organizations and Organizations as they act and interact to attain desired outcomes.

Definition

> "Organisational Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organisations".

Organisational Behaviour is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within organization, to apply such knowledge to improve organization performance.

Scope of Organisational Behaviour

The scope of Organisational Behaviour,

- Individuals
- Group of Individuals
- Organisation/Structure

Group of Individuals
1. Group Dynomics
2. Group Conflict
3. Communication
4. Leadership
5. Power and Politics

Individuals:
1. Personality, Perception
2. Learning, Attitude
3. Motivation, Values
4. Job Satisfaction

Organisational behaviour

Oragnisation/Structure
1. Organisation Structure
2. Organisation Culture
3. Organisation Change
4. Organisation Developmant

There are many possibilities to develop their own Skill and Knowledge and also give confident to exposes the better productivity in the Organisation.

Individual

Organisations are the associations of Individuals. Study of Individuals includes aspects such as personality, perception, attitudes, values, job satisfaction, learning and motivation.

Group of Individuals

Group of Individuals includes aspects such as group dynamics, conflicts, communication, leadership and power and politics.

Organisation/Structure

The study of Organisation/Structure is the aspects formatting Organisation Structure, Organisation Change and Organisation Development.

Nature of Organizational Behaviour (OB)

Organizational behaviour is an applied behavioural science that is built on contributionsfrom a number of behavioural disciplines such as psychology, sociology, social psychology, anthropology

and economics. So now students let's see how these disciplines are related to organisational behaviour.

Psychology

Psychology is the study of human behavior which tries to identify the characteristics of individuals and provides an understanding why an individual behaves in a particular way. This thus provides us with useful insight into areas such as human motivation, perceptual processes or personality characteristics.

Sociology

Sociology is the study of social behavior, relationships among social groups and societies, and the maintenance of social order. The main focus of attention is on the social system. This helps us to appreciate the functioning of individuals within the organization which is essentially a socio-technical entity.

Social Psychology

Social psychology is the study of human behaviour in the context of social situations. This essentially addresses the problem of understanding the typical behavioural patterns to be expected from an individual when he takes part in a group.

Anthropology

Anthropology is the science of mankind and the study of human behaviour as a whole. The main focus of attention is on the cultural system, beliefs, customs, ideas and values within a group or society and the comparison of behaviour among different cultures.

Economics

Any organization to survive and sustain must be aware of the economic viability of their effort. This applies even to the non-profit and voluntary organizations as well.

Political Science

Although frequently overlooked, the contributions of political scientists are significant to the understand arrangement in organizations. It studies individuals and groups within specific conditions concerning the power dynamics. Important topics under here include structuring Of Conflict, allocation of power and how people manipulate power for individual self-interest etc.

Models of Organizational behavior:

The five models of organisational behaviour are the:

- Autocratic model,
- Custodial model,
- Supportive model,
- Collegial model and
- System model.

Autocratic model

Autocratic model is the model that depends upon strength, power and formal authority.

In an autocratic organisation, the people (management/owners) who manage the tasks in an organisation have formal authority for controlling the employees who work under them. These lower-level employees have little control over the work function. Their ideas and innovations are not generally welcomed, as the key decisions are made at the top management level.

The guiding principle behind this model is that management/owners have enormous business expertise, and the average employee has relatively low levels of skill and needs to be fully directed and guided. This type of autocratic management system was common in factories in the industrial revolution era.

One of the more significant problems associated with the autocratic model is that the management team is required to micromanage the staff – where they have to watch all the details and make every single decision. Clearly, in a more modern-day organisation, where highly paid specialists are employed an autocratic system becomes impractical and highly inefficient.

The autocratic model is also a detractor to job satisfaction and employee morale. This is because employees do not feel valued and part of the overall team. This leads to a low-level of work performance. While the autocratic model might be appropriate for some very automated factory situations, it has become outdated for most modern-day organisations.

Custodial model

The custodial model is based around the concept of providing economic security for employees – through wages and other benefits – that will create employee loyalty and motivation.

In some countries, many professional companies provide health benefits, corporate cars, financial packaging of salary, and so on – these are incentives designed to attract and retain quality staff.

The underlying theory for the organisation is that they will have a greater skilled workforce, more motivated employees, and have a competitive advantage through employee knowledge and expertise.

One of the downsides with the custodial model is that it also attracts and retains low performance staff as well. Or perhaps even deliver a lower level of motivation from some staff who feel that they are "trapped" in an organisation because the benefits are too good to leave.

Supportive model

Unlike the two earlier approaches, the supportive model is focused around aspiring leadership.

It is not based upon control and authority (the autocratic model) or upon incentives (the custodial model), but instead tries to motivate staff through the manager-employee relationship and how employees are treated on a day-to-day basis.

Quite opposite to the autocratic model, this approach states that employees are self-motivated and have value and insight to contribute to the organisation, beyond just their day-to-day role.

The intent of this model is to motivate employees through a positive workplace where their ideas are encouraged and often adapted. Therefore, the employees have some form of "buy-in" to the organisation and its direction.

Collegial model

The collegial model is based around teamwork – everybody working as colleagues (hence the name of the model).

The overall environment and corporate culture need to be aligned to this model, where everybody is actively participating – is not about status and job titles – everybody is encouraged to work together to build a better organisation.

The role of the manager is to foster this teamwork and create positive and energetic workplaces. In much regard, the manager can be considered to be the "coach" of the team. And as coach, the goal is to make the team perform well overall, rather than focus on their own performance, or the performance of key individuals.

The collegial model is quite effective in organisations that need to find new approaches – marketing teams, research and development, technology/software – indeed anywhere the competitive landscape is constantly changing and ideas and innovation are key competitive success factors.

System model

The final organisational model is referred to as the system model.

This is the most contemporary model of the five models discussed in this article. In the system model, the organisation looks at the overall structure and team environment, and considers that individuals have different goals, talents and potential.

The intent of the system model is to try and balance the goals of the individual with the goals of the organisation.

Individuals obviously want good remuneration, job security, but also want to work in a positive work environment where the organisation adds value to the community and/or its customers.

The system of model should be an overall partnership of managers and employees with a common goal, and where everybody feels that they have a stake in the organisation.

Components of Attitudes:

There are the following three basic components of attitudes:

- *Cognitive or informational components (Ideas, Beliefs & values, Information):* In the context of components of attitudes cognitive or informational components is an essential elements because on the basis of such component an individual can develop his own attitudes in a positive way or negative way. In fact on the basis of gathering different types of information from the environments. An individual can exchange his own ideas, beliefs, value thought and opinion etc, to the other person & that basis he can also able to develop his attitude in a positive or negative way. On the whole, it is clear that informational components is an essential component for the development of attitudes.

- *Emotional Components (Feeling of likes & dislikes, Positive & Negative):* On the basis of emotional component an individual can able to develop his own attitudes against the objects in the positive & negative way. In fact emotional components of an individual refers to his own emotional opinion or feedback against an object as a feeling of likes or dislikes, bad or good, favorable or unfavorable way. On the whole it is clear that on the basis of emotional element an individual can be able to develop his own attitudes in a positive or negative ways. Favorable or unfavorable way, but according to the environment circumstances. In the context of attitudes

emotional elements takes an essential place to develop attitudes ability in a positive or negative way.

- *Behavioral Component (Tendency to Behave):* It is a last but one of the most vital aspect of attitudes because on the basis of behavioral component an individual can able to behave against an object in a positive or negative way. favorable or unfavorable, Bad or good manner. *For example:-* If an individual has a positive feeling he will be likely to behave positively. On other hand if and individual has a negative feeling against an object then he will be likely to behave negatively. On the whole it is clear that the tendency to behave of an individual is properly based upon the feeling of an individual. If he feels negatively against the object then he will be likely to behave negatively. But while he feel positively against the object then he will be likely to behave positively.

Types of Attitudes

1) Job Satisfaction

– A collection of positive and/or negative feelings that an individual holds towards his or her job.

2) Job Involvement

– Identifying with the job, actively participating in it, and considering performance important to self-worth.

3) Organizational Commitment

– Identifying with a particular organization and its goals, and wishing to maintain membership in the organization

– Affective, normative, and continuance commitment – Note: what are these? Why are they different? Please be sure you know J

4) Perceived Organizational Support

– Degree to which employees feel the organization cares about their well-being.

5) Employee Engagement

– An individual's involvement with, satisfaction with, and enthusiasm for the organization.

Values

According to M. Haralambos, "A value is a belief that something is good and desirable". Values are conscious or unconscious motivators and justifiers of the actions and judgment.

The values of a culture may change, but most remain stable during one person's lifetime.

The characteristics of values are:

1. These are extremely practical, and valuation requires not just techniques but also an understanding of the strategic context.
2. These can provide standards of competence and morality.
3. These can go beyond specific situations or persons.
4. Personal values can be influenced by culture, tradition, and a combination of internal and external factors.
5. These are relatively permanent.
6. These are more central to the core of a person.

Instrumental Value: Instrumental values reflect the means to achieve goals; that is, they represent the acceptable behaviour to be used in achieving some end state. Instrumental values identified by Rokeach include ambition, honesty, self-sufficiency and courageousness.

Instrumental value refers to a single belief that always takes the form: I believe that such and such a mode of conduct (example Honesty, courage, etc.) is personally and socially preferable in all situations with respect to all objects. An instrumental value is a tool or means for acquiring a terminal value.

Terminal Value: Terminal values, in contrast, represent the goals to be achieved, or the end states of existence. Rokeach identified happiness, love, pleasure, self-respect, and freedom among the terminal values.

Personality – Types

Definition of personality

Personality is a concept that we use in our routine working while dealing with people. Personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits and the person-situation interactions (Fred Luthans).

According to Stephen P. Robbins, personality is the sum total ways in which an individual reacts and interacts with others. It may be defined as those inner psychological characteristics that both determine and reflect how a person responds to his environment. Personality can be defined as those inner psychological characteristics that both determine and reflect how a person responds to the environment The term personality has been derived from the Latin word 'per sonare' which means to speak through. This Latin word denotes the mask, which the actors used to wear in ancient Greece and Rome.

It is also related with social status of the individual, as the person with high social status is having good personality.

DETERMINANTS OF PERSONALITY

These determinants of personality can be classified into following categories:

1) Biological Factors

a) Heredity

b) Brain

c) Physical Features

2) Family and Social Factors

a) Home Environment

b) Family Members

c) Social Groups

3) Cultural Factors

4) Situational Factors

5) Other Factors

a) Temperament

b) Interest

c) Character

1. Biological factors:

The ways an individual sense the external event data, interpret and respond to them are general biological characteristics of human biological system. The study of biological contribution to personality can be divided into,

Heredity: It is transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. These qualities are present in a person by birth. Heredity refers to those factors like physical stature, facial attractiveness, sex, temperament, muscle composition, energy level and biological rhythms etc. that were determined at conception. Brain: It plays very important role in shaping personality. The structure of brain determines personality. People normally say that a person with more number of lines on his brain is more intelligent. Different people will give value to different things. For some beauty is more valuable

than intelligence. However, no conclusive proof is available so far about the nature of relationship between brain and personality.

Physical Features: Another factor that contributes to personality formation is physical characteristics of an individual. While defining personality some individuals give higher weights to physical features of an individual. The external appearance includes height, weight, colour, facial features etc of the individual while determining his personality. The normal belief is that the healthy person is lazy and the thin is angry determines the individual personality.

2. Family and Social Factors: Family plays an important role in early personality development. The infant acquires those behaviour patterns that depend upon the socio-economic level of the family, family size, birth-order, race, religion, parent education level, geographic location etc. Social factors include the person's interaction with other people throughout his life. The family and social factors are categorize as below,

Home environment: A child will have soft personality if he will grow in a warm, loving and protective environment. And if everybody in the family is busy in their life and have no concern for each other then the infant will have rigid personality. The key variable is not the parents per se rather the type of environment that is generated for the child. Family Members: Parents and other family members have strong influence on personality development of the child. Parents have more impact than other members of the family do in building the child's personality. We generally see that small children behave like their parents. The relationships between the parents and children are higher than the children and teachers in building child's personality.

Social Group: In addition to home environment and family members, there are other influences from the social placement of the family. Social groups includes the person's interaction with other people which starts with playmates during childhood and continue with peers at work, associates and other work groups. The internal and external work environment continues to influence the people personalities, perception and behaviour throughout his life.

3. Cultural Factors: Culture is sum total of learned behaviour traits which are manifested and shared by the members of the society. The culture within which a person is brought up is very important determinant of behaviour of a person. Culture is a unique system of perception, beliefs, values, and norms, patterns of behaviour and code of conduct that influence the behaviour of the individual. It

determines what a person is and what a person will learn. The way of talking and dressing sense of Hindus and Muslims are entirely different, as they are prone to different cultures. Each culture trains its members to behave in the ways that are acceptable to the group. The difference among individual behaviour is also based upon socio-economic classes, ages, education, professions and geographic regions. As skilled have different behaviour pattern than the unskilled workers do.

4. Situational Factors: An individual personality is generally stable and consistent; it may change in different situations. An individual life is unique in terms of events and experience, but these experiences sometimes change the structure of the entire personality of an individual. Suppose there is a worker who is very fond of doing work. But sometime due to overload he becomes frustrated from the existing job. Due to this changed situation, his personality composition also changes. Thus demand of different situation may call for different aspects of one's personality.

5. Other Factors:

a) Temperament: It is the degree to which one responds emotionally. It is distributed according to normal distribution.

b) Interest: An individual has many interests in various areas. Top executives in any organization do not have common interest. Thus the organization should provide them job rotation and special training programs to satisfy their interest.

c) Character: It means honesty. It is very important requirement for responsible jobs. It is resistance to stealing and cheating others. It is likely that an individual may not steal in normal circumstances, but this can be the demand of undesirable circumstances.

d) Schema: It is an individual's belief, frame of reference, perception and attitude which the individual possesses towards the management, job, working condition around him, pay scale, fringe benefits, compensation mechanism, and development towards religion, government and satisfaction gained from environment. Thus the complete behavior of an individual is dependent upon the external stimuli.

e) Motives: These are the inner drivers of an individual. They represent goal directed behavior of individual. Motives help in determining one's behavior towards a goal. Thus, the above factors

affect the formation and development of personality. At each stage of the life every individual learns from the environment he lives in and the persons he interacts with.

Following are five personality traits of an individual:

1. Openness to experience

Individuals with openness to experience are generally very active, have a tremendous inclination towards creativity and aesthetics and listen to their heart i.e. follow their inner feelings. Such individuals are generally open to new learnings, skill sets and experiences. People who score high on openness are quite broadminded and modern in their outlook as compared to individuals who score low on the same parameter. Such individuals are conservative, reluctant to changes and have a traditional approach in life.

2. Conscientiousness

As the name suggests, individuals with a Conscientiousness personality trait listen to their conscience and act accordingly. Such individuals are extremely cautious and self disciplined. They never perform any task in haste but think twice before acting. People with this personality trait are generally methodical and tend to become perfectionists in the long run. People who score high on conscientiousness are proactive, goal oriented and self disciplined. They strive hard to accomplish goals and objectives within the stipulated time frame. Individuals who scoreless are little laid back and are not much goal oriented.

3. Extraversion and Introversion

Carl Jung popularized both the terms - "Extraversion" and "Introversion".

a. Extraversion: Extraversion refers to a state where individuals show more concern towards what is happening outside. Such individuals love interacting with people around and are generally talkative. They do not like spending time alone but love being the centre of attraction of parties and social gatherings. Such individuals love going out, partying, meeting people and often get bored when they are all by themselves. They admire the company of others and hate staying alone.

b. Introversion: Introversion, on the other hand refers to a state when an individual is concerned only with his own life and nothing else. Such individuals do not bother about others and are seldom interested in what is happening around. They prefer staying back at home rather than going out and spending time with friends. Such individuals speak less and enjoy their own company. You would

never find them in meetings, clubs, parties or social get-togethers. They generally do not have many friends and tend to rely on few trusted ones.

4. Agreeableness

Agreeableness is a personality trait which teaches individuals to be adjusting in almost all situations. Such individuals do not crib and face changes with a smile. They accommodate themselves to all situations and are friendly and kind hearted. People who score high on agreeableness are ready to help others and flash their trillion dollar smile whenever a problem arises. Individuals who score low on agreeableness on the other hand find difficulties in adjusting with others and are little unfriendly.

5. Neuroticism

Neuroticism is a trait where individuals are prone to negative thoughts such as anxiety, anger, envy, guilt and so on. Such individuals are often in a state of depression and do not how to enjoy life. They always look at the negative sides of life and find extremely difficult to cope up with stress.

Authoritarianism,

Authoritarianism, principle of blind submission to authority, as opposed to individual freedom of thought and action. In government, authoritarianism denotes any political system that concentrates power in the hands of a leader or small elite that is not constitutionally responsible to the body of the people.

Locus of control

In personality psychology, locus of control is the degree to which people believe that they have control over the outcome of events in their lives, as opposed to external forces beyond their control. People with a strong external locus of control tend to praise or blame external factors such as the teacher or the exam.

APPROACHES/THEORIES OF PERSONALITY

1) Psycho-analytical Theory 2) Trait Theory 3) Type Theory 4) Self Concept Theory 5) Social Learning Theory

1. Psycho-analytical Theory: The mile stone in the study of personality is Freud's psychoanalytical theory. Freud is of the belief that the personality as a reflection of behaviour has been primarily based on the unconscious nature of personality. The human behaviour and motivation is outcome of following psychoanalytical concepts. Such as:

a)ID: It is the unconscious part of the human personality. It is most primitive part and is the storehouse of biologically based urges. Example- urges to have food, water etc. ID is original source of personality present in a newborn or infant. The principal of working for ID is 'Pleasure'. Id tries to satisfy the urge as soon as possible without considering the realities of life.

b) Ego: Ego manages ID through the realities of the external environment. Ego is conscious in nature and is a mechanism to relate our conscious urge to outside real world. As Ego is conscious and logical part of human personality, ID is guided and governed by Ego. It explains the ways of thinking and behaving. ID demands immediate pleasure at whatever cost, Ego controls it so that the pleasures are granted at appropriate time and in acceptable manner. Ego delays satisfying ID motives and channels the behaviour, which is socially acceptable. It makes people work to live and adjusting to the realities of life. The principle of ego to work is 'Reality Principle'. It takes into account what is possible in this world. As the function of ID and Ego are contrary there is always ongoing tension between ID and Ego i.e. between urges and realities of life which keeps Ego to develop more sophisticated thinking skills. Thus to keep ID under control, Ego is supported by Super Ego.

c) Super Ego: It is higher level restraining force and can be described as the conscience of the person. The conscience creates standards of what is right or wrong. It represents the rules and the norms that check the cultural, moral or ethical behavioral values of the individual in the social environment. However, an individual is not aware of presence and working of superego in oneself. It is developed slowly in a person when he absorbs central values and follows the standards of society. Superego keeps ego to judge what is right or wrong.

2. Trait Theory: It visualizes personality as a reflection of certain traits of the individual. This theory was put forward by 'ALLPORT". Trait is a distinctive and personal form of behaviour. There are many traits, which are common to most people, some are unique to a person and other individuals share some. On the basis of trait theory, people can be described as aggressive, loyal, pleasant, flexible, humorous, sentimental, impulsive, cool and so on. Traits are basic elements of personality and can be used to summarize behaviour. The trait of an individual or 'Personal disposition is studied at three levels:

a) Cardinal Trait Level: ALLPORT defined cardinal traits as those pervasive traits which are so powerful or dominant that rarely all the individual action can be traced back to them. As these are

highly influential traits, so they are named after key historical figures like Mother Teresa, Hitler, and Romeo etc. This level describes a trait so broad and so deep in its impact that it overshadows the influence of other traits for the same individual.

b) Central Trait Level: ALLPORT describes central traits as those that might be referred in careful recommendations or at a rating scale. These are unique and limited in number. The traits at this level means to convey what can be expected from a person most of the time.

c) Secondary Trait level: These are least generalized traits of a person. The range of influence of these traits is very narrow. These peripheral traits are specialized to the situation. Cattell used groups of traits to describe the structure of personality. He put these traits in the following categories:

a) Surface Traits: Wise-foolish, sociable-exclusive, honest-dishonest etc.

b) Source Traits: Trustful-suspicious, relaxed-tense, dominant-submissive, forthrightshrewd, cheerfulness-depressed etc.

3. Type Theory:

"Type is simply a class of individuals said to share common collection of characteristics". Type approach discusses the personality in the following ways:

a) Type on the basis of body build:

i. Endomorph: They are fat, thick in proportion to their height. They seek comfort, eat too much, jovial, affectionate and liked by all. They are even tempered, show a relaxed posture, easy to get along with others and are tolerant of others. They prefer to be led than to lead.

ii. Ectomorph: They are thin, long and poorly developed physically. They work well in closed areas and displays restraint, inhibition and desire for concealment. They prefer not to attract attention to him and tend to be distrustful of others. They are anxious, ambitious and dedicated.

iii. Mesomorph: They are basically strong, athletic and tough. They seeks lot of muscular activity, tends to be highly aggressive and self-assertive. They desire action, power and domination and they can run faster and smile brighter.

b) Type on the basis of nature:

i. Introvert: The people with following characteristics are introvert such as- shyness, social withdrawal, emotional; process the idea within them-selves. Introvert can be good scientists and researchers.

ii. Extrovert: People having following characteristics are extrovert. These are- socials, talkative, less emotional, easily makes friends, easily express their ideas and feelings. Extroverts propagate more knowledge and ideas to society. They can be good reporters, actors and marketers.

iii. Ambiverts/Reserved: These are the people between introverts and extroverts.

c) Type A and Type B:

i. Type A: Persons are those who are highly achievement oriented, competitive feel, chronic sense of time urgency and impatient whenever their work slow down. Type A are on fast track of life and are more successful in reaching top slot. They work against opposing forces. Managers in this category are hard drivers, detailed oriented people with high performance standards. These people have difficulty in increasing cordial interpersonal relationships and create a lot of stress for themselves and for the people they deal with. If they have to complete a task within given deadline, they feel pressurized. Researchers have proved that Type A personality profile lead to health problems and specially heart related illness.

ii. Type B: These kinds of persons are easy going, no competitive drive, feel no emergency. They are relaxed, sociable and have a balanced outlook on life. They are not over ambitious, are more patient and take a broader view of things. In order to meet a deadline they do not feel pressurized. They may be hardworking but feel no pressing conflict with people or time and hence are not prone to stress and coronary problems.

4. Self-Concept Theory: This theory is organized around the concept that the individual himself largely determines personality and behaviour. It is also termed as organismic or field theories, which emphasize on totality and inter relatedness of all behaviour. There are four factors consider in self-concept theory. This area) Self-Image: Every person has certain beliefs about whom or what he is. The beliefs of the individuals are the proof of self-image or self-identity. Thus self-image is the way one sees himself.

b) Ideal Self: As discussed earlier self image indicates the realities of a person as perceived by him, but ideal self indicates the ideal position as perceived by him. It denotes the way one would like to

be.

c) Looking glass-self: This is the way one thinks people perceive about him and not the way people actually see him. It is the perception of a person about how others perceive his qualities and characteristics. It is a social product, which emerges from face-to-face interaction with others from the very beginning of life. This interaction directs how others see him as an individual.

d) Real Self: This is what one actually is. An individual self-image is confirmed when other persons response to him, indicate their beliefs about who and what he corresponds with. On the basis of feedback from environment, the person re- evaluates him and re-adjusts him as per the expectation of others.

Thus a balance should be maintained between real self and self-image. Thus self-concept plays a very important role in analyzing individual behaviour. It gives a sense of meaningfulness and consistency. On the basis of self-concept a person perceives a situation.

5. Social Learning Theory: This theory believes that personality development is a result of social variables. It emphasizes on conscious needs and wants of an individual. This theory uses "reinforcement and punishment approach" in understanding personality. It looks at personality as some total of all that a person has learned from outside stimuli. There is mutual interaction between external environment and behaviour.

Freudian Freudian means relating to the ideas and methods of the psychiatrist Freud, especially to his ideas about people's subconscious sexual feelings.

Neo Freudian These other theorists became known as **Neo-Freudians**. **Neo-Freudians**, such as Adler, Horney, Jung, and Erikson, agreed with Freud that childhood experiences matter; however, they expanded on Freud's ideas by focusing on the importance of sociological and cultural influences in addition to biological influences.

Cognitive stage The Piaget stages of development are a blueprint that describes the stages of normal intellectual development, from infancy through adulthood. ... Piaget's four stages of intellectual (or

cognitive) development are Sensorimotor. (Birth through ages 18-24 months Preoperational) Preschoolers, ages three to six, should be at the "preoperational" stage of Piaget's cognitive development theory, meaning they are using their imagery and memory skills. They should be conditioned to learning and memorizing, and their view of the world is normally very self centered.

Perception

Meaning

The psychological processes that allow an individual to adjust his behaviour are called perception. The behaviour of an individual is inclined by his personality, motives and efforts. The behaviour and performance provides satisfaction to the employees who get stimulated to work more and develop his personality and work quality.

Definition

Perception may be defined as "a cognitive process by which people attend to incoming stimuli, organize and interpret such stimuli into behaviour".

ret their sensory impressions in order to give meaning to their environment". The environment is a stimulus to influence behaviour, because the stimuli are attended, organized and interpreted to arrive at certain forms of behaviour.

PERCEPTUAL PROCESS

Perceptual Input ➡ Perceptual Throughput ➡ Perceptual Output
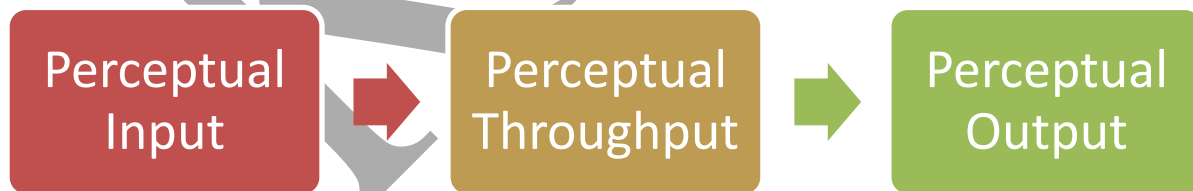
The sensory organs, i.e. eyes, nose, ears, skin and tongue, are used to change the stimuli into behaviour through their attention, recognition and interpretation processes. Individuals do not accept the information or stimuli unless they are evaluated and interpreted by the mental processing system.

Individuals attend to the stimuli, recognise and translate them into meaningful information, which inspire them to act and perform the job. These processes are known as perpetual process. When employees get satisfaction through their performance, either by meeting their physical or mental needs, they perceive the organisation in the right perspective. It helps them understand the functions and achieve satisfaction.

Components of Perception

Perception is a process of sensory organs. The mind gets information through the five sense organs, viz. the eyes, ears, nose, tongue and skin. The stimulation coming to these organs may be through action, written messages, oral communication, odour, taste, touch of the product and people. The perception starts with the awareness of these stimuli. Recognising these stimuli takes place only after paying attention to them. These messages are then translated into action and behaviour.

Stimuli: The receipt of information is the stimulus, which results in sensation. Knowledge and behaviour depend on senses and their stimulation. The physical senses used by people are vision, hearing, touch, smell and taste. Intuitions and hunches are known as the sixth sense. These senses are influenced by a larger number of stimuli, which may be action, information, consideration and feelings, etc. The stimuli may be in the form of objects or physical commodities. The human body itself is developed through the acceptance of the stimuli. The mind and soul are the victims of these stimuli occurring in the surroundings of the people.

Attention: People selectively attend to stimuli. Some of the stimuli are reacted to while others are ignored without being paid any attention. The stimuli that are paid attention depend purely on the people's selection capacity and the intensity of stimuli. Educated employees pay more attention to any stimuli, viz. announcement of bonus, appeal for increasing productivity, training and motivation. The management has to find out suitable stimuli, which can appeal to the employees at the maximum level. If the attention of the employees is not drawn, the organisation cannot expect proper behaviour from the employees.

Recognition:

After paying attention to the stimuli, the employees try to recognise whether the stimuli are worth realising. The messages or incoming stimuli are recognised before they are transmitted into behaviour. Perception is a two-phase activity, i.e. receiving stimuli and translating the stimuli into

action. However, before the stage of translation, the stimuli must be recognised by the individual. The recognition process is dependent on mental acceptability.

Translation:

The stimuli are evaluated before being converted into action or behaviour. The evaluation process is translation. In the above example, the car driver after recognising the stimuli uses the clutch and brake to stop the car. He has immediately translated the stimulus into an appropriate action. The perception process is purely mental before it is converted into action. The conversion is translation. The management in an organisation has to consider the various processes of translating the message into action. The employees should be assisted to translate the stimuli into action.

Behaviour:

Behaviour is the outcome of the cognitive process. It is a response to change in sensory inputs, i.e. stimuli. It is an overt and covert response. Perceptual behaviour is not influenced by reality, but is a result of the perception process of the individual, his learning and personality, environmental factors and other internal and external factors at the workplace. The psychological feedback that may influence the perception of an employee may be superior behaviour, his eye movement, raising of an eyebrow, the tone of voice, etc.

Performance:

Proper behaviour leads to higher performance. High performers become a source of stimuli and motivation to other employees. A performance-reward relationship is established to motivate people.

Satisfaction:

High performance gives more satisfaction. The level ofsatisfaction is calculated with the difference in performance and expectation. If the performance is more than the expectation, people are delighted, but when performance is equal to expectation, it results in satisfaction. On the other hand, if performance is less than the expectation, people become frustrated and this requires a more appealing form of stimulus for developing proper employee work behaviour and high performance. It is essential to understand the factors that influence the perception process and mould employees' behaviour towards the corporate objectives and self-satisfaction.

FACTORS AFFECTING PERCEPTION:

Factors that influence perception relate to the perceiver, perceived, and situation. All these factors are of two kinds -1) Internal or endogenous factors, and 2) External or Exogenous factors. These are discussed in some detail below.

1. INTERNAL FACTORS These factors reside in the person concerned. They include a person's needs, desires, personality, and experience.

2. EXTERNAL FACTORS These factors relate to what is being perceived and the situation. These are size, intensity, frequency, and status etc.,

Person Perception: Making Judgments About Others

Attribution Theory
When individuals observe behavior, they attempt to determine whether it is *internally* (under the personal control of the individual) or *externally* (outside causes "force" you to behave a certain way) caused.

Fundamental Attribution Error
The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others.

Self-Serving Bias
–   The tendency for individuals to attribute their own successes to internal factors while putting the blame for failures on external factors.

Attribution Theory - Frequently Used Shortcuts in Judging Others
  - Selective Perception
      –   People selectively interpret what they see on the basis of their interest, background, experience, and attitudes.
 - Halo Effect
      –   Drawing a general impression about an individual on the basis of a single characteristic.
 - Contrast Effects
      –   Evaluations of a person's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.
- Projection
      –   Attributing one's own characteristics to other people
 - Stereotyping
      –   Judging someone on the basis of one's perception of the group to which that person belongs.

Specific Applications in Organizations

- Employment interview
    – Early impressions are very important! Perceptual judgments are often inaccurate! (Another reason we should use structured interviews!)
- Performance Expectations
    – People attempt to validate their perceptions of reality – even when they are faulty! Self-fulfilling prophecy (Pygmalion Effect) is based on the notion that expectations can determine behavior – this is a very powerful managerial technique!
- Ethnic Profiling – Is it right to profile employees?
- Performance Evaluations
    – Many subjective components (perceptions) are used in the evaluation of employees
- Employee Effort
    – How is "effort" perceived? It is often a "reason" for terminations

The Link Between Perception and Individual Decision Making

Decisions = Choosing between 2 or more alternatives

Problems = A discrepancy between some current state of affairs and some desired state.

Part A (ONE Mark)

Multiple Choice Questions

Online Examination

Part B

(2 Marks)

Part C (8 Marks)

KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT OF MANAGEMENT
FUNDAMENTALS OF MANAGEMENT AND ORGANISATIONAL BEHAVIOR
UNIT – III

S.NO	Questions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Answer
1	Common definition of Organizational Behaviour is that it is the study of………………………..	Group Behaviour	Patterns of organizational structure	Individual behavior	Behaviour of people			Individual behavior
2	Which of the following is not part of the basic framework for analysing Organizational Behaviour issues…………	The process of management	Organizational context	Gender and ethnic differences	Behaviour of people			Gender and ethnic differences
3	The four main dimensions which influence behaviour in work organizations are……………….	Individual, organisation, group, gender	Individual, group, organisation, environment	Group, environment, organisation, gender	Environment, group, individual, gender			Individual, group, organisation, environment
4	The main contribution of psychology to Organizational Behaviour is the study of……………….	Personality, attitudes, perceptions and motives	Social structures and relationships	Social beliefs, customs and values	Philosophy and ethics of human activity			Personality, attitudes, perceptions and motives

5	Hawthorne Experiments are related to the…………………..	Classical Theory	Systems Theory	Scientific Management	Human Relations Theory			Human Relations Theory
6	Which of the following is not an influence on behaviour in work organisations…………	The building	The group	The environment	The individual			The building
7	The psychological contract is………………..	The match between individual and organisational expectations	The changing relationship between staff and manager	The basis for performance management	A set of moral and ethical codes for employee behaviour			The match between individual and organisational expectations
8	Which behavioural science would be most useful in helping to understand individual behaviour………	Psychology	Anthropology	Social psychology	Sociology			Psychology
9	Which group made the greatest contribution to OB through their study of group behaviour in organizations, particularly formal and complex organizations…………..	Psychology	Anthropology	Social psychology	Sociology			Sociology
10	Anthropology is the study of…………….	Group dynamics	Intergroup behaviour	Civilizations	Cultures and environments			Cultures and environments
11	The contingency approach to organizational behaviour recommends that you place behaviour within the………………....	Appropriate discipline	Value system	Context	Appropriate model			Context

12	Managers generally need to develop an approach that will facilitate their effectiveness while achieving the organization's goals. On the control dimension of the competing values framework, managers must…………………..	Inspire employees toward high performance behaviour	Develop skills that will maintain flexibility and discretion	Serve as innovators and brokers	Set clear goals regarding productivity expectations			Set clear goals regarding productivity expectations
13	The Scientific Management Theory Over simplified the workers………..	Development	Imagination	Motivation	Behaviour of people			Motivation
14	Which one of the following concept is not associated with Scientific Management? I. Mental Revolution II. Unity of Command III. Rule of Thumb IV. Time and Motion study V. Differential piece rate plan	I, II,and IV	II, III and IV	II and III	I, IV, and V			II and III
15	The Overall goal of Scientific Management is………………….	Maximization of Social welfare	Maximization of Employment	Higher Industrial Efficiency	Increase Productivity			Higher Industrial Efficiency
16	………………………….. is known as "the Father of Scientific Management."	Fredrick W. Taylor	Henry Fayol	Robert Owen	Peter Drucker			Fredrick W. Taylor
17	Forces affecting organisational behaviour are……………..	People, Environment ,Technology	Political	Competition	Cultures			People, Environment ,Technology

18	Positive attitude means……………………..	High level of satisfaction	Poor performance	Dis Satisfaction	Work slowes down			High level of satisfaction
19	Negative attitude means……………..	Work slowes down	Good Performance	Low Turnover	Affecting work culture			Affecting work culture
20	Job satisfaction leads to……………..	Improved productivity	Absentisem	Increase turn over	Good Performance			Improved productivity
21	.... essentially represent predispositions to respond.	Attitude	Time factor	Age	Experience			Attitude
22	.... is a characteristic of an object.	Time factor	Age	Values	Attitudes			Values
23	.... provide standards of competence and morality	Time factor	Age	Values	Perception			Values
24	.... are learned and acquired primary through experience with people and institutions	Time factor	Age	Values	Personality			Values
25	Job enrichment has been derived from _____	Robert ford	Mc George	Bernold	Herzberg's			Herzberg's

26	Job enrichment is an effective method to _____	Enrich people	Motivate people	Discourage	Educate		Motivate people
27	_____is an effective method to motivate poeple in the work situation	Jobenrichment	Jobenlargement	Both A & B	Job rotation		Jobenrichment
28	Which of the following is / are included as structure of human mind……………	Id	Ego	Super ego	Id, Ego, Super ego		Id, Ego, Super ego
29	----------- is largely childish, irrational, never satisfied, demanding and destructive of others	Id	Ego	Super ego	Negative Ego		ID
30	------------represent noblest thoughts, ideals etc.	Id	Ego	Super ego	Negative Ego		super Ego
31	----------- is reality and practical oriented part of thinking	Id	Ego	Super ego	Negative Ego		Ego
32	A study of human behavior in organizational settings is	Individual behavior	Group behavior	Organizational behavior	Social behaviour		Organizational behavior
33	People with which type of personality trait commonly make poor decisions because they make them too fast………………	Type As	Type Bs	Self-monitors	Extroverts		Type As

34	Which of the following is an environmental force that shapes personality……………	Gender	Height	Experience	Brain size			Experience
35	"Bob is easy-going at home, but at work he becomes very tense and anxious." This statement attributes Bob's personality more to which of the following?	Situational conditions	Heredity	Loss of power	Locus of control			Situational conditions
36	Which of the following personality attributes predicts behaviour that is pragmatic and emotionally distant?	Type A personality	Willingness to take risks	Machiavellian ism	Locus of control			Machiavellian ism
37	Individuals who rate high in external locus of control	Perceive they have significant control	Have lower absenteeism rates	Are less satisfied with their jobs	Are more involved in their jobs			Are less satisfied with their jobs
38	Characteristics of individuals high in Machiavellianism include which of the following?	Pragmatic, maintain emotional distance, believe ends can justify means	Good listeners, believe in weighing alternatives	Focus most of their time on people issues	Maintain emotional distance, highly authoritative, believe in swift discipline			Pragmatic, maintain emotional distance, believe ends can justify means
39	People with high self-esteem……………	Tend to be more concerned with pleasing others than	Are less likely to take unpopular stands than those with low self-	Tend to more self-centered and not concerned with pleasing others	Tend to be more satisfied with their jobs than those with low self-esteem			Tend to be more satisfied with their jobs than those with low self-

	those with low self-esteem	esteem					esteem
40	An individual who is aggressively involved in a chronic incessant struggle to achieve more and more in less and less time is a/an…………..	Type B	Extrovert	Self-monitor	Type A			Type A
41	Which of the following is characteristics of Type B personality…………….	They operate under moderate to high levels of stress	They feel impatient with the rate at which most events take place	They can easily pursue leisure activities without feeling guilty	They are generally faster workers			They can easily pursue leisure activities without feeling guilty
42	A Type B personality would be most likely to exhibit one of the following characteristics……….	Multi-tasking	Compulsive work habits	Eat meals quickly	Concentrate on one task at a time			Concentrate on one task at a time
43	People with proactive personalities are people that…………….	Face lower job complexity	Identify opportunities, challenge the status quo, and dominate their environment	Suffer negative health consequences	Identify opportunities, show initiative, take action, and persevere until meaningful change occurs			Identify opportunities, show initiative, take action, and persevere until meaningful change occurs
44	The personality factors of "the Big Five Model" are………………	Visionary, agreeableness, courteousness,	Extraversion, agreeableness, conscientiousness,	Visionary, conscientiousness, agreeableness, emotional	Extraversion, agreeableness, conscientiousness, emotional stability,			Extraversion, agreeableness, conscientiousness,

#	Question							
		emotional stability, openness to experience	emotional stability, organizational	stability, organizational	openness to experience			emotional stability, openness to experience
45	Every individual set his goal and he also know the _____ which will take him to achieve the goal.	Process	Behaviour	Event	Way			Way
46	OB Helps to understand behaviour of human in _____.	Work place and Society	work place only	Society only	Department only			work place only
47	"The combination of characteristics or qualities that form an individual's distinctive character" is the definition of........	Personality	Motivation	Attitude	Behaviour			Personality
48	Outgoing, talkative, social are part of _____ Personality Trait as per big 5 personality trait	Friendly	Openness to experience	Introversion	Extroversion			Extroversion
49	_____ are stimulated by events and people external to themselves. They show their feelings, learn by talking, and work well in groups.	positive personalities	Introverts	Extroverts	Openness to experience			Extroverts
50	Which one of the following is NOT a reason why organizational behaviour should be studied?	most training only prepares people for the technical aspects of	most jobs involve interacting with other people	because it is necessary as part of your course	because the world of work is complex			because it is necessary as part of your course

		their job						
51	.... is the art of getting things done through others.	Manageme nt	Science	Social work	Administration			Management
52	.... helps individual to understand himself.	ED	MIS	OB	BE			OB
53	.... is a system of co ordinated activities involving two a more persons	Organisati on	Computer	Job	Industry			Organisation
54	The Conscious and logical part of human personality is_____	I D	Ego	Super Ego	Negative Ego			Super Ego
55	.... has key influence on work performance.	Personality	Friends	Technology	Society			Personality
56	The way one thinks about himself _____	Self Image	Super Ego	Both A & B	Self Concept			Self Image
57	Determinants of personality --------	Biological, Social, Cultural & Situational factors	Economic and Political	Social factors	Cultural			Biological, Social, Cultural & Situational factors

58	Transmission of Qualities from the ancestors_____	Leadership	Management	Hereditary	Personality			Hereditary
59	The Methods & behaviour which works effectively in one situation is called _____	Situational approach	Systems approach	Productivity approach	Contingency approach			Situational approach
60	.... also play the role of an entrepreneur .	Supervisor	Worker	Manager	Administrator			Manager

KARPAGAM ACADEMY OF HIGHER EDUCATION, COIMBATORE

Class: I MBA	**Course Name: Fundamentals of Management and Organisational Behavior**
Course Code: 18BAU101	**Unit IV** **Semester: I** **Year: 2018-21 Batch**

UNIT-IV
SYLLABUS

Learning - Concept and Theories of Learning, Reinforcement, Motivation – Importance – Theories: Need, Content and Process Theories – Application.
Leadership – Theories – Trait and Contingency theories – Power and politics – Bases of power – Causes and consequences of political behavior.

LEARNING

The ability to learn is possessed by humans, animals, plants and some machines. Progress over time tends to follow a learning curve. Learning does not happen all at once, but it builds upon and is shaped by previous knowledge. To that end, learning may be viewed as a process, rather than a collection of factual and procedural knowledge. Learning produces changes in the organism and the changes produced are relatively permanent.

Theories of Learning

1.   Classical Conditioning: Classical conditioning is the association of one event with another desired event resulting in a behavior. The most well known experiments on classical conditioning were conducted by Ivan Pavlov, the Russian psychologist, who won the Nobel Prize for his experiments on this subject. Pavlov conducted an experiment on dogs and tried to establish a Stimulus-Response (S-R) connection. He tried to relate the dog's salivation and the ringing of the bell. In his experiments, he put some meat in front of dogs. The dogs responded to this stimulus by salivating. This response was instinctive or unconditioned. Pavlov next began to ring a bell at the same time as the meat was presented. Ringing the bell in itself, without the presentation of meat, was not connected to any responses. But by ringing the bell at the same time as presentation of meat, Pavlov established a relationship between the two stimuli-the bell and the meat- in the mind of the dogs. By continuing this process, the ringing of bell alone was sufficient stimulus to elicit a response of salivating, even when no meat was presented. Thus, the bell became a conditioned stimulus, resulting in conditioned or learned response. The above diagram explains that the meat was an unconditioned stimulus. It caused the dog to react in a certain way i.e. noticeable increase in salivation. This reaction is called the unconditioned response. The bell was an artificial stimulus or

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conditioned stimulus. But when the bell was paired with the meat (an unconditioned stimulus), it eventually produced a response. After conditioning, the dog started salivating in response to the ringing of the bell alone. Thus, conditioned stimulus led to conditioned response. In an organizational setting we can see classical conditioning operating. For example, at one manufacturing plant, every time the top executive from the head office would make a visit, the plant management would clean up the administrative offices and wash the windows. This went on for years. Eventually, employees would turn on their best behavior and look prim and proper whenever the windows were cleaned even on those occasions when the cleaning was not paired with the visit from the top brass. People had learnt to associate the cleaning of the windows with the visit from the head office. Classical conditioning represents only a very small part of total human learning. So it has a limited value in the study of organizational behavior. Classical conditioning plays only a passive role. We will react in a particular way only if something happens. But in reality, the behavior of people in organizations is voluntary rather than being reflexive. Their behavior is not elicited in response to a specific, identifiable event but it is generally emitted. The learning of complex behavior can be better understood by looking at operant conditioning.

2. Operant Conditioning: Operant is defined as behavior that produces effect. Operant conditioning is based on the work of B.F. Skinner who advocated that individuals emit responses that are rewarded and will not emit responses that are either not rewarded or are punished. Operant conditioning argues that behavior is a function of its consequences. Behavior is likely to be repeated if the consequences are favorable. Behavior is not likely to be repeated if the consequences are unfavorable. Thus the relationship between behavior and consequences is the essence of the operant conditioning.

3. Cognitive Learning: Cognitive learning is achieved by thinking about the perceived relationship between events and individual goals and expectations. Cognitive theory of learning assumes that the organism learns the meaning of various objects and events and learned responses depend upon the meaning assigned to stimuli.

The cognitive theory recognizes the role of an organism in receiving, memorizing, retrieving and interpreting the stimulus and reacting to it. The cognitive explanation of learning differs from classical conditioning (stimulus response learning) and operant conditioning (response stimulus

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learning). According to Tolman, cognitive approach could be termed as stimulus approach i.e. one stimulus leads to another.

4. Social Learning: Individuals can also learn by observing what happens to other people and just by being told about something, as well as by direct experiences. Much of what we have learned comes from observing and imitating models-parents, teachers, peers, superiors, film stars etc. This view that we can learn through both observation and direct experience has called social learning theory. This theory assumes that learning is not a case of environmental determinism (classical and operant views) or of individual determinism (The cognitive view). Rather it is a blending of both. Thus, social learning theory emphasizes the interactive nature of cognitive, behavioural and environmental determinants. The influence of model is central to the social learning view point. Four processes have been found to determine the influence that a model will have on an individual.

a. Attention Process: People learn from a model only when they recognize and pay attention to its critical features. We tend to be most influenced by models that are attractive, repeatedly available, important to us or similar to use in our estimation.

b. Retention Processes: A model's influence will depend upon how well the individual remembers the model's action after the model is not longer readily available.

c. Motor Reproduction Processes: After a person has seen a new behaviour by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modelled activities.

d. Reinforcement Processes: Individuals will be motivated to exhibit the modeled behaviour if positive incentives or rewards are provided. Behaviours that are positively reinforced will be given more attention, learned better and performed more often.

The following diagram illustrates the effect of the social learning model on the individual:
Shaping Behaviour:

The learning process of individuals takes place on the job as well as prior to the job. In any organization, managers will be concerned with how they can teach employees to behave in the ways that are most beneficial to the organization. When an attempt is made by the managers to mould individuals by guiding their learning in graduated steps he is shaping their behavior. A manager can shape the behavior by systematical reinforcing each successive step that move the individual closer

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to the desired response. For example, an employee who chronically leaves the office half hour early starts leaving the office only twenty minutes early, the manager can reinforce his behavior so that it comes more close to the desired behavior to leave the office in time. The first theoretical treatment given to reinforcement in learning and the framework that still dominates today is E.L. Thorndike's classic law of effect.

The Law of Effect: In Thorndike's own words, the law of effect simply states that, "Of several response made to the same situation, those which are accompanied or closely followed by satisfaction (Reinforcement)- will be more likely to recur, those which are accompanied or more closely followed by discomfort (Punishment- will be less likely to recur." The operant conditioning or learning approach to behavior is based on the law of effect. It has been demonstrated time after time in highly controlled learning experiments and is directly observable in everyday learning experiences. For example, if employees who work hard to achieve the organizational objectives are suitably rewarded monetarily or otherwise, they will tend to repeat their efforts when new objectives are set.

Meaning of Motivation: The word motivation is derived from motive, which is defined as an active form of a desire, craving or need, which must be satisfied. All motives are directed towards goals and the needs and desires affect or change your behavior, which becomes goal oriented. For example, if you ordinarily do not want to work overtime, it is quite likely that at a particular time, you may need more money (desire) so you may change your behavior, work overtime (goal oriented behavior) and satisfy your needs.

Process of Motivation: Motivated people are ill constant state of tension. This tension is relieved by drives towards an activity and outcome that is meant to reduce or relieve such tension. The greater the tension, the more activity will, be needed to bring about relief and hence higher the motivation. Thus the basic motivation process can be depicted as follows:
Effort: The amount of effort put into the activity identifies the strength of the person's work-related behaviour. Hard work usually reflects high motivation.

Persistence: Motivation is a permanent and an integral part of a human being. Its second characteristic is persistence in the efforts. Motivation is continuously goal directed so that once a goal is achieved, a higher goal is selected and efforts are exercised towards this higher goal. For

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example, a professor who publishes simply to get a promotion and then stops or reduces research efforts would not be considered as highly motivated. Accordingly, high motivation requires persistent efforts.

Direction: Persistent hard work determines the quantity of effort while direction determines the quality of the-anticipated output. All efforts are to be directed towards the organizational goal. This would ensure that the persistent effort is actually resulting into accepted organizational outcomes. From organizational behaviour point of view it must be recognized that since the needs of different employees differ both in nature as well as intensity, a composite view of the collective needs of the group is established with appropriate recognition of differences in individual needs. Selecting and applying appropriate motivators: A list of all devices of motivation is drawn and a selection made of such motivators¬ that motivate different types of people under different circumstances. Proper timing and the extent of motivation are also to be considered.¬ The individual goals should be given adequate attention within the framework of¬ group goals and the organizational goals.

SOURCES OF MOTIVATION

Experts in the organizational behavior field have a divided opinion as to whether workers are motivated by factors in the external environment such as rewards or fear or whether motivation is self generated without the application of external factors. It is quite well understood that under the same set of external factors all workers are not equally motivated. Some of these motivational sources are:

Positive Motivation: Positive motivation involves proper recognition of employee, efforts and appreciation of employee contribution towards the organizational goal-achievement. Such motivations improve the standards of performance, lead to good team spirit and pride, a sense of cooperation and a feeling of belonging and happiness. Some of the positive motivators are: Praise and credit for work done.

Negative or Fear Motivation: This motivation is based upon the use of force, power, fear and threats. The fear of punishment or unfavourable consequences affects the behavioural changes. Some examples of negative motivation include the fear of failing in the examination, and fear of being fired or demoted. Fear of failure in the examination induces motivation in many students to work harder and pass the course.

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Extrinsic Motivation: This type of motivation is induced by external factors, which are primarily financial in nature. It is based upon the assumption that the behavior, which results in positive rewards, tends to be repeated. However, the reward the desired behavior should be sufficiently powerful and durable so that it improves the probability of occurrence' of desirable behavior. Money is probably the most important incentive for positive behavior since money can be used for a number of other resources.

Intrinsic Motivation: Intrinsic motivation stems from feelings of achievement and accomplishment and is concerned with the state of self- actualization in which the satisfaction of accomplishing something worthwhile motivates the employee further so that this motivation is self-generated and is independent of financial rewards.

THEORIES OF MOTIVATION

Motivation theories Content theories focus on WHAT, while process theories focus on HOW human behavior is motivated. Content theories are the earliest theories of motivation. Within the work environment they have had the greatest impact on management practice and policy, whilst within academic circles they are the least accepted. Content theories are also called needs theories: they try to identify what our needs are and relate motivation to the fulfilling of these needs. The content theories cannot entirely explain what motivate or de-motivate us. Process theories are concerned with "*how*" motivation occurs, and what kind of process can influence our motivation. The **main content theories** are: Maslow's needs hierarchy, Alderfer's ERG theory, McClelland's achievement motivation and Herzberg's two-factor theory. The **main process theories** are: Skinner's reinforcement theory, Victor Vroom's expectancy theory, Adam's equity theory and Locke's goal setting theory (Figure 1). No single motivation theory explains all aspects of people's motives or lack of motives. Each theoretical explanation can serve as the basis for the development of techniques for motivating.

Maslow – hierarchy of needs This is the earliest and most widely known theory of motivation, developed by Abraham Maslow (1943) in the 1940s and 1950s. This theory condenses needs into five basic categories. Maslow ordered these needs in his hierarchy, beginning with the basic psychological needs and continuing through safety, belonging and love, esteem and self-actualization (Figure 2). In his theory, the lowest unsatisfied need becomes the dominant, or the

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most powerful and significant need. The most dominant need activates an individual to act to fulfill it. Satisfied needs do not motivate. Individual pursues to seek a higher need when lower needs are fulfilled. Maslow's hierarchy of needs is often shown in the shape of a pyramid: basic needs at the bottom and the most complex need (need for self-actualization) at the top. Maslow himself has never drawn a pyramid to describe these levels of our needs; but the pyramid has become the most known way to represent his hierarchy.

1. **Physiological needs** (e.g. food, water, shelter, sleep) It includes the most basic needs for humans to survive, such as air, water and food. Maslow emphasized, our body and mind cannot function well if these requirements are not fulfilled. These physiological needs are the most dominant of all needs. So if someone is missing everything in his/her life, probably the major motivation would be to fulfill his/her physiological needs rather than any others. A person who is lacking food, safety, love (also sex) and esteem, would most probably hunger for food (and also for money, salary to buy food) than for anything else. If all the needs are unsatisfied, and the organism is then overruled by the physiological needs, all other needs may turn into the background. All capacities are put into the attendance of satisfying hunger. Any other things are forgotten or got secondary importance.

2. **Safety and security** (secure source of income, a place to live, health and well-being) If the physiological needs are relatively well contented, new needs will appear, the so called safety needs. Safety needs refer to a person's desire for security or protection. Basically everything looks less important than safety and protection (the physiological needs even sometimes). The healthy and fortunate adults in our culture are largely satisfied in their safety needs. The peaceful, sure, safety and unwavering society makes us feel in safety enough from criminal assaults, murder, unbelievable natural catastrophes, and so on. In that case people no longer have any safety needs as first-line motivators. Meeting with safety needs demonstrated as a preference for insurance policies, saving accounts or job security, etc., we think about the lack of economic safety. Children have a greater need to feel safe. That is the reason why this level is more important for children. Safety and security needs include: Personal security; Financial security; Health and well-being; Safety mesh against accidents, illnesses and their adverse impacts. To tell the truth, in real dangers and traumas – like war, murder, natural catastrophes, criminal assault, etc. -, the needs for safety become an active, first-line and dominant mobilizer of human beings.

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3. **Belongingness and love** (integration into social groups, feel part of a community or a group; affectionate relationships) If both the physiological and the safety needs are fulfilled, the affection, love and belongingness needs come into prominence. Maslow claimed people need to belong and accepted among their social groups. Group size does not mean anything: social groups can be large or small.Depending on the power and pressure of the peer group, this need for belonging may overbear the physiological and security needs.

4. **Esteem** (respect for a person as a useful, honourable human being) In our society most people long for a stable and high valuation of themselves, for the esteem of others and for self-respect or self-esteem. Esteem means being valued, respected and appreciated by others. Humans need to feel to be valued, such as being useful and necessary in the world. People with low self-esteem often need respect from others. Maslow divided two types of esteem needs: a 'lower' version and a 'higher' version. The 'lower' version of esteem is the need for respect from others: for example attention, prestige, status and loving their opinion. The 'higher' version is the need for self-respect: for example, the person may need independence, and freedom or self-confidence. The most stable and therefore the healthiest self-esteem is based on respect from others. External fame or celebrity and unwarranted adulation won't cause self-esteem, although you feel better for a while.

5. **Self-actualization** (individual's desire to grow and develop to his or her fullest potential) 'What humans can be, they must be.' (Maslow, 1954) Self-actualization reflects an individual's desire to grow and develop to his/her fullest potential. People like opportunities, choosing his/her own versions, challenging positions or creative tasks. Maslow described this level as the '*need to accomplish everything that one can, to become the most that one can be*'. Maslow believed that people must overcome their other needs – described above -, not only achieve them. At this level, individual differences are the largest. As each level is adequately satisfied, we are then motivated to satisfy the next level in the hierarchy, always new and higher needs are coming. This is what we mean, when the basic human needs are drawn like a pyramid, a hierarchy. Life experiences, including divorce and loss of job, may cause an individual to fluctuate between levels of the hierarchy. These five different levels were further subcategorized into two main groups: *deficiency and growth needs.*

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Deficiency needs – The very basic needs for survival and security. These needs include:

• *Physiological needs*

• *Safety and security needs*

• *Social needs – belongingness and love*

• *esteem needs*

It may not cause a physical indication if these 'deficiency needs' are not fulfilled, but the individual will feel anxious and tense. So the most basic level of needs must be fulfilled before a person wants to focus on the secondary or higher level needs.

Growth needs – Personal growth and fulfillment of personal potential. These needs include:

• *self-actualization needs* This hierarchy is not as rigid as we may have implied. For example, there are some humans for whom self-esteem or self-actualization seems to be more important than love or belonging. The popularity of this theory of motivation rooted in its simplicity and logic.

Alderfer – ERG theory: Existence needs, relatedness needs and growth needs

Alderfer (Furnham, 2008) distinguished three steps or classes of needs: *existence, relatedness and growth*. Maslow's physiological and safety needs belong together to existence needs. Relatedness can be harmonised to belongingness and esteem of others. Growth is the same as Maslow's self-esteem plus self-actualization. Both Maslow and Alderfer tried to describe how these needs, these stages of needs become more or less important to individuals.

• **Existence needs:** These include needs for basic material necessities. In short, it includes an individual's physiological and physical safety needs.

• **Relatedness needs:** Individuals need significant relationships (be with family, peers or superiors), love and belongingness, they strive toward reaching public fame and recognition. This class of needs contain Maslow's social needs and external component of esteem needs.

• **Growth needs:** Need for self-development, personal growth and advancement form together this class of need. This class of needs contain Maslow's self-actualization needs and intrinsic component of esteem needs.

McClelland – Need for achievement, affiliation and power In the early 1960s McClelland – built on Maslow's work – described three human motivators. McClelland (Arnold et al., 2005) claimed that humans acquire, learn their motivators over time that is the reason why this theory is

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sometimes called the '*Learned Needs Theory'*. He affirms that we all have three motivating drivers, and it does not depend on our gender or age. One of these drives or needs will be dominant in our behaviour.

McClelland's theory differs from Maslow's and Alderfer's, which focus on satisfying existing needs rather than creating or developing needs. This dominant motivator depends on our culture and life experiences, of course (but the three motivators are permanent). The three motivators are:

• *Achievement*: a need to accomplish and demonstrate competence or mastery

• *Affiliation*: a need for love, belonging and relatedness

• *Power*: a need for control over one's own work or the work of others

Achievement motivation – a need to accomplish and demonstrate competence or mastery. It pertains to a person's need for significant success, mastering of skills, control or high standards. It is associated with a range of actions. Individual seek achievement, attainment of challenging (and also realistic) goals, and advancement in the school or job. This need is influenced by internal drivers for action (intrinsic motivation), and the pressure used by the prospects of others (extrinsic motivation). Low need for achievement could mean that individuals want to minimise risk of failure, and for this reason people may choose very easy or too difficult tasks, when they cannot avoid failure. In contrast, high need for achievement means that humans try to choose optimal, sufficiently difficult tasks, because they want to get the chance to reach their goals, but they have to work for it, they need to develop themselves. Individuals with high need for achievement like to receive regular feedback on their progress and achievements; and often like to work alone; seek challenges and like high degree of independence. Sources of high need for achievement can be: praise for success, goal setting skills, one's own competence and effort to achieve something, and it does not depend only on luck; of course positive feelings and also independence in childhood. McClelland said that training, teaching can increase an individual's need for achievement. For this reason, some have argued that need for achievement is not a need but a value.

Affiliation motivation – a need for love, belonging and relatedness These people have a strong need for friendships and want to belong within a social group, need to be liked and held in popular regard. They are team players, and they may be less effective in leadership positions. High-need-

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for-affiliation persons have support from those with whom they have regular contact and mostly are involved in warm interpersonal relationships. After or during stressful situation individuals need much more affiliation. In these situations people come together and find security in one another. There are times when individuals want to be with others and at other times to be alone – affiliation motivation can become increased or decreased. Individuals do not like high risk or uncertainty.

Authority/power motivation – a need to control over one's own work or the work of others. These persons are authority motivated. There is a strong need to lead and to succeed in their ideas. It is also needed to increase personal status and prestige. This person would like to control and influence others. McClelland studied male managers with high need for power and high need for affiliation and found that managers with a high need for power tended to run more productive departments in a sales organization than did managers with a high need for affiliation. It is important to speak about gender differences in need for power. It is said that men with high need for power mostly have higher aggression, drink more, act in sexually exploitative manner, and participate in competitive sports, and also political unrests. At the same time women with higher need for power show more socially acceptable and responsible manner, are more concerned and caring. These types of people prefer to work in big, multinational organisations, businesses and other influential professions. McClelland argues that strong need for achievement people can become the best leaders – as we wrote it above. But at the same time there can be a tendency to request too much of their employees, because they think that these people are also highly achievement-focused and resultsdriven, as they are. Think about your teachers and professors! I am sure they all want the best for you, they would like to develop you, but I do not think you feel the same every time. McClelland said that most people have and show a combination of these characteristics.

Herzberg – Two factor theory

It is also called motivation-hygiene theory. Opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. According to Herzberg (1987) the job satisfiers deal with the factors involved in doing the job, whereas the job dissatisfies deal with the factors which define the job context.

If the **hygiene factors**, for example salary, working conditions, work environment, safety and security are unsuitable (low level) at the workplace, this can make individuals unhappy, dissatisfied with their job.

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Motivating factors, on the other hand, can increase job satisfaction, and motivation is based on an individual's need for personal growth. If these elements are effective, then they can motivate an individual to achieve above-average performance and effort. For example, having responsibility or achievement can cause satisfaction (human characteristics) (Dartey-Baah, 2011).

Herzberg's five factors of job satisfaction (motivating factors):

• Achievement
• Recognition
• work itself
• Responsibility
• Advancement

Only these factors can motivate us. But at the same time we need the lack of dissatisfactions (we need hygiene factors, "workplace") to achieve more efficient work.
Herzberg's five factors of job dissatisfaction (hygiene factors – deficiency needs):
• Company policy and administration
• Supervision
• Salary
• Interpersonal relationships
• working conditions

Vroom's expectancy theory

The expectancy theory places an emphasis on the process and on the content of motivation as well, and it integrates needs, equity and reinforcement theories.

Victor Vroom's (1964) expectancy theory aims to explain how people choose from the available actions. Vroom defines motivation as a process that governs our choices among alternative forms of voluntary behaviour. The basic rationale of this theory is that motivation stems from the belief that decisions will have their desired outcomes.

The motivation to engage in an activity is determined by appraising three factors. These three factors are the following (Figure 4):
• Expectancy – a person's belief that more effort will result in success. If you work harder, it will result in better performance.
In this case the question is: "Am I capable of making a good grade on a math test if I learn more?" Appraisal of this factor is based on the effort to learn math, on knowledge of math, on the previous experience of math test results, on self-efficacy and specific self-rated abilities.
• Instrumentality – the person's belief that there is a connection between activity and goal. If you perform well, you will get reward.
In this case the question is that: "Will I get the promised reward (a good mark) for performing well on a math test?" Appraisal of this factor is based on the accuracy and consistency of marking.

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If one day I get a good grade and another day I get a bad grade for the same performance, then the motivation will decrease.

• Valence – the degree to which a person values the reward, the results of success.

Adams' equity theory The equity theory states that people are motivated if they are treated equitably, and receive what they consider fair for their effort and costs. The theory was suggested by Adams (1965) and is based on Social Exchange theory.

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

The equity theory works not just in the workplace, but at school as well. For example, when for the same oral exam performance two students get different marks, then inequity exists. In this case, the student who gets the worse mark may lose his/her motivation to learn (reduce his/her efforts), or persuade the teacher to give him/her a better mark, or change the perception of the reference person's performance. At the school it can de-motivate students if someone who never studies or who never performs better than the others always gets good mark. The greater the inequity the greater the distress an individual feels, which will motivate the Endeavour to make the outcomes and the inputs equal compared to the reference person.

LEADERSHIP

Definition

Leadership is defined as influence, the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals.

- Leaders act to help a group attain objectives through the maximum application of its capabilities.

- Leaders must instill values – whether it be concern for quality, honesty and calculated risk taking or for employees and customers.

Importance of Leadership

1. Aid to authority

2. Motive power to group efforts

3. Basis for co operation

4. Integration of Formal and Informal Organization.

LEADERSHIP STYLES

The leadership style we will discuss here are:

a) Autocratic style

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b) Democratic Style

c) Laissez Faire Style

a) Autocratic style

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 leadership is a classical leadership style with the following characteristics:

• Manager seeks to make as many decisions as possible

• Manager seeks to have the most authority and control in decision making

• Manager seeks to retain responsibility rather than utilize complete delegation

• Consultation with other colleagues in minimal and decision making becomes a solitary process

• Managers are less concerned with investing their own leadership development, and prefer to simply work on the task at hand.

Advantages

Reduced stress due to increased control

A more productive group 'while the leader is watching'

Improved logistics of operations

Faster decision making

Disadvantages

Short-termistic approach to management.

Manager perceived as having poor leadership skills

Increased workload for the manager

People dislike being ordered around

Teams become dependent upon their leader

b) Democratic Style

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Democratic Leadership is the leadership style that promotes the sharing of responsibility, the exercise of delegation and continual consultation. The style has the following characteristics:

• Manager seeks consultation on all major issues and decisions.

• Manager effectively delegate tasks to subordinates and give them full control and responsibility for those tasks.

• Manager welcomes feedback on the results of intiatives and the work environment.

• Manager encourages others to become leaders and be involved in leadership development.

Advantages

 Positive work environment

 Successful initiatives

 Creative thinking

 Reduction of friction and office politics

 Reduced employee turnover

Disadvantages

Takes long time to take decisions

 Danger of pseudo participation

 Like the other styles, the democratic style is not always appropriate. It is most successful when used with highly skilled or experienced employees or when implementing operational changes or resolving individual or group problems.

c) Laissez-Faire Style

This French phrase means "leave it be" and is used to describe a leader who leaves his/her colleagues to get on with their work. The style is largely a "hands off" view that tends to minimize the amount of direction and face time required.

Advantages

• No work for the leader

• Frustration may force others into leadership roles

• Allows the visionary worker the opportunity to do what they want, free from interference

• Empowers the group

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Disadvantages

It makes employees feel insecure at the unavailability of a manager. The manager cannot provide regular feedback to let employees know how well they are doing.

Managers are unable to thank employees for their good work. The manager doesn't understand his or her responsibilities and is hoping the employees can cover for him or her.

LEADERSHIP THEORIES:

The various leadership theories are

a) Great Man Theory: Assumptions • Leaders are born and not made. • Great leaders will arise when there is a great need.

Description Early research on leadership was based on the study of people who were already great leaders. These people were often from the aristocracy, as few from lower classes had the opportunity to lead. This contributed to the notion that leadership had something to do with breeding. The idea of the Great Man also strayed into the mythic domain, with notions that in times of need, a Great Man would arise, almost by magic. This was easy to verify, by pointing to people such as Eisenhower and Churchill, let alone those further back along the timeline, even to Jesus, Moses, Mohammed and the Buddah.

Discussion Gender issues were not on the table when the 'Great Man' theory was proposed. Most leaders were male and the thought of a Great Woman was generally in areas other than leadership. Most researchers were also male, and concerns about androcentric bias were a long way from being realized.

b) Trait Theory: Assumptions • People are born with inherited traits. • Some traits are particularly suited to leadership. • People who make good leaders have the right (or sufficient) combination of traits. Description Early research on leadership was based on the psychological focus of the day, which was of people having inherited characteristics or traits. Attention was thus put on discovering these traits, often by studying successful leaders, but with the underlying assumption that if other people could also be found with these traits, then they, too, could also become great leaders.

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McCall and Lombardo (1983) researched both success and failure identified four primary traits by which leaders could succeed or 'derail': Emotional stability and composure: Calm, confident and predictable, particularly when under stress. Admitting error: Owning up to mistakes, rather than putting energy into covering up. Good interpersonal skills: able to communicate and persuade others without resort to negative or coercive tactics. Intellectual breadth: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

c) Behavioral Theory: Assumptions • Leaders can be made, rather than are born. • Successful leadership is based in definable, learnable behavior.

Description Behavioral theories of leadership do not seek inborn traits or capabilities. Rather, they look at what leaders actually do. If success can be defined in terms of describable actions, then it should be relatively easy for other people to act in the same way. This is easier to teach and learn then to adopt the more ephemeral 'traits' or 'capabilities'.

d) Participative Leadership: Assumptions • Involvement in decision-making improves the understanding of the issues involved by those who must carry out the decisions. • People are more committed to actions where they have involved in the relevant decision making. • People are less competitive and more collaborative when they are working on joint goals.

• When people make decisions together, the social commitment to one another is greater and thus increases their commitment to the decision. • Several people deciding together make better decisions than one person alone.

A Participative Leader, rather than taking autocratic decisions, seeks to involve other people in the process, possibly including subordinates, peers, superiors and other stakeholders. Often, however, as it is within the managers' whim to give or deny control to his or her subordinates, most participative activity is within the immediate team. The question of how much influence others are given thus may vary on the manager's preferences and beliefs, and a whole spectrum of participation is possible

e) Situational Leadership: Assumptions • The best action of the leader depends on a range of situational factors.

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When a decision is needed, an effective leader does not just fall into a single preferred style. In practice, as they say, things are not that simple. Factors that affect situational decisions include motivation and capability of followers. This, in turn, is affected by factors within the particular situation. The relationship between followers and the leader may be another factor that affects leader behavior as much as it does follower behavior. The leaders' perception of the follower and the situation will affect what they do rather than the truth of the situation. The leader's perception of themselves and other factors such as stress and mood will also modify the leaders' behavior.

f) Contingency Theory: Assumptions • The leader's ability to lead is contingent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers and also various other situational factors.

Contingency theories are a class of behavioral theory that contend that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others. An effect of this is that leaders who are very effective at one place and time may become unsuccessful either when transplanted to another situation or when the factors around them change. Contingency theory is similar to situational theory in that there is an assumption of no simple one right way. The main difference is that situational theory tends to focus more on the behaviors that the leader should adopt, given situational factors (often about follower behavior), whereas contingency theory takes a broader view that includes contingent factors about leader capability and other variables within the situation.

g) Transactional Leadership: Assumptions • People are motivated by reward and punishment. • Social systems work best with a clear chain of command. • When people have agreed to do a job, a part of the deal is that they cede all authority to their manager. • The prime purpose of a subordinate is to do what their manager tells them to do.

The transactional leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. Punishments are not always mentioned, but they are also well-understood and formal systems of discipline are usually in place.

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The early stage of Transactional Leadership is in negotiating the contract whereby the subordinate is given a salary and other benefits, and the company (and by implication the subordinate's manager) gets authority over the subordinate.

When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or capability to carry it out. When things go wrong, then the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding).

h)Transformational Leadership: Assumptions • People will follow a person who inspires them. • A person with vision and passion can achieve great things. • The way to get things done is by injecting enthusiasm and energy.

Working for a Transformational Leader can be a wonderful and uplifting experience. They put passion and energy into everything. They care about you and want you to succeed. Transformational Leaders are often charismatic, but are not as narcissistic as pure Charismatic Leaders, who succeed through a belief in themselves rather than a belief in others. One of the traps of Transformational Leadership is that passion and confidence can easily be mistaken for truth and reality. Transformational Leaders, by definition, seek to transform. When the organization does not need transforming and people are happy as they are, then such a leader will be frustrated. Like wartime leaders, however, given the right situation they come into their own and can be personally responsible for saving entire companies.

Power and Politics:

Power is a pervasive part of organizational life, used by managers to accomplish goals and to strengthen their own positions. Managers manipulate power to accomplish goals and strengthen their own positions. Success or failure in using power depends on understanding what it is, how and when to use it, and understanding its consequences.

The Concept of Power Power and influence.

Every interaction and social relationship in an organization can be interpreted as an exercise of power. Influence is a transaction in which person B is induced by person A to behave in a certain way. Person A has power over person B to the extent A can get B to do something that B would otherwise not do.

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The difference between power and influence is : Power represents capability while Influence is the exercise of that capability. Power is not an attribute; it is an aspect of a relationship.

Where Does Power Come From?

A .Interpersonal power—French and Raven's five power bases:

1. Legitimate power—refers to the ability to influence others because of the position one holds in the organization. It is also called authority, or the right to command. Characteristics of organizational authority are:

I. It is invested in a person's position.

ii. It is accepted by subordinates.

iii. Authority is used vertically; flows from the top down.

Zone of indifference - possessing formal power, or authority, does not mean that all orders will be followed. Orders will be followed if they are acceptable to the subordinate. They lie within the zone of indifference. Unacceptable orders, outside the zone of indifference, will not be readily followed. The zone of indifference may be wider or narrower, depending on sources of power other than authority. It may be shaped by cultural factors.

2. Reward power—based on a person's ability to reward a follower for compliance. It occurs when someone possesses a resource that another person wants and will exchange that resource for certain behavior. It supports legitimate power.

3. Coercive power—the power to punish. It is based on fear. It can come from legitimate. It can come informally, e.g., fear of rejection by coworkers.

4. Expert power—based on an individual's special and valued expertise.The lower the substitutability of the expertise, the greater the expert's power.

5. Referent power—based on an individual's charisma (behavioral style).

B. Power in Groups:

1. Coalitions: are Clusters of individuals who temporarily come together to achieve a specific purpose. It seeks to maximize their size to attain influence. Coalition seeks a broad and diverse constituency for support of their objectives. It occurs more frequently in organizations with high task and resource inter-dependencies. it also occur more frequently if tasks are standardized and routine.

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2. Sexual Harassment: Unequal Power in the Workplace. Unwelcome advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature in a work environment reasonably perceived as hostile or abusive.

C. Power in Organization

1. Structural Power. Power is frequently determined by organizational structure. Structure is the control mechanism by which the organization is governed. Structure allocates decision-making discretion to various positions, affects the patterns of communication and the flow in information within a system. Structure creates formal power by specifying certain individuals to perform specific job tasks and make certain decisions.

Other forms of structural power exist because of:

a. Resources-Power stems from access to resources, information and support and the ability to get cooperation in doing necessary work.A top manager has power over a lower-level manager because he/she controls the lower-level manager's resources.

b. Decision making power—how much an individual or subunit influences decision-making affects the amount of power acquired.

c. Information power—power accrues to those with access to important information (the basis for decisions).

2. Interdepartmental power Subunits/departments can gain power by controlling strategic contingencies—events that are critical in accomplishing organizational goals. Relevant to strategic contingencies, subunit power is influenced by subunit ability to cope with uncertainty, and its centrality and substitutability.

Power Tactics

Ways in which individuals translate power bases into specific actions Influence Tactics

• Legitimacy
• Rational persuasion
• Inspirational appeals
• Consultation
• Exchange
• Personal appeals
• Ingratiation
• Pressure
• Coalitions

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Politics: Power in Action
Political Behavior

Activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages or disadvantages within the organization

Legitimate Political Behavior-Normal everyday politics

Illegitimate Political Behavior-Extreme political behavior that violates the implied rules of the game.

Factors that Influence Political Behaviors

Individual factors

-high self monitors, internal locus of control, high Mach personality, Organizational investment, perceived job alternatives, expectation of success.

Organizational factors

- reallocation of resources, promotion opportunities, low trust, role ambiguity, unclear performance evaluation system, zero-sum reward practices, democratic decision making, high performance pressures, self serving managers. Political behaviour leads to favourable outcome like rewards and averted punishments.

Part A (ONE Mark)
Multiple Choice Questions
Online Examination

Part B
(2 Marks)

1. What is learning?
2. Define Motivation.
3. What is reinforcement?
4. Define Leadership.
5. What is power and politics?

Part C (8 Marks)

1. Discuss the concept of power. What are the sources of power in an organization?
2. What is politics? What are the factors that influence political behaviour?
3. Elaborate the Political strategies and tactics prevalent in organization.
4. Discuss the relation between Ethics, power and politics.
5. How can power be used to manage effectively?
6. Explain the leadership theories.
7. Describe the learning theories.

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CIA: 3*8=24 Marks (Either or Type)
ESE: 5*6=30 Marks (Either or Type)

KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT OF MANAGEMENT
FUNDAMENTALS OF MANAGEMENT AND ORGANISATIONAL BEHAVIOR
UNIT – IV

S.NO	Questions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Answer
1	What three words define motivation…………………….	Persistence, fairness, ambition	Desire, persistence, fairness	Ambition, direction, intensity	Intensity, direction, persistence			Intensity, direction, persistence
2	Which answer corresponds to a person's internal desire to do something, due to such things as interest, challenge and personal satisfaction……………………	Extrinsic motivators	Intrinsic motivators	Theory Y	Theory X			Intrinsic motivators
3	_____ is the process of stimulating people to actions to accomplish the goals.	Bonus	Motivation	Performance based Incentive	Promotion			Motivation
4	In _____the needs are arranged in an order as per their importance (basic to complex)	Maslow need Theory	Herzberg theory	Satisfaction theory	Mayo theory			Maslow need Theory
5	Individual factors involved in _____	QSL	QWL	QML	WQL			QWL

6	Primary Needs of Human beings is _____	Food, Shelter etc	Previlages	High level of wage	Status			Food, Shelter etc
7	Status system is an instrument of _____	Satisfaction	Responsibility	Motivation	De-motivation			Motivation
8	_____ system is an instrument of motivation	Promotion	Status	Job pleasant	Recognition			Status
9	Status is closely related to _____	Abilities	Aspirations	Abilities and Aspirations	Responsibility			Abilities and Aspirations
10	The ……………produced a series of principles	Oxford School	Gestalt School	Yale University	Harvard University			Gestalt School
11	People try to earn money by their _____-	Higher performance	Lower performance	Achievement	extra work			Higher performance
12	Likert has called motivation as _____	Core of management	Process of Management	Knowledge Management	Scientific Management			Core of management
13	Individuals have varied types of _____	Source	Needs	Activity	Belief			Needs

14	Incentives used by organization is classified into _____	Three	One	Two	Six			Two
15	Incentives used by organization is classified has _____	Financial Incentives	Non- Financial Incentives	Both A & B	Allowance increases			Both A & B
16	Status ranking people in the _____	Organization	Family	Both A & B	Society			Society
17	_____ needs, which cannot be satisfied by money	Psychological	Socio-psychological	Physiological	Social			Socio-psychological
18	Herzberg conclude _____ no of categories of needs, essentially independent of each other	Two	Three	One	Five			Two
19	Six motivational factors was concluded to the employees by _____	Herzberg	Mc. George	Mc Fascult	Vroom			Herzberg
20	Arranging for people to do volunteer work so that they can meet people with diverse backgrounds is a method used to change…………	Values	Beliefs	Attitudes	Personality			Attitudes
21	Changes in behaviour can lead to changes in…………	Values	Beliefs	Attitudes	Personality			Attitudes

22	Individual and organizational values………	Lead to negative work attitudes	Do not always align	Always align	Are unique to Canadian values.			Do not always align
23	Attitude X Situation = _____.	Motivation	Knowledge	Skill	Ability			Motivation
24	The attitude of "if you'll do something for me, I'll do something for you" is _____.	Social Barter	Social Trade	Social Swap	Social Exchange			Social Exchange
25	Belief, opinion, knowledge, emotions feelings intention are the components of……	OB	Job satisfaction	Attitudes	Personality			Attitudes
26	The attitude based on Beliefs, opinion, Knowledge, or information about the particular event which the employee possesses is under _____ component of Attitude.	Behavioral	Cognitive	Affective	Positive			Cognitive
27	The attitude based on the concept that "every individual will have an Intention to react in a certain way toward something is " under _____ component of Attitude.	Behavioral	Cognitive	Affective	Positive			Behavioral
28	Which is not a method used for changing the attitude of Employee………..	Use of fear	Providing new information	Performance appraisal	Giving Feedback			Performance appraisal
29	Among the following which is not a problem in changing the attitude of the employee…….	Insufficient Information	Resistant by employee	Cognitive Dissonance	Affective			Resistant by employee

30	The Hawthorne effect is………………	Where the act of observing someone changes their behaviour	The social side of the organization is important for good management	It is important to watch people to make them more productive	Workers feel alienated due to distant management			Where the act of observing someone changes their behaviour
31	Who were the progressive Taylorists………..	Followers of Taylor who wanted to improve his work by intensifying managers control over the workers	Followers of Taylor who wanted to supplement Taylor's ideas with industrial democracy	Supporters of Taylor who thought his ideas were better than Mayo's	Mayo, Roethlisberger and Dickson who developed ideas that were better than Taylor's			Followers of Taylor who wanted to supplement Taylor's ideas with industrial democracy
32	How did Mayo consider the relationship between workers and management?	Mayo thought that Taylor was right and workers and managers should be in harmony with one another.	Mayo argued that workers and managers need to spend time working on finding common ground with each other.	Workers and managers are in direct opposition to each other and therefore managers should take direct control.	Workers and managers should be in harmony with one another.			Workers and managers should be in harmony with one another.
33	The 'social side' of the organization is………….	Where workers can be sociable to each other which makes them more productive	Where workers are more productive by working alongside each other	A view, in contrast to the rational view, which stresses the social relations and informal dynamics that exist within	What the organization contributes to society			A view, in contrast to the rational view, which stresses the social relations and informal dynamics that

				the organization				exist within the organization
34	The social process by which people interact face-to-face in small groups is called _____.	groups	Team management	Teams	Group dynamics			Group dynamics
35	Dynamics comes from the _____ word "force".	French.	German.	Greek.	Italian.			Greek.
36	Informal standards of behavior are called _____.	conduct	rules	norms	regulations			norms
37	Leadership is important for directing _____ behaviour	Group	Individual	Society	Organization			Group
38	Managerial grid is otherwise called ---------	Leadership	Leadership grid	Employee oriented	Leadership style			Leadership grid
39	Organizational climate work as --------	Long term proposition	Short term proposition	Stimuli	Motivation			Long term proposition
40	------- is also called as organizational success or growth	Organizational culture	Organizational climate	Organizational development	Organizational effectiveness			Organizational effectiveness

41	Organizational development is a -------- effort to improve an organizations problem solving and renewal process	Short term	Long term	Long range change	Short range change			Long term
42	Role of a performer is belived to have.........	Sincerity.	Dignity.	Both A&B	Self-Respect			Both A&B
43	Managerial grid is	Three dimensional	Two dimensional.	Four dimensional.	One			Three dimensional
44	Managerial grid was developed......	Blake & Moutan.	Henry Fayol.	Hawthorne.	Maslow.			Blake & Moutan.
45	One reason that organizations may support conflict is that it..............	Discourages dissent.	Creates strategic initiatives.	Encourages dysfunctional behaviour.	Challenges the status quo.			Challenges the status quo.
46	Conflict that is related to differences in perspectives and judgments is called _____ conflict	Judgmental	Cognitive	Affective	Personal			Cognitive
47	Conflict exists only if……………..	It is perceived by the parties involved.	There is disagreement with established company policy.	Group members are homogeneous.	Group members are diverse.			It is perceived by the parties involved.

48	The conflict management strategy that combines assertiveness and cooperation is…………..	Accommodating	Compromising	Avoiding	Problem solving			Problem solving
49	Sources of conflict are divided into three general categories: Communication, _____, and personal variables.	Style	Systems	Structure	Sources			Structure
50	Five strategies to deal with conflicts are...	Problem solving, forcing, avoiding, yielding, and compromising	Problem solving, forcing, direct conversation, yielding, compromising	Reasoning, forcing, yielding, avoiding, compromising	Problem solving, forcing, avoiding, mediation, yielding			Problem solving, forcing, avoiding, yielding, and compromising
51	Employees learn by observing the performance of the referent group (peers, supervisors and high performers) and the consequences of their actions is referred as.	Symbolizing	Forethought	Observational	Self-regulatory			Observational
52	Sociometry is a………………	Classic way of assessing social competence	Measurement of individuals within the peer group	Measurement of rejection only	The first and second choices			The first and second choices
53	Which of the following statements regarding the stability of Coie's sociometric categories is NOT true?	The impact of peer group classification is moderately stable, particularly for the broad-band dimensions of acceptance and rejection.	Peer rejection is the most stable of all the broad-band dimensions.	Those in the popular and rejected categories are more likely than others to maintain their status over time.	Those in the neglected and controversial categories tend to maintain their status, but only over short periods of time.			Those in the neglected and controversial categories tend to maintain their status, but only over short periods of time.

54	An instrument that identifies how individuals relate to peers is called a(n)…………	interpretive exercise.	personality inventory.	graphic rating scale.	sociometric device.			sociometric device.
55	Elton Mayor was called ………. movement.	Father of scientific management.	Father of organizational behaviour	Father of modern hierarchy.	Father of human relation.			Father of human relation.
56	Conflict between union and management is very ……… in modern organization.	Usual.	Common.	Uncommon.	Rare			Common.
57	Conflict can be classified into structural factors and ………. factors.	Personnel.	Intelligent.	Personal.	Individual			Personal.
58	Supervisors are the - ----- people	Worker	Management	Employee	Trade union			Employee
59	Supervisors are contact with -----------	Employees	Officer	Workers	Management			Workers
60	The purpose of training a supervisor is to-------------	Leadership quality	Control	Production	Record keeping.			Leadership quality

Groups and Teams - Definition, Difference between Groups and teams - Stages of Group Development - Group Cohesiveness - Types of teams
Conflict: Concept, Sources- Types, Stages of conflict - Management of conflict, Organisational Change :Concept, Resistance to change, Managing resistance to change, Implementing Change –Kurt Lewin Theory of Change
.

1. GROUP

- A group is two or more individuals who share common interests or characteristics and whose members identify with each other due to similar traits.
- A Number of people or things that are together or in the same place.
- A number of people who are connected by some shared activity, interest or quality

Definition of Group

- A group is an assemblage of persons who work, interact and cooperate with one another in achieving a common goal in a specified time.
- The identity of the group members is taken individually. The members share information and resources with other group members.

STAGES OF GROUP DEVELOPMENT

Tuckman identified **four stages** of group development, which included the stages of forming, storming, norming and performing.

A fifth stage was later added by Tuckman about ten years later, which is called adjourning. It is believed that these stages are universal to all teams despite the group's members, purpose, goal, culture, location, demographics and so on.
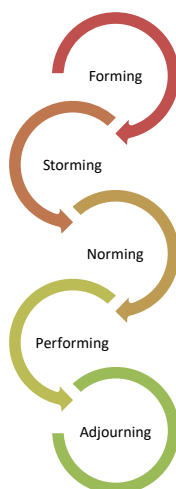
Forming

The first stage of group development is known as the forming stage. The forming stage represents a time where the group is just starting to come together and is characterized with anxiety and uncertainty. Members are cautious with their behavior, which is driven by the desire to be accepted by all members of the group. Conflict, controversy and personal opinions are avoided even though members are beginning to form impressions of each other and gain an understanding of what the group will do together. Some believe this cautious behavior prevents the group from getting any real work done. However, the focus for group members during the forming stage is to become familiar with each other and their purpose, not on work.

Typical outcomes of the forming stage include things like gaining an understanding of the group's purpose, determining how the team will be organized and who will be responsible for what, discussion of major milestones or phases of the group's goal (including a rough project schedule), outlining general group rules (including when they will meet) and discovery of what resources will be available for the group to use.

Storming

The second stage of group development is known as the storming stage. The storming stage is where conflict and competition are at its greatest. This is because now that group members have an understanding of the task and a general feel for who they are as a group and who group members are, they feel confident and begin to address some of the more important issues surrounding the group. Such issues can relate to things like the group's tasks, individual roles and responsibilities or even with the group members themselves.

The storming stage is where the more dominant of the group members emerge, while other, less confrontational members stay in the comfort and security of suppressing their feelings just as they did in the previous stage. Even though these individuals stay quiet, issues may still exist. All members have an increased need for clarification. Questions surrounding leadership, authority, rules, responsibilities, structure, evaluation criteria and reward systems tend to arise during the storming stage. Such questions must be answered so that the group can move on to the next stage. Consequently, not all groups are able to move past the storming stage.

Norming

Once a group receives the clarity that it so desperately needs, it can move on to the third stage of group development, known as the norming stage. The norming stage is the time where the group becomes a cohesive unit. Morale is high as group members actively acknowledge the talents, skills and experience that each member brings to the group. A sense of community is established and the group remains focused on the group's purpose and goal. Members are flexible, interdependent and trust each other. Leadership is shared, and members are willing to adapt to the needs of the group. Information flows seamlessly and is uninhibited due to the sense of security members feel in the norming stage.

Performing

At its peak, the group moves into the fourth stage of group development, known as the performing stage. The performing stage is marked by high productivity. Group members are

unified, loyal and supportive. Competence in all members is seen, allowing for a high level of autonomy in decision making. Problem solving, experimentation and testing possible solutions are high as group members are focused on task completion and achievement. The overall objective of the group during the performing stage is to complete their mission and fulfill their purpose though goal achievement.

Adjourning

Tuckman's final stage, Adjourning, involves the termination of task behaviors and disengagement from relationships. A planned conclusion usually includes recognition for participation and achievement and an opportunity for members to say personal goodbyes. Concluding a group can create some apprehension - in effect, a minor crisis. The termination of the group is a regressive movement from giving up control to giving up inclusion in the group. The most effective interventions in this stage are those that facilitate task termination and the disengagement process.

TYPES OF GROUPS

1. Permanent and Temporary Formal Groups.

2. Command Group such as sections, department etc.

3. Functional Groups are classified according to functions of the members of the groups such as clerks, typists, etc. These groups possess the authority of both command groups and functional groups. Functional groups can again be classified into :

(a) Team group specifies no fixed role to its members.

(b) Task group specifies a fixed job to each of its members.

(c) Technological group is allotted the roles by the management.

4. Status Groups involve the members of the same status in the organization.

Informal Groups

Groups which are not formal are informal. In other words, these are groups that are neither formally created nor controlled by the organization. These groups are natural formations in the work environment that appear in response to the need for social contact. Four employees belonging to four different departments taking their lunch together represent an example of an informal group. Informal groups arise spontaneously and voluntarily to satisfy the various social needs, not likely to be fulfilled by the formal organization. The members of such groups are called informal groups. The leader of the informal group is selected among the members of the group. Authority in such groups is given to the person and to the position. Communication in informal groups is through informal channels. The various kinds of formal groups are :

1. Friendship Groups

Friendship groups are associations of people who like each other and who like to be together. Such groups are formed because members have one or more common characteristics, such as age or ethnic heritage, political beliefs, religious values and other bonds of attraction.

2. Interest Groups

Interest groups are composed of individuals who may not be members of the same organization (command or task groups), but they are united by their interest in a common issue. Example of interest groups may include a group of University Professors. They organize a seminar on Law and Order Problems in the State of Tamil Nadu.

3. Reference Group

A reference group is a special type of informal group that people use to evaluate themselves. A reference group may not be an actual one that meets together, it can be an imaginary group. The reference group for a new university Lecturer, for example, may be other scholars in the same discipline at other universities.

4. Isolates who are not a member of any group

Another classification of informal groups by Sayles from the standpoint of pressure tactics is divided into four groups :

(i) The Apathetic Group : Not sincere to their demand and members do not actively engage in union activity.

(ii) The Erratic Group : Very sensitive to their demand. Easily inflamed and easily pacified. Engage in union activity without working. Deep rooted grievances exist without any reaction from the group.

(iii) The Strategic Group : These groups have a well planned strategy for fighting with the management for their grievances. They build continuous pressure.

(iv) Conservative Group: Consists of members having critical or scarce skills. Though they have strong position yet are least engaged in union activity.

Distinction Between Formal and Informal Groups

1. Origin

A formal group is deliberately structured and planned to subserve organizational interest. The manager decides about the activities of each individual and his interaction with others. They come together because of the interdependence of their operations or their mutual dependence on their common boss. An informal group, on the other hand, emerges voluntarily and spontaneously. In fact, the formal organization itself contains the seeds for the emergence of informal groups. It allocates people in different departments, work-locations and time-schedules and while performing their tasks, the members develop their activities, interactions and sentiments towards each other which are not cared for by the formal organization.

2. Purpose of the Group Formation

The main purpose of formal groups is to serve the organization as means to formal ends, while the informal groups provide social satisfaction and stability to work groups.

3. Authority

The authority to a formal group is given by the institution according to the position on the organization chart. It is given to the position and not to the man concerned. Whosoever be in that position, will enjoy the authority. Authority in such groups is acquired through delegation from the above to the downward. Contrarily, the authority in an informal group is earned or given permissively by the members of the group. It is given to a person considering his age, seniority, competence, etc. and not to the position and so it flows horizontally or at times, even upward.

4. Communication

All messages-upward or downward-pass through the chain of command strictly as given on the organization chart. In an informal group, all messages are passed through informal channel because there is no such chain of command. People remain in mutual contact with each other, they learn about every person of group what is going on in the organization.

5. Control on Behaviour

Behaviour of the people of the formal group is regulated by the rules and regulations framed with an intention to attain rotationally and efficiency. Violation of any rule attracts penalty and punishment. In an informal group, on the other hand, behaviour of the members is controlled through norms, values and beliefs of the group. The members of the informal group may compel any member of the group to disassociate himself from the group, if he is continuously violating the norms of the group after giving him proper warning.

6. Size

Formal groups are quite large because personal relations have no concern there, while the informal groups tend to remain smaller so as to keep it within limits of personal relations.

7. Nature of Group

Formal groups are stable in character and continues for a longer period. Informal groups are quite unstable because they are subject to sentiments and feelings of the group members. A particular informal group ceases to exist as soon as its purpose is solved.

8. Sanctions to Members

Members are suitably rewarded or punished for their work done in a formal group according to the formal rules and regulations of the group. Rewards or punishments may be financial or non-financial. But in an informal group, the efforts of the person are recognised mainly through non-financial rewards or punishments generally in terms of feelings, status and prestige.

9. Abolition of the Group

As formal groups are subject to management control, they can be abolished at the discretion of the proper authority while a particular informal group cannot be destroyed because any attempt to destroy it may lead to formation of several other groups because there is no management control over it. Management cannot destroy it because it has not formed that.

10. Number of Groups

The whole organization (formal group) is divided into several units and sub-units working for the common cause but a large number of informal groups are found in an institution and some ever outside the institution. An individual may be the member of a number of informal groups for different purposes. So there is overlapping membership and multiple groups.

2. TEAM

A group of people with a full set of complementary skills required to complete a task, job, or project.

Team members

(1) Operate with a high degree of interdependence,

(2) Share authority and responsibility for self-management,

(3) Are accountable for the collective performance, and

(4) Work toward a common goal and shared rewards(s).

- ❖ A team becomes more than just a collection of people when a strong sense of mutual commitment creates synergy, thus generating performance greater than the sum of the performance of its individual members.
- ❖ A team is a group of people or other animals linked in a common purpose. Human teams are especially appropriate for conducting tasks that are high in complexity and have many interdependent subtasks
- ❖ A group does not necessarily constitute a team. Teams normally have members with complementary skills and generate synergy through a coordinated effort which allows each member to maximize their strengths and minimize their weaknesses.
- ❖ Team members need to learn how to help one another, help other team members realize their true potential, and create an environment that allows everyone to go beyond his or her limitations. Teams can be broken down into from a huge team or one big group of people, even if these smaller secondary teams are temporary.
- ❖ A team becomes more than just a collection of people when a strong sense of mutual commitment creates synergy, thus generating performance greater than the sum of the performance of its individual members.

Definition of Team

A group of people who are joined together for achieving a common goal within a stipulated period, having collective accountability is known as the team. The agenda of the team is "one for all and all for one". Apart from sharing information, the team members also share the responsibility of the team task. The team is always responsible for the outcome (i.e. Result of the collective efforts of the team members).

Multidisciplinary teams

Multidisciplinary teams involve several professionals who independently treat various issues a patient may have, focusing on the issues in which they specialize. The problems that are

being treated may or may not relate to other issues being addressed by individual team members.

The interdisciplinary team

The interdisciplinary team approach involves all members of the team working together towards the same goal. In an interdisciplinary team approach, members of the core team will often role - blend, taking on tasks usually filled by people in different roles on the team

Executive team

An executive team is a management team that draws up plans for activities and then directs these activities (Devine, 2002). An example of an executive team would be a construction team designing blueprints for a new building, and then guiding the construction of the building using these blueprints.

Command team

The goal of the command team is to combine instructions and to coordinate action among management. In other words, command teams serve as the "middle man" in tasks .For instance, messengers on a construction site, conveying instructions from the executive team to the builders, would be an example of a command team.

Project teams

A team used only for a defined period of time and for a separate, concretely definable purpose, often becomes known as a project team. This category of team includes negotiation-, commission- and design-team subtypes. In general, these types of teams are multi-talented and composed of individuals with expertise in many different areas. Members of these teams might belong to different groups, but receive assignment to activities for the same project, thereby allowing outsiders to view them as a single unit. In this way, setting up a team allegedly facilitates the creation, tracking and assignment of a group of people based on the project in hand.

Advisory teams

Advisory teams make suggestions about a final product For instance*, a quality-control* group on an assembly line would be an example of an advisory team: they may examine the products produced and make suggestions about how to improve the quality of the items being made.

Work teams[

Work teams are responsible for the actual act of creating tangible products and services .The actual workers on an assembly line would be an example of a production team, whereas waiters and waitresses at a diner would be an example of a service team.

Action teams

Action teams are highly specialized and coordinated teams whose actions are intensely focused on producing a product or service . An NFL football team would be an example of an action team. Other examples occur in the military, paramedics, and transportation

Sports teams

A sports team is a group of people which play sports together. Members include all players (even those who are waiting their turn to play), as well as support members such as a team manager or coach.

Virtual team

A virtual team is a group of people who work interdependently and with shared purpose across space, time, and organizational boundaries using technology to communicate and collaborate. Virtual team members can be located across a country or across the world, rarely meet face-to-face, and include members from different cultures.

Groups Versus Teams

The words 'group' and 'team' are, for the most part, interchangeable - at least most people use them that way. But there are distinct differences between groups and teams. For example, we have a football team, not a football group - or we have a special interest group, not a special interest team. While the differences are subtle, they are indeed different, and we need to understand what those differences are.

The main difference is that a team's strength or focus depends on the commonality of their purpose and how the individuals are connected to one another. On the other hand, a group can come from having a large number of people or a cohesive willingness to carry out a focused action - political reform, for example.

While these differences might be subtle, we have to understand that a group is a number of individuals forming a unit for a reason or cause, and a team is a collection of accomplished people coming together for a common goal that needs completion. The subtleness of these differences are more pronounced when we take these words a step further and look at a work group and work team.

Groups and teams are very commonly used the term in an organization whose difference is not known to many people. Below is the summarized difference between group and team is given:

Sl.No	BASIS FOR COMPARISON	GROUP	TEAM
1	Meaning	A collection of individuals who work together in Completing a task.	A group of persons having collective identity joined together, to accomplish a goal.
2	Leadership	Only one leader	More than one
3	Members	Independent	Interdependent
4	Process	Discuss, Decide and Delegate.	Discuss, Decide and Do.

| 5 | Focus on | Accomplishing individual goals. | Accomplishing team goals. |
| 6 | Accountability | Individually | Either individually or mutually |

The following are the significant differences between group and team:

- There is only one head in a group. A team can have more than one head.

- The group members do not share responsibility, but team members share the responsibility.

- The group focuses on achieving the individual goals. Conversely, the team members focus on achieving the team goals.

- The group produces individual work products. As opposed to, the team who produces collective work products.

- The process of a group is to discuss the problem, then decide and finally delegate the tasks to individual members. On the other hand, a team discusses the problem, then decide the way of solving it and finally do it collectively.

- The group members are independent. Unlike a group, the team members are interdependent.

Similarities

- Two or more than two persons.

- Interaction of members.

- Face to face relationship.

- Focus on the achievement of an objective.

- Leader

- Sharing of information and resources

3. GROUP COHESIVENESS

In general terms, group cohesiveness is being committed to a group or to group members where all the members of the group find similarities in their nature and interest. It is a circle of people who share same interests and abilities. And such group and their group members are reliable for each other's. Moreover, reliability can be positive and negative as well. Most probably it is up to a person in which kind of group he or she is in.

> Cohesiveness can be defined as a group session where in which, group of people connects them with the help of similar interest and program.

Moreover, it is a process where a group of people for a group or a team considering their similar interest and ability.

1. Similar interest: Being a part of a group or a team is not that easy as it seems. Some groups and teams maintain a certain type of ground rules for their group. And those ground rules can be measured in terms of the common interest of all the group members. And if anyone wants to join such team considering their common interest, then they should follow all the ground rules given by the team leader. Therefore, it is necessary to understand that all the group of team maintains a same level of interest in their team formation.

2. Group dignity: Every group or a team maintains a certain level of pride and dignity with their team and team members. And to maintain that dignity and pride of the group the members deliver certain responsible services in favor of the society and whoever concerned. Moreover, it is an initial process of every group activity and in that process, they undertake several services according to the pride and dignity of the group. And every single member of the group takes part in such activity of the group.

3. Commitment: Commitment is a word which describes a person loyalty and honesty relating to the group. Most probably every member of the team needs to show some sort of commitment towards their work within the group and for that they need to take active participation in the activities of the group. Therefore, it is very much necessary for all the members of the team that without commitment a group cannot survive in their future activity.

Important Factors of Group Cohesiveness:
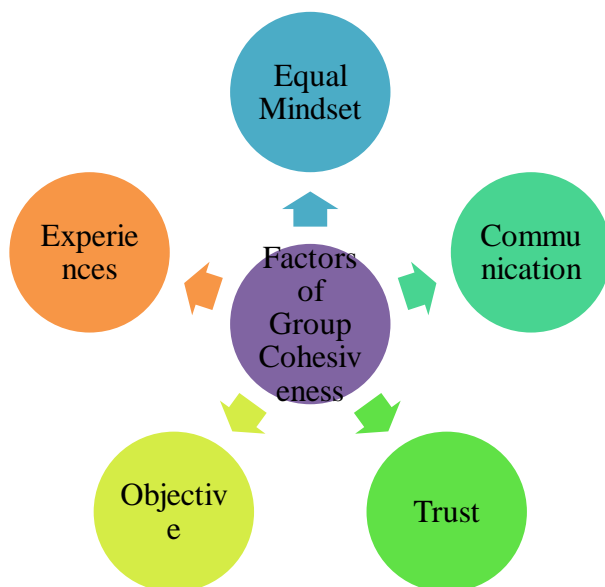
There are several importance of group cohesiveness, and especially after understanding the meaning and definition of the group cohesiveness. Therefore, with this additional important factor about group cohesiveness one can clear out all the benefits of the group cohesiveness.

1. **Equal mindset:** As people join some group with a thinking that they can be a part of that particular group as they share a similar kind of interest, then they definitely should go ahead with their decision and join such team or a group. Most groups which maintain a certain focus element in their group consider their members' interest to carry on with their group services. Therefore, most of the group accepts those candidates who are very much interested in their activity. And other than that no group accepts a person with different nature of interest.

2. **Communication:** As it is explained earlier that communication between the team and its team members is very much necessary. If there is any sort of mis-communication between the team and its members, then it is quite clear to everyone that there will be all sorts of doubts between the team members. Therefore, communication creates a link between the team and their members point of view as well.

3. **Trust:** Sometimes trust holds all the main activity between people, whether it is a company, organization and the team. And that is why all the people who are in connection with the team or a group need to maintain a positive trust on their team and their decision. Therefore, it is very much necessary to understand all the factors of trust in the team and their decision and moreover handling all the facts relating to that.

4. **Objective of the group**: Every group or a team maintains their objective for that particular group and that group delivers their objective in the form of their services and activity. And that is why objective holds all the basic need of the group or a team. Therefore, maintaining an objective for a group or a team is necessary to continue with their positive intention about their social activity. Eventually, these social activities with a positive objective can bring them a positive recommendation for their future benefits.

5. **Experience:** Experience means their previous group experience. Most of the time these group experiences creates a difference with the new group. This difference can bring up all the new and creative ideas within the members of the group and which is the good thing for

the overall growth of that particular group. Therefore, all the things which comes with the help of a previous experience in group cohesiveness can provide overall growth.

Importance of Group Cohesiveness:

When it comes to valuing something in one's life, then people experience some sort of issues with it. And to understand such importance of that particular thing a person need to appreciate its worth, which is possible only by handling all the activities either it is group or individual.

1. Performance: As it has been explained earlier that all the factors which brings up all the importance of cohesiveness of group performance can be measured in terms of their activities. Performance matters in the group cohesive and especially when it is mattered with the services delivered by the each and every valuable member of the team. Therefore, performance matters with the activities which is delivered by the group cohesiveness behavior.

2. Satisfaction: The main issue that every member of the team face while working according to the expectation of the group that the team members might feel a bit left out other than a team leader. It is not necessary that all the valuable member of the team needs to be treated well. It is even expected, especially from the team leader that he or she need to treat all the members of the team same so that they can feel complete satisfaction with their work assigned by their team.

3. Emotional factors: Most of the time while working in a team people used to feel a bit attached to others who are active members of the team. And it is normal to feel emotional around them. It is even possible that all the things which comes up or which come along with the help of group cohesive behavior is quite a result of hard work and team spirit. Therefore, emotional factors always weigh heavy in terms of group cohesive nature.

4. Pressure of assurance: It is quite possible with all the element and characteristics of group cohesive behavior that most of the factors comes up with the help of group working or because of the team task. Therefore, it is very much necessary to understand all the matters which can bring up with the help of all group related behavior and eventually this creates a level of pressure with an assurance of work completion.

Advantages of Group Cohesiveness:

All the factors and study elements relating to the group cohesive behavior is a cover up for all sorts of benefits of group cohesiveness. Therefore, these advantages or benefits can clear out all the fogs surrounded and can show a ray of sunshine.

1. Motivational elements: As it is explained earlier that all the elements which help a person to join or to be part of the group are the motivational elements which can be bought from the members of the team and moreover these members can create some sort differentiation between their improvement and courage in terms of their motivating behavior.

2. Better cooperation: If it is a group of members who share similar interest and attraction as compared to each other, then it is quite clear that all the things which can be delivered with the help of all the group cohesiveness behavior can definitely produce better cooperation between the team and their members. Therefore, because of group cohesive behavior the group can embrace better cooperation with their rest of the team members.

3. Time saving: A work or a task allotted to a group of persons instead of work allotted to an individual, can definitely approach a positive side of the work. For instance, when it comes to an individual person, then the person might take a little longer time to solve the issues, but when it comes to group of people, then the solution can be better and quicker as compared to the individual doing the work.

4. Improves communication: As it is a task of a group or a team, then the team leader might be aware of all the consequences of work assigned to a person. And because of the group cohesiveness the whole team can experience some sort of change in their communication levels. These communication levels create a difference in their personal and professional life as usual. Moreover, it also provides good confidence to all the members of the team.

Disadvantages of Group Cohesiveness:

Most parts of the study material with the subject line group cohesiveness can clear all the doubts among its readers and with their team. Therefore, it is necessary to know more about the disadvantages of group cohesiveness, and then these disadvantages can help a group of people with all the growth and success of their daily work.

1. Low level of productivity: Most of the time, working in a group can not favor a company or an organization with the help of their own group, and that is because all the teams own their own thinking. And in this case of production a group cohesiveness brings it down to a low level because most of the team members available in the team are from the same field of work. Moreover, it is a fast moving generation and that is why it's necessary to understand the, low level of productivity among the team members.

2. Lack of creativity: As most of the members of the team share a single and simple interest and eventually this type of similar interest can deliver same sort of results each and every time. Therefore, because of group cohesive behavior the company can lack behind with their creative elements. Moreover, all the elements in the group cohesiveness provide a lower level of creativity among their group or a team.

3. Lack of innovation: It is quite similar to the topic that one can understand better. At most of the time people involved in a group can come up with a low level of innovation and that eventually lacks creativity in their field of work. Therefore, it is necessary to understand all the things within this group cohesiveness. Moreover, this creates a lack of innovation among their members.

4. Domination: The domination can be experienced because of the team leaders of each and every group. Most of the type of group leader domination can never benefit the company, moreover, it can damage the unity of the group. Therefore, all the team leaders need to understand that if they need and want their team members work according to their direction, then they need to treat as equals in the group.

Finally the bottom line is that at the end of the discussion about group cohesiveness, a person can understand all the definition, factors, importance, advantages or benefits and disadvantages or cons of the study material stated above about group cohesiveness. Therefore, it is advisable to all the interested people that if anyone need to know more about the group cohesiveness, then they can follow and read all the above mentioned discussion and find all the answers to their questions.

1. CONFLICT

Meaning

> Conflict refers to some form of friction, disagreement, or discord arising within a group when the beliefs or actions of one or more members of the group are either resisted by or unacceptable to one or more members of another group.

❖ Conflict can arise between members of the same group, known as intragroup conflict, or it can occur between members of two or more groups, and involve violence, interpersonal discord, and psychological tension, known as intergroup conflict.

❖ Conflict in groups often follows a specific course. Routine group interaction is first disrupted by an initial conflict, often caused by differences of opinion, disagreements between members, or scarcity of resources. At this point, the group is no longer united, and may split into coalitions

Sources of Conflict

a. Change

Implementation of new technology can lead to stressful change. Workers who don't adapt well to change can become overly stressed, which increases the likelihood of conflict in the workplace.

b. Interpersonal Relationships

When different personalities come together in a workplace, there is always the possibility they won't mesh. Office gossip and rumors can also serve as a catalyst for deterioration of co-worker relationships.

c. Supervisor Vs Employee

Just as co-worker personalities may not mesh, a supervisor and employee can also experience conflict. A supervisor who is seen as overbearing or unfair can rub an employee the wrong way, which makes the working relationship more difficult.

d. External Changes

When the economy slides into a recession or a new competitor swoops in and steals some of a company's market share, it can create tension within the company. This stress can lead to conflict between employees and even between upper levels of management.

e. Poor Communication

Companies or supervisors that don't communicate effectively can create conflict. For example, a supervisor who gives unclear instructions to employees can cause confusion as to who is supposed to do what, which can lead to conflict.

f. Subpar Performance

When a worker in a department is not "pulling his weight," it can lead to conflict within the department, perhaps even escalating into a confrontational situation. A supervisor who fails to acknowledge or address the situation can add fuel to the fire.

g. Harassment

Harassment in the workplace can take many forms, such as sexual or racial harassment or even the hazing of a new employee. Companies that don't have strong harassment policies in place are in effect encouraging the behavior, which can result in conflict.

i. Limited Resources

Companies that are looking to cut costs may scale back on resources such as office equipment, access to a company vehicle or the spending limit on expense accounts. Employees may feel they are competing against each other for resources, which can create friction in the workplace.

Types of Conflict

1. Conflict within the individual	2. . Interpersonal Conflict
3. Conflict between the individual and the group	4. Intergroup conflict
5. Inter Organizational Conflict	
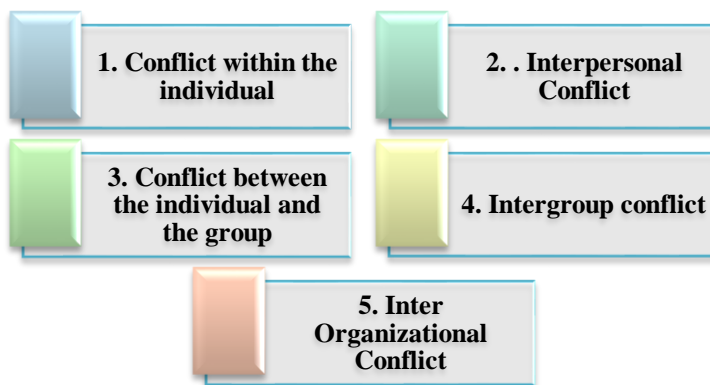
1. Conflict within the individual:

- ❖ The conflict within the individual is usually value related, where role playing expected of the individual does not conform with the values and beliefs held by the individual. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call.
- ❖ This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. Similarly, many Indians who are vegetarians and come to America and find it very hard to remain vegetarians may question the necessity of the vegetarian philosophy thus causing a conflict in their minds.
- ❖ In addition to these value conflicts, a person may be faced with a role conflict. For example, a telephone operator may be advised and required to be polite to the customers by her supervisor, who may also complain that she is spending too much time with her customers. This would cause a role conflict in her mind.

2. Interpersonal Conflict:

- ❖ Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognized conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources.

- ❖ This conflict can become further acute when the scarce resources cannot be shared and must be obtained. Similarly, if there are two equally deserving professors and they are both up for promotion, but only one of them can be promoted because of budget and positional constraints, then this could result in interpersonal conflict between the two professors.

3. Conflict between the individual and the group:

- ❖ As has been discussed before, all formal groups and informal groups have established certain norms of behaviour and operational standards which all members are expected to adhere to. An individual member may want to remain within the group for social needs but may disagree with the group goals and the methods to achieve such goals.

- ❖ For example, in some restaurants, all tips are shared equally by all waiters and waitresses. Some particular waitress who may be overly polite and efficient may feel that she deserves more, thus causing conflict between her and the group. Similarly, if a group is going on strike for some reasons, some members of the group may not agree with these reasons or simply may not be economically able to afford to go on strike, thus causing conflict with the group.

4. Intergroup conflict:

- ❖ An organization is an interlocking network of groups, departments, sections or work teams. The intergroup conflicts are not so much personal in nature as they are due to factors inherent in the organizational structure. For example, there is active and continuous conflict between the union and the management.

- ❖ One of the most common conflict is between the line and the staff members of the organization. The line managers may resent their dependence on staff for information and recommendations. The staff may resent their inability to implement directly their own decisions and recommendations. This interdependence causes intergroup conflict.

- ❖ These inter-unit conflicts can also be caused by inconsistent rewards and differing performance criteria for different units and groups. For example, sales people who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times which the production department may find impossible to meet thus causing conflict between the two units.

5. Inter-organizational conflict:

- ❖ Conflict also occurs between organizations which are dependent upon each other in some way. This conflict may be between buyer organizations and supplier organizations about quantity, quality and delivery times of raw materials and other policy issues.

❖ Such conflict could also be between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them.

Process of conflict

Stage 1: Potential Opposition or Incompatibility

The first step in the conflict process is the presence on conditions that create opportunities for conflict to develop. These cause or create opportunities for organizational conflict to rise.

These three conditions causes conflict.

Communications

Different words connotations, jargon insufficient exchange of information and noise in communication channel are all antecedent conditions to conflict.

Too much communication as well as too little communication can lay the foundation for conflict.

Structure

Structure

In defining where responsibility for action lies; the greater the ambiguity is the greater the potential for conflict to surface. Such Jurisdictional ambiguity increases inter group fighting for control or resources and territory.

Personal Variables

Certain personality types- for example individuals who are highly authoritarian and dogmatic- lead to potential conflict. Another reason for conflict is difference in value systems.

Value differences are the best explanations of diverse issues such as prejudice disagreements over one's contribution to the group and rewards one deserves.

Stage 2: Cognition and Personalization

Conflict must be perceived by the parties to it whether or not conflict exists is a perception issue, second step of the Conflict Process.

If no one is aware of a conflict, then it is generally agreed that no conflict exists. Because conflict is perceives does not mean that is personalized.

Stage 3: Intentions

Intentions are decisions to act in a given way, intentions intervene between people's perception and emotions and their overt behavior.

Using two dimensions cooperativeness (the degree to which one party attempts to satisfy the other party's concerns) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns) five conflict handling intentions can be identified.

Stage 4: Behavior

This is a stage where conflict becomes visible. The behavior stage includes the statements, actions and reactions made by the conflicting parties.

These conflict behaviors are usually overt attempt to implement each party's intentions.

Stage 5: Outcomes

The action reaction interplay between the conflicting parties result in consequences.

These outcomes may be functional in that the conflict results in an improvement in the group's performance, or dysfunctional in that it hinders group performance.

Conflict is constructive when it improves the quality of decisions simulates creativity and innovations encourages interest and curiosity among group members provides the medium through which problems can be aired and tensions released and fosters an environment of self-evaluation and change.

CONFLICT MANAGEMENT

Conflict management is the process of limiting the negative aspects of conflict while increasing the positive aspects of conflict.

Conflict management is the practice of being able to identify and handle conflicts sensibly, fairly, and efficiently. Since conflicts in a business are a natural part of the workplace, it is important that there are people who understand conflicts and know how to resolve them. This is important in today's market more than ever. Everyone is striving to show how valuable they are to the company they work for and at times, this can lead to disputes with other members of the team.

Conflict Management Styles

Conflicts happen. How an employee responds and resolves conflict will limit or enable that employee's success. Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

An **accommodating** manager is one who cooperates to a high degree. This may be at the manager's own expense and actually work against that manager's own goals, objectives, and desired outcomes. This approach is effective when the other person is the expert or has a better solution.

Avoiding an issue is one way a manager might attempt to resolve conflict. This type of conflict style does not help the other staff members reach their goals and does not help the manager who is avoiding the issue and cannot assertively pursue his or her own goals. However, this works well when the issue is trivial or when the manager has no chance of winning.

Collaborating managers become partners or pair up with each other to achieve both of their goals in this style. This is how managers break free of the win-lose paradigm and seek the win-win. This can be effective for complex scenarios where managers need to find a novel solution.

Competing: This is the win-lose approach. A manager is acting in a very assertive way to achieve his or her own goals without seeking to cooperate with other employees, and it may be at the expense of those other employees. This approach may be appropriate for emergencies when time is of the essence.

Compromising: This is the lose-lose scenario where neither person or manager really achieves what they want. This requires a moderate level of assertiveness and cooperation. It may be appropriate for scenarios where you need a temporary solution or where both sides have equally important goals

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Thomas-Kilmann Conflict Mode Instrument
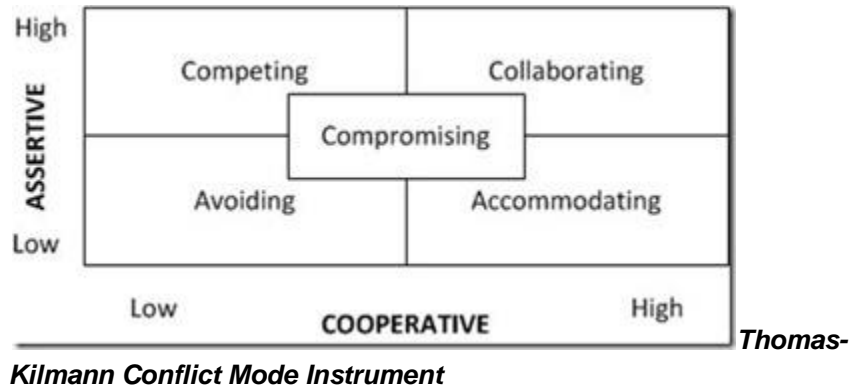
Conflict Resolution Actions

Step 1: Identify the source of the conflict. The more information you have about the cause of the conflict, the more easily you can help to resolve it. To get the information you need, use a series of questions to identify the cause, like, "When did you feel upset?" "Do you see a relationship between that and this incident?" "How did this incident begin?"

As a mediator, you need to give both parties the chance to share their side of the story. It will give you a better understanding of the situation, as well as demonstrate your impartiality. As you listen to each disputant, say, "I see" or "uh huh" to acknowledge the information and encourage them to continue to open up to you.

Step 2: Look beyond the incident. Often, it is not the situation but the perspective on the situation that causes anger to fester and ultimately leads to a shouting match or other visible—and disruptive—evidence of a conflict.

The source of the conflict might be a minor problem that occurred months before, but the level of stress has grown to the point where the two parties have begun attacking each other personally instead of addressing the real problem. In the calm of your office, you can get them to look beyond the triggering incident to see the real cause. Once again, probing questions will help, like, "What do you think happened here?" or "When do you think the problem between you first arose?"

Step 3: Request solutions. After getting each party's viewpoint on the conflict, the next step is to get each to identify how the situation could be changed. Again, question the parties to solicit their ideas: "How can you make things better between you?"

As mediator, you have to be an active listener, aware of every verbal nuance, as well as a good reader of body language.

Just listen. You want to get the disputants to stop fighting and start cooperating, and that means steering the discussion away from finger pointing and toward ways of resolving the conflict.

Step 4: Identify solutions both disputants can support. Point out the merits of various ideas, not only from each other's perspective, but in terms of the benefits to the organization. (For instance, you might point to the need for greater cooperation and collaboration to effectively address team issues and departmental problems.)

Step 5: Agreement. The mediator needs to get the two parties to shake hands and agree to one of the alternatives identified in Step 4. Some mediators go as far as to write up a contract in which actions and time frames are specified.

ORGANIZATIONAL CHANGE

> Organizational change management (OCM) is a framework for managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise. Simply put, OCM addresses the people side of change management.

Factors affecting organizational Change

External Forces

Every organization exists in some context; no organization is an island in itself. Each must continually interact with other organizations and individuals- the consumers, suppliers, unions, shareholders, government and many more. Each organization has goals and responsibilities related to each other in the environment. The present day environment is dynamic and will continue to be dynamic. Changes in social, political, economic, technology, and legal environment force organizations to change themselves. Such changes may result in organizational changes like major functions production process, labour-management relations, nature of competitions, economic constraints, organizational methods etc. In order to survive in the changing environment, organization must change. How the change in various environmental, organizations, must change. How the changes in various environmental factors necessitate change in the organization may be seen in following context:-

Technology

When there is a change in technology in the organizational environment and other organizations adopt the new technology, the organizations under focus become less cost effective and its competitive position weakens. Therefore, it has to adopt new technology, its work structure is affected and a new equilibrium has to be established.

Marketing conditions

Since every organization exports its outputs to the environment, an organization has to face competition in the market. There may be two types of forces which may affect the competitive position of an organization –other organizations supplying the same products and, buyers who are not buying the product. Any changes in these forces may require suitable changes in the in the organization. For example, when Indian economy was liberalized, there were many foreign organizations that entered the Indian market. This forced many Indian organizations to realign themselves with the new situations. The result in that there have been many cases of divesting the business and concentrating on the core business, acquiring core

business, and developing competitive competence to face competitive threats. Similarly, there may be changes in buyers in terms of their needs, liking –disliking and income disposal for a product. These changes from the organizations to bring those products which meet buyer's requirement.

Social changes:

Social changes reflect in terms of people's aspirations, the needs, and their ways of working. Social changes have taken place because of the several forces like level of education, urbanization, feeling of autonomy, and international impact due to new information sources. These social changes affect the behavior of people in the organization. There, it is required to make adjustment in its working so that it matches with people.

Political and legal changes:

Political and legal factors broadly define the activities which an oganisation can undertake and the methods which will be followed by it in accomplishing those activities. Any changes in these political and legal factors may affect the organization operation.

Internal Forces

It is not only the changes in external factors, which may necessitate organizational changes; any change in organization's internal factors may also necessitate changes. Such a change is required because of two reasons: changes in managerial personnel and deficiency in existing organizational practices.

Changes in the managerial personnel:

Besides environmental changes there is a change in managerial personnel. Old managers are replaced by new mangers, which necessitated because of retirement, promotion, transfer or dismissal. Each new manager brings his own ideas and way of working in the organization. The relationships, more in the organization.The relationships, more particularly informal ones, changes because of changes in managerial personnel. Moreover, attitude of the personnel change even though there is no changes in them. The result in that an organization has to change accordingly.

Deficiency in Existing organization:

Sometimes, changes are necessary because of deficiency in the present organizational arrangement ad process. These deficiencies may be in the form of unmanageable span of management, large number of managerial levels, lack in co-ordination between various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of cooperation between the line and staff, and so on. Beside these internal factors, there are two more internal factors that give rise to organizational changes.

Nature of the work force:

The nature of work force has changed over a passage of time. Different work values have been expressed by different generations. Workers who are in the age group of 50 plus value loyalty to their employers. Workers in their mid thirties to forties are loyal to themselves only. The youngest generation of workers is loyal to their career. The profile of the workforce is also changing fast. The new generation of workers has better educational; they place greater emphasis on human values and questions authority of managers. Their behavior has

also become very complex and leading them towards organizational goals is a challenge for the managers. The employee turnover is also very high which again put strain on the management.

To avoid developing inertia:

In many cases, organizational changes take place just to avoid developing inertia or inflexibility. Conscious manager take into account this view of organization that organization should be dynamic because any single method is not the best tool of management every time. Thus, changes are incorporated so that the personnel develop liking for change and there is no unnecessary resistance when major change in the organization are brought about.

Managing Resistance to change

- Do change management right the first time
- Expect resistance to change
- Address resistance formally
- Identify the root causes of resistance
- Engage the "right" resistance managers

1. DO CHANGE MANAGEMENT RIGHT THE FIRST TIME

Much resistance to change can be avoided if effective change management is applied on the project from the very beginning. While resistance is the normal human reaction in times of change, good change management can mitigate much of this resistance. Change management is not just a tool for managing resistance when it occurs; it is most effective as a tool for activating and engaging employees in a change. Capturing and leveraging the passion and positive emotion surrounding a change can many times prevent resistance from occurring—this is the power of utilizing structured change management from the initiation of a project.

Consider the following change management activities:

- Utilize a structured change management approach from the initiation of the project
- Engage senior leaders as active and visible sponsors of the change
- Recruit the support of management, including middle managers and frontline supervisors, as advocates of the change
- Communicate the need for change, the impact on employees and the benefits to the employee (answering "What's in it for me?" or WIIFM)

2. EXPECT RESISTANCE TO CHANGE

Do not be surprised by resistance! Even if the solution a project presents is a wonderful improvement to a problem that has been plaguing employees, there will still be resistance to change. Comfort with the status quo is extraordinarily powerful. Fear of moving into an unknown future state creates anxiety and stress, even if the current state is painful. Project teams and change management teams should work to address resistance and mitigate it, but they should never be surprised by it.

Research on the function of the brain shows that resistance is not only a psychological reaction to change but actually a physiological reaction (see the "The Neuroscience of Leadership" by David Rock and Jeffrey Schwartz for more information). To act in a new way requires more power from the brain. The physiological reaction when presented with a new way of doing something is to revert back to what the brain already knows. Human beings can adapt their behavior, but it is a difficult and painful process—even for the brain itself.

3. FORMALLY MANAGE RESISTANCE TO CHANGE

Managing resistance to change should not be solely a reactive tactic for change management practitioners. There are many proactive steps that can be used to address and mitigate resistance that should be part of the change management approach on a project.

Resistance is addressed in all three phases of Prosci's 3 Phase Change Management Process:

Phase 1: Preparing for change

During the creation of the change management strategy, generate anticipated points of resistance and specialtactics to manage them based on readiness assessments.

Phase 2: Managing change

The resistance management plan is one of the five change management plans you create in this phase, along with the communication plan, sponsorship roadmap, coaching plan and training plan. These change management plans all focus on moving individuals through their own change process and addressing the likely barriers for making the change successful. The resistance management plan provides specific action steps for understanding and addressing resistance.

Phase 3: Reinforcing change

In the final phase of the process, you collect feedback to understand employee adoption and compliance with the new workflows and processes prescribed by the change. Evaluating this feedback allows you to identify gaps and manage the resistance that may still be occurring. This phase also includes the top ten steps for dealing with resistance to change, which can be a powerful tool for managers and supervisors in the organization.

Formally addressing resistance ensures that it is understood and dealt with throughout the lifecycle of the project. It moves managing resistance to change from simply a reactive mechanism to a proactive and ultimately more effective tool for mobilizing support and addressing objections.

4. IDENTIFY THE ROOT CAUSES OF RESISTANCE TO CHANGE

Managing resistance is ineffective when it simply focuses on the symptoms. The symptoms of resistance are observable and often overt, such as complaining, not attending key meetings, not providing requested information or resources, or simply not adopting a change to process or behavior. While they are more evident, focusing on these symptoms will not yield results. To be effective at managing resistance, you must look deeper into what is ultimately causing the resistance. Effective resistance management requires identification of the root causes of resistance—understanding why someone is resistant, not simply how that resistance is manifesting itself.

Change management best practices research provides a nice starting point for understanding the root causes of resistance. Results from the 2013 benchmarking study showed some important themes in the top reasons for resistance (reaffirming the results from previous studies). When asked to identify the primary reasons employees resisted change, study participants identified the following root causes:

- **Lack of awareness of why the change was being made**
- **Impact on current job role**
- **Organization's past performance with change**
- **Lack of visible support and commitment from managers**
- **Fear of job loss**

With the knowledge of these primary root causes, change management teams can adequately prepare a compelling case for the need for change that is communicated by senior leaders in the organization. This simple activity targets the top cause for resistance (lack of awareness) and can ultimately prevent much of the resistance a project experiences. You can use additional benchmarking findings and your own experience with change in your organization to craft a list of likely root causes with activities to address and mitigate each one.

A final note on resistance to change: resistance is ultimately an individual phenomenon. While research and analysis can identify broadly the root causes for resistance, it is important to ultimately address resistance by individuals at the individual level. The best way to identify the root cause of resistance is through a personal conversation between a resistant employee and their supervisor, which leads us to the final tip for managing resistance.

5. ENGAGE THE "RIGHT" RESISTANCE MANAGERS

The "right" resistance managers in an organization are the senior leaders, middle managers and frontline supervisors. The change management team is not an effective resistance manager. Project team members, Human Resources or Organization Development specialists are not effective resistance managers either. Ultimately, it takes action by leadership in an organization to manage resistance.

The Kurt Lewin Change Management Model Unfreeze, Change, Freeze

This three stage theory of change is commonly referred to as Unfreeze, Change, Freeze (or Refreeze). It is possible to take these stages to quite complicated levels but I don't believe this is necessary to be able to work with the theory. But be aware that the theory has been criticised for being too simplistic.

A lot has changed since the theory was originally presented in 1947, but the Kurt Lewin model is still extremely relevant. Many other more modern change models are actually based on the Kurt Lewin model. I'm going to head down a middle road and give you just enough information to make you dangerous...and perhaps a little more to whet your appetite!

So, three stages. Unfreezing, Change, Freezing. Let's look at each of these.

Stage 1: Unfreezing

The Unfreezing stage is probably one of the more important stages to understand in the world of change we live in today. This stage is about getting ready to change. It involves getting to a point of understanding that change is necessary, and getting ready to move away from our current comfort zone.

This first stage is about preparing ourselves, or others, before the change (and ideally creating a situation in which we want the change).

The more we feel that change is necessary, the more urgent it is, the more motivated we are to make the change. Right? Yes, of course! If you understand procrastination (like I do!) then you'd recognise that the closer the deadline, the more likely you are to snap into action and actually get the job started!

With the deadline comes some sort of reward or punishment linked to the job. If there's no deadline, then the urge to change is lower than the need to change. There's much lower motivation to make a change and get on with it.

Unfreezing and getting motivated for the change is all about weighing up the 'pro's' and 'con's' and deciding if the 'pro's' outnumber the 'con's' before you take any action. This is the basis of what Kurt Lewin called the Force Field Analysis.

Force Field Analysis is a fancy way of saying that there are lots of different factors (forces) for and against making change that we need to be aware of (analysis). If the factors for change outweigh the factors against change we'll make the change. If not, then there's low motivation to change - and if we feel pushed to change we're likely to get grumpy and dig in our heels.

This first 'Unfreezing' stage involves moving ourselves, or a department, or an entire business towards motivation for change. The Kurt Lewin Force Field Analysis is a useful way to understand this process and there are plenty of ideas of how this can be done.

Stage 2: Change - or Transition

Kurt Lewin was aware that change is not an event, but rather a process. He called that process a transition. Transition is the inner movement or journey we make in reaction to a change. This second stage occurs as we make the changes that are needed.

People are 'unfrozen' and moving towards a new way of being.

That said this stage is often the hardest as people are unsure or even fearful. Imagine bungey jumping or parachuting. You may have convinced yourself that there is a great benefit for you to make the jump, but now you find yourself on the edge looking down. Scary stuff! But when you do it you may learn a lot about yourself.

This is not an easy time as people are learning about the changes and need to be given time to understand and work with them. Support is really important here and can be in the form of training, coaching, and expecting mistakes as part of the process.

Using role models and allowing people to develop their own solutions also help to make the changes. It's also really useful to keep communicating a clear picture of the desired change and the benefits to people so they don't lose sight of where they are heading.

Stage 3: Freezing (or Refreezing)

Kurt Lewin refers to this stage as freezing although a lot of people refer to it as 'refreezing'. As the name suggests this stage is about establishing stability once the changes

have been made. The changes are accepted and become the new norm. People form new relationships and become comfortable with their routines. This can take time.

It's often at this point that people laugh and tell me that practically there is never time for this 'freezing' stage. And it's just this that's drawn criticism to the Kurt Lewin model

Part A (ONE Mark)
Multiple Choice Questions
Online Examination

Part B
(2 Marks)

1. What is meant by group?
2. Define conflict.
3. List out the types of teams?

4. Give the meaning of interpersonal relationship?
5. What is organizational change?

Part C (8 Marks)

1. Explain the different types of teams.

2. Explain the factors influencing organizational change.

3. Define Group Cohesiveness. What are factors affecting group cohesiveness?
4. Explain the different stages of group development.
5. Distinguish between the teams and groups.
6. What are the sources of conflict? Explain.

CIA: 3*8=24 Marks (Either or Type)

ESE: 5*6=30 Marks (Either or Type)

KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT OF MANAGEMENT
FUNDAMENTALS OF MANAGEMENT AND ORGANISATIONAL BEHAVIOR
UNIT – V

S. No	Questions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Answer
1	----------is the attractiveness of the members towards the group or resistance to leave it	Group norms	Group behavior	Group cohesiveness	Group structure			Group cohesiveness
2	Believes, attitudes, traditions and expectations which are shared by group members is called……………..	Group norms	Group communication	Group cohesiveness	Group structure			Group norms
3	The group formed by an organization to accomplish narrow range of purposes within a specified time………….	Formal Group	Task Group	Interest Group	Functional Group			Task Group
4	A………is small groups of workers who meet regularly with their supervisor to solve work related problem.	Quality of Work life	Quality Circle	Alternative Work schedule	Job Redesign			Quality Circle
5	When a group gives some of its leadership positions to the members of other group, it is…………	Contracting	Co-opting	Co-alition	Competition			Co-opting

6	.........refers to the combination of two or more individuals, groups or organisation for a common goal with a minimum common programme	Contracting	Co-opting	Co-alition	Competition			Coalition
7	Intra group competition means.........	between group members	competition as a whole	between manager and employee	among group leaders			between group members
8	Intergroup competition means..............	between group members	competition as a whole	between manager and employee	among group leaders			competition as a whole
9	Competition between members----------to group cohesiveness	Construct	destruct	neither construct nor destruct	develop new group			destruct
10	A group brought into existence as part of the organisation's structure is defined as....................	a formal (or command) group	an informal group	a friendship group	an aggregate of people.			a formal (or command) group
11	Informal groups tend to..............	be counter productive for an organisation	be formed primarily outside work	a formal (or command) group	achieve organisational tasks.			a formal (or command) group
12	Organizational climate refers to_____	The climatic conditions prevailing in the location	The weather condition that effect the productivity of the employees	The health of the organization	The leadership style that prevails in the organization			The health of the organization
13	Counseling is _____	Psycho analytical treatment for mental	Physiotherapy	A measure to build up the ego	A means to reduce employee stress			A means to reduce employee stress

		disorders						
14	Organizational effectiveness is	The success of an organization	The failure of an organization	The productivity of an organization	Sickness in the organization			The success of an organization
15	The managerial grid is based on…………………………	Concerned for quality alone	Concern for quality and quantity	Concern for people and production	Concern for Product and service			Concern for people and production
16	Litwin & stringer have included _____ no of factors which affects organization & climate	Five	Six	Four	Three			Six
17	Organisation climate exists in a _____ relationship	Contingency	Continuity	Desirable	Certainty			Contingency
18	Orgnisational effectiveness is also called as _____	Success	Growth	Success or growth	Good Management			Success or growth
19	_____ is a strategy of planned change for organizational improvement	Organization effectiveness	Organizational climate	Organizational change	Organizational development			Organizational climate
20	Process or administrative theory of organization is being given by	Elton Mayo	Henry Fayol	F.W. Taylor	Max Weber			Henry Fayol

21	………………leader is self confident and can attract followers by his great influence	Charismatic	Laissez-faire	Autocratic	Bureaucratic			Charismatic
22	……………………leadership emphasize on rules and regulation in an organization	Democratic	Laissez-faire	Autocratic	Bureaucratic			Democratic
23	………………is the ability of influencing people to strive willingly for mutual objectives	Motivation	Control	Leadership	Supervision			Control
24	In --------------leadership, there is a complete centralization of authority in the leader	Democratic	Laissez-faire	Autocratic	Bureaucratic			Autocratic
25	Grid Organisation Development was developed by	Blake and Mounton	Elton Mayo	F W Taylor	Max weber			Blake and Mouton
26	……………is a set of values that states what an organisation stands for	Organizational culture	Organization behavior	Organizational spirit	Organizational effectiveness			Organizational culture
27	Least Preferred Co-worker (LPC) model of leadership was developed by	Martin Evans	Fred Fielder	Robert House	Whetton			Fred Fielder
28	Which of the following is not a contingency theory of leadership	LPC theory	Path Goal theory	Vroom-Yetton-Jago theory	Job centered Leadership			Job centered Leadership

29	…………..is small groups of workers who meet regularly with their supervisor to solve work related problem	Quality of Work life	Alternative Work schedule	Quality Circle	Job Redesign			Quality Circle
30	The concept of Work- Week is related with	Quality of Work life	Quality Circle	Alternative Work schedule	Job Redesign			Alternative Work schedule
31	When a group gives some of its leadership positions to the members of other group, it is	Contracting	Co-opting	Co-alition	Competition			Co-opting
32	…………………refers to the combination of two or more individuals, groups or organisation for acommon goal with a minimum common programme	Contracting	Co-opting	Co-alition	Competition			Coalition
33	Goal setting theory is pioneered by…………	Stacy Adams	Charms	Edwin Locke	F W Taylor			Edwin Locke
34	Leadership today is increasingly associated with the concept of _____?	Getting others to follow	Command	Control	Strategy			Getting others to follow
35	Which of the following statements about leadership is false?	Leadership does not necessarily take place within a hierarchical structure of an organisation	When people operate as leaders their role is always clearly established and defined	Every leader is a Administrator	Not Every leader is a Manager			When people operate as leaders their role is always clearly established and defined

36	Approaches to the study of leadership which emphasis the personality of the leader are termed _____.	Group theories	Inspirational theories	Trait theories	Contingency theories			Trait theories
37	Adair claims that the effectiveness of a leader is dependent upon meeting _____areas of need within the work group.	One	Two	Three	Four			Three
38	In Adair's approach, needs such as training the group, setting standards and maintaining discipline, and appointing sub-leaders may be called _____.	Team functions	Task functions	Work functions	Individual Functions			Team functions
39	The terms "employee-centred" and "production-centred" to describe leader behaviour were used by _____?	Likert	Fiedler	McGregor	Blake and McCanse			Likert
40	Organizational effectiveness is also known as --------	Organizational success or organizational growth	Organizational behavior	Groupism	Counseling			Organizational behavior
41	Organizational effectiveness is often interchangeably used as -----	Organizational efficiency	Goal approach	System resources approach	Organizational Planning			Organizational efficiency
42	The term efficiency is used in an ------- sense	Engineering	Management	Group dynamics	Social Science			Engineering

43	Organizational effectiveness is also referred to as -------	Organizational behavior	Goal achieving behaviors	Organizational efficiency	System resources approach			Goal achieving behaviors
44	Organizational efficiency refers to --------	Superior- sub ordinate relationship	Input out put relation	Manager supervisor relationship	Productivity			Input out put relation
45	Supervisor improve is -------- communication skill.	Leaders	Director	Co-ordinate	Teacher			Leaders
46	For training the supervisor we use --------- method	Supervisor	Technical	Class room	Communication skills			Class room
47	Trainers are given instruction ------ in written form	Production	Quality	Material	Course			Material
48	A/n _____ is defined by the organization's structure, with designated work assignments establishing tasks and work groups	Friendship group	Interest group	Informal group	Formal group			Formal group
49	People join groups for various reasons. If the benefit sought is to fulfill social needs, the reason for joining the group is called……………	Power	Security	Status	Affiliation			Affiliation
50	Which of the following methods is/are used to solve intergroup conflicts indirectly………….	Avoidance	Encouragement	Bargaining	Negotiation			Avoidance

51	………………is once view of reality	Attitude	Perception	Outlook	Personality			Perception
52	……………is the process of screening out information that we are uncomfortable with or that contradict to our beliefs	Perceptual context	Selective perception	Halo effect	Stereotyping			Selective perception
53	_____ is the force of action or motivation.	Behaviour	Stimulus	Perception	Attitude			Stimulus
54	The first stage in the perception process involves:	Selection and attention	Stimulus and response	Attention and logic	Attention and meaning			Selection and attention
55	A person's _____ comprises internal factors, such as ability, intelligence and personality, and will determine how an individual responds to certain stimuli.	Psychological threshold	Perceptual set	Cognitive set	Sensory limit			Perceptual set
56	The psychological or internal factors affecting perceptual selection are _____ _____ and ____?	Motives, personality, mental processes	Personality, learning, motives	Personality, ego, mental processes	Learning, personality, ego			Personality, learning, motives
57	The Gestalt School produced a series of principles. Some of the most significant principles include _____?	Figure and ground; clusters; contrast	Figure and ground; grouping; clusters	Grouping; clusters; contrast	Figure and ground; grouping; closure			Figure and ground; grouping; closure
58	The tendency to complete an incomplete figure to (mentally) fill in the gaps and to perceive them as whole is called	Ground	Figure	Grouping	Closure			Closure

	_____?							
59	The process by which the perception of a person is formulated on the basis of a single favourable or unfavourable trait or impression, where other relevant characteristics of that person are dismissed is called: the halo effect	The Halo Effect	The Angel effect	Stereotyping	Clouded Judgment			The Halo Effect
60	The process of combining, integrating, and interpreting information about others to gain an accurate understanding of them is referred to as	Attribution	Social perception	Social identity theory	Personal identity			Social perception

Karpagam Academy of Higher Education
(Deemed University)
(Established Under section 3 of UGC Act 1956)
Coimbatore – 641021
(For the candidates admitted from 2018 onwards)
Answer Key - First Internal Examination – August 2018
BBA- First Semester
18BAU101 - Fundamentals of Management and Organizational Behaviour

Time: 2 Hours   **Maximum: 50 Marks**

PART – A (20 X 1 = 20 Marks)

ANSWER ALL THE QUESTIONS

1. Father of Scientific Management is _____
      a) Henry Fayol   b) Koontz o' Donnel   c) **Fredrick Winslow Taylor** d) Luther Gullik
2. In a _____ ownership and management will vest in one and the same person
      a) **Sole proprietorship** b) Partnership   c) Joint venture   d)   Strategic alliance
3. An employee receives order from only one superior and this concept is named as _____
      a) **Unity of command**   b) Unity of direction   c) Discipline   d) Centralization
4. The theory of bureaucracy is developed by_____
      a) Koontz o' Donnel   b) Fredrick Winslow Taylor   v) Luther Gullik   d) **Max Weber**
5. _____ is not one of the three major ownership categories
a) Sole proprietorship b) **Trust agreement**   c) Partnership   d)Corporation
6. A partnership is formed by_____
a) **Agreement**   b) Relationship among persons c) The direction of government d) By words
7. A_____ partner is an owner who has unlimited liability and is active in managing the firm
      a) Senior partner b) **General partner** c) Silent partner d) Limited partner
8. The franchiser receives the amount from franchisee is called_____
      a) Commission   b) **Franchise fee**   c) brokerage fee   d) wages
9. Partnership Act _____
      a) **1932**   b) 1942   c) 1962   d) 1982
10. The liability of sole trader is _____
      a) **Unlimited**   b) limited   c) certain period   d) certain month
11. Planning is _____ and _____ function of management.
      a) Middle and important b) **First and foremost** c) Important and secondary d) First and Last
12. Planning is a _____ function
      a) **Pervasive** b) Development   c) Forecasting   d) Significant
13. Staff authority is an _____
      a) Executive authority   b) **Advisory authority** c) Planning authority d) Functional authority
14. A _____involves the purpose of unity.
      a) **Co-ordination**   b) Planning   c) Forecasting   d) Communication.
15. A _____ is a business with two or more owners

a) Corporation   b) Conglomerate   c) **Partnership** d) Public corporation.
16. Decision making is a prerequisite of an_____
   a) Authority b) Responsibility c) Accountability d) Power
17. Obligation to do something is _____
   a) Authority   b) Responsibility   c) **Accountability**   d) Power
18. A broad guideline to decision making is called_____
   a) Plan   b) Organisation   c) **Procedure** d) Policy
19. Selecting one from several alternatives is called_____
   a) Forecasting   b) **Decision Making**   c) Planning   d) Process
20. Line organization is also known as _____
   a) Staff organization   b) **Military organization**
   c) Functional organization   d) Matrix Organization

PART – B (3 X 2 = 6 Marks)

ANSWER ALL THE QUESTIONS

21. Define Management.

According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals".

22. Differentiate between sole proprietorship and Partnership.

Sole Proprietorships

- Easiest and least expensive form of ownership to organize.

• Sole proprietors are in complete control, within the law, to make all decisions.

• Sole proprietors receive all income generated by the business to keep or reinvest.

• Profits from the business flow-through directly to the owner's personal tax return.

• The business is easy to dissolve, if desired.

Partnerships

Partnerships are relatively easy to establish; however time should be invested in developing the partnership agreement.

• With more than one owner, the ability to raise funds may be increased.

• The profits from the business flow directly through to the partners' personal taxes.

• Prospective employees may be attracted to the business if given the incentive to become a partner.

23. List out the types of planning.

a) Strategic plans b) Tactical plans c) Operational plans

PART – C (3 X 8 = 24 Marks)

ANSWER ALL THE QUESTIONS

24. a) Explain the Mintzberg's managerial roles.

a) **Interpersonal Roles**

The ones that, like the name suggests, involve people and other ceremonial duties. It can be further classified as follows • Leader – Responsible for staffing, training, and associated duties. • Figurehead – The symbolic head of the organization. • Liaison – Maintains the communication between all contacts and informers that compose the organizational network.

b) **Informational Roles**

Related to collecting, receiving, and disseminating information. • Monitor – Personally seek and receive information, to be able to understand the organization. • Disseminator – Transmits all import information received from outsiders to the members of the organization. • Spokesperson – On the contrary to the above role, here the manager transmits the organization's plans, policies and actions to outsiders.

c) **Decisional Roles**

Roles that revolve around making choices. • Entrepreneur – Seeks opportunities. Basically they search for change, respond to it, and exploit it. • Negotiator – Represents the organization at major negotiations. • Resource Allocator – Makes or approves all significant decisions related to the allocation of resources. • Disturbance Handler – Responsible for corrective action when the organization faces disturbances.

 (Or)

b) Differentiate between Private and Public sector enterprises.

The difference between public and private company can be drawn clearly on the following grounds:

1. The public company refers to a company that is listed on a recognised stock exchange and traded publicly. A Private Ltd. the company is one that is not listed on a stock exchange and is held privately by the members.

2. There must be at least seven members to start a public company. As against this, the private company can be started with minimum two members.

3. The is no ceiling on the maximum number of members in a public company. Conversely, a private company can have a maximum of 200 members, subject to certain conditions.

4. A public company should have at least three directors whereas the Private Ltd. company can have a minimum of 2 directors.

5. It is compulsory to call a statutory general meeting of members, in the case of a public company, whereas there is no such compulsion in the case of a private company.

6. In a Public Ltd. Company, there must be at least five members, personally present at the Annual General Meeting (AGM) for constituting the requisite quorum. On the other hand, in the case of a Private Ltd. Company, that number is 2.

7. The issue of prospectus/statement instead of the prospectus is mandatory in case of a public company, but this is not the case with the private company.

8. To start a business, the public company needs a certificate of commencement of business after it is incorporated. In contrast, a private company can start its business just after receiving a certificate of incorporation.

9. The transferability of shares of a Pvt. Ltd. company is completely restricted. On the contrary, the shareholders of a public company can freely transfer their shares.

10. A public company can invite the general public for subscribing shares of the company. As opposed, a private company has no right to invite public for subscription.

25. a)   Discuss the Henry Fayol's principles of management?

The principles of management are given below:

1. Division of work: Division of work or specialization alone can give maximum productivity and efficiency. Both technical and managerial activities can be performed in the best manner only through division of labour and specialization.

2. Authority and Responsibility: The right to give order is called authority. The obligation to accomplish is called responsibility. Authority and Responsibility are the two sides of the management coin. They exist together. They are complementary and mutually interdependent.

3. Discipline: The objectives, rules and regulations, the policies and procedures must be honoured by each member of an organization. There must be clear and fair agreement on the rules and objectives, on the policies and procedures. There must be penalties (punishment) for non-obedience or indiscipline. No organization can work smoothly without discipline - preferably voluntary discipline.

4. Unity of Command: In order to avoid any possible confusion and conflict, each member of an organization must received orders and instructions only from one superior (boss).

5. Unity of Direction: All members of an organization must work together to accomplish common objectives.

6. Emphasis on Subordination of Personal Interest to General or Common Interest: This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.

7. Remuneration: Fair pay with non-financial rewards can act as the best incentive or motivator for good performance. Exploitation of employees in any manner must be eliminated. Sound scheme of remuneration includes adequate financial and nonfinancial incentives.

8. Centralization: There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.

9. Scalar Chain: The unity of command brings about a chain or hierarchy of command linking all members of the organization from the top to the bottom. Scalar denotes steps.

10. Order: Fayol suggested that there is a place for everything. Order or system alone can create a sound organization and efficient management.

11. Equity: An organization consists of a group of people involved in joint effort. Hence, equity (i.e., justice) must be there. Without equity, we cannot have sustained and adequate joint collaboration.

12. Stability of Tenure: A person needs time to adjust himself with the new work and demonstrate efficiency in due course. Hence, employees and managers must have job security. Security of income and employment is a pre-requisite of sound organization and management.

13. Esprit of Co-operation: Esprit de corps is the foundation of a sound organization. Union is strength. But unity demands co-operation. Pride, loyalty and sense of belonging are responsible for good performance.

14. Initiative: Creative thinking and capacity to take initiative can give us sound managerial planning and execution of predetermined plans.

(Or)

d) Write short notes on   i) Joint Ventures   ii) Strategic Alliance

i)   Joint Ventures:

A joint venture is a temporary strategic partnership (short, medium, or long-term) of a company, group, or alliance of people, or groups of companies that maintain their individuality and legal independence while working under the same management and regulations, in order to carry out a certain commercial operation with a distribution of investments, control, responsibilities, personnel, risks, expenses, and profits. This dynamic is referred to as a joint company, joint investment, or business collaboration.

In a joint company, the partners usually operate their businesses or companies independently. A joint company entails the creation of a new company, this time with a partner, whose profits or losses will affect the accounts of each company according to the legal form used to structure the joint company, with the ultimate aim, based on the principle of synergy, to integrate systems towards a new objective.

ii) Strategic Alliance

A strategic alliance is an arrangement between two companies that have decided to share resources to undertake a specific, mutually beneficial project. A strategic alliance is less involved and less binding than a joint venture, in which two companies typically pool resources to create a separate business entity. In a strategic alliance, each company maintains its autonomy while gaining a new opportunity.

Strategic alliances allow two organizations, individuals or other entities to work toward common or correlating goals. The idea is for all parties to benefit in the short term, long term or both. The agreement may be formal or informal, but each party's responsibilities must be clear. Further, the agreement may be in place over the short or long term depending on the needs and goals of the parties involved.

26. a)   Describe the process of planning in detail.

a) Perception of Opportunities: Although preceding actual planning and therefore not strictly a part of the planning process, awareness of an opportunity is the real starting point for planning. It includes a preliminary look at possible future opportunities and the ability to see them clearly and completely, knowledge of where we stand in the light of our strengths and weaknesses, an understanding of why we wish to solve uncertainties, and a vision of what we expect to gain. Setting realistic objectives depends on this awareness. Planning requires realistic diagnosis of the opportunity situation.

b) Establishing Objectives: The first step in planning itself is to establish objectives for the entire enterprise and then for each subordinate unit. Objectives specifying the results expected indicate the end points of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, policies, procedures, rules, budgets and programs. Enterprise objectives should give direction to the nature of all major plans which, by reflecting these objectives, define the objectives of major departments. Major department objectives, in turn, control the objectives of subordinate departments, and so on down the line. The objectives of lesser departments will be better framed, however, if

subdivision managers understand the overall enterprise objectives and the implied derivative goals and if they are given an opportunity to contribute their ideas to them and to the setting of their own goals.

c) Considering the Planning Premises: Another logical step in planning is to establish, obtain agreement to utilize and disseminate critical planning premises. These are forecast data of a factual nature, applicable basic policies, and existing company plans. Premises, then, are planning assumptions – in other words, the expected environment of plans in operation. This step leads to one of the major principles of planning. The more individuals charged with planning understand and agree to utilize consistent planning premises, the more coordinated enterprise planning will be. Planning premises include far more than the usual basic forecasts of population, prices, costs, production, markets, and similar matters. Because the future environment of plans is so complex, it would not be profitable or realistic to make assumptions about every detail of the future environment of a plan.

d) Identification of alternatives: Once the organizational objectives have been clearly stated and the planning premises have been developed, the manager should list as many available alternatives as possible for reaching those objectives. The focus of this step is to search for and examine alternative courses of action, especially those not immediately apparent. There is seldom a plan for which reasonable alternatives do not exist, and quite often an alternative that is not obvious proves to be the best. The more common problem is not finding alternatives, but reducing the number of alternatives so that the most promising may be analyzed. Even with mathematical techniques and the computer, there is a limit to the number of alternatives that may be examined. It is therefore usually necessary for the planner to reduce by preliminary examination the number of alternatives to those promising the most fruitful possibilities or by mathematically eliminating, through the process of approximation, the least promising ones.

e) Evaluation of alternatives Having sought out alternative courses and examined their strong and weak points, the following step is to evaluate them by weighing the various factors in the light of premises and goals. One course may appear to be the most profitable but require a large cash outlay and a slow payback; another may be less profitable but involve less risk; still another may better suit the company in long–range objectives. If the only objective were to examine profits in a certain business immediately, if the future were not uncertain, if cash position and capital availability were not worrisome, and if most factors could be reduced to definite data, this evaluation should be relatively easy. But typical planning is replete with uncertainties, problems of capital shortages, and intangible factors, and so evaluation is

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usually very difficult, even with relatively simple problems. A company may wish to enter a new product line primarily for purposes of prestige; the forecast of expected results may show a clear financial loss, but the question is still open as to whether the loss is worth the gain.

f) Choice of alternative plans An evaluation of alternatives must include an evaluation of the premises on which the alternatives are based. A manager usually finds that some premises are unreasonable and can therefore be excluded from further consideration. This elimination process helps the manager determine which alternative would best accomplish organizational objectives.

g) Formulating of Supporting Plans After decisions are made and plans are set, the final step to give them meaning is to numberize them by converting them to budgets. The overall budgets of an enterprise represent the sum total of income and expenses with resultant profit or surplus and budgets of major balance– sheet items such as cash and capital expenditures. Each department or program of a business or other enterprise can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budget. If this process is done well, budgets become a means of adding together the various plans and also important standards against which planning progress can be measured.

h) Establishing sequence of activities Once plans that furnish the organization with both long-range and short-range direction have been developed, they must be implemented. Obviously, the organization can not directly benefit from planning process until this step is performed.

<div align="center">(Or)</div>

c)   Define organizing. Differentiate between Formal and informal organization.

Formal Organization

1. Formal organization is established with the explicit aim of achieving well-defined goals.

2. Formal organization is bound together by authority relationships among members. A hierarchical structure is created, constituting top management, middle management and supervisory management.

3. Formal organization recognizes certain tasks which are to be carried out to achieve its goals.

4. The roles and relationships of people in formal organization are impersonally defined.

5. In formal organization, much emphasis is placed on efficiency, discipline, conformity, consistency and control.

6. In formal organization, the social and psychological needs and interests of members of the organization get little attention.

7. The communication system in formal organization follows certain pre-determined patterns and paths

Informal Organization

1. Informal organization springs on its own. Its goals are ill defined and intangible

2. Informal organization is characterized by a generalized sort of power relationships. Power in informal organization has bases other than rational legal right.

3. Informal organization does not have any well-defined tasks.

4. In informal organization the relationships among people are interpersonal.

5. Informal organization is characterized by relative freedom, spontaneity, by relative freedom, spontaneity, homeliness and warmth.

6. In informal organization the sociopsychological needs, interests and aspirations of members get priority.

7. In informal organization, the communication pattern is haphazard, intricate and natural. 8. Formal organization is relatively slow to respond and adapt to changing situations and realities. 8. Informal organization is dynamic and very vigilant. It is sensitive to its surroundings.

Karpagam Academy of Higher Education
(Deemed University)
(Established Under section 3 of UGC Act 1956)
Coimbatore – 641021
(For the candidates admitted from 2018 onwards)
Answer Key -Second Internal Examination – August 2018
BBA- First Semester
18BAU101 - Fundamentals of Management and Organizational Behaviour

Time: 2 Hours   **Maximum: 50 Marks**

PART – A (20 X 1 = 20 Marks)

1. Organisational behaviour is _____

    a) A science   b) An art c) **A science as well as an art**   d) Social Studies

2. The Hawthome experiment was conducted by_____

    a) William Gilbreth   b) Hendry Fayol   c) F.W.Taylor   d) **Elton Mayo**

3. A study of human behavior in organizational settings is_____

    a) Individual behavior b) Group behavior c) **Organizational behavior** d) Social behavior

4._____ represent noblest thoughts, ideals.

    a) **Id**   b) Ego   c) Super ego   d) Negative Ego

5. A_____is an inspiration process.

    a) Action   b) **Motivation** c) Employee feedback d) Training

6. Informal standards of behavior are called _____

    a) Conduct   b) Rules   c) **Norms**   d) Regulation

7. _____ of the following is not an influence on behaviour in work organisations

    a) **The building**   b) The group   c) The environment   d) The individual

8. Anthropology is the study of _____

    a) Group dynamics   b) **Intergroup behavior**   c) Civilizations   d) Cultures
and environments

9. The Overall goal of Scientific Management is _____

    a) Maximization of Social welfare   b) Maximization of Employment

    c) **Higher Industrial Efficiency**   d) Increase Productivity

10. Transmission of Qualities from the ancestors_____

    a) Leadership b) Management c) **Hereditary** d) Personality

11. _____ of the following is not a step in perceptual Process

    a) Object   b) Selection   c) **Perception** d) Response

12. Primary Needs of Human beings is _____

    a) **Food, Shelter etc** b) Previlages c) High level of wage d) Status

13. _____ needs cannot be satisfied by money

    a) Psychological   b) **Socio-psychological**   c) Physiological d) Social

14. Free rein leadership is also known as _____

    a) Democratic b) **Laissez-faire**   c) Autocratic d) Bureaucratic

15. Employees need _____in work schedule

    a) **Flexibility** b) Participation c) Work group   d) Culture

16. Maslow's "basic needs" are also known as_____

    a) Social needs   b) Esteem needs   c) Security needs d) **Physiological needs**

17. Attitudes are usually tied in with _____

    a) **Self-esteem**   b) Self-image   c) Ideal self d) Self-awareness

18. Under Herzberg's theory, factors causing dissatisfaction is called_____

    a) Demotivators   b) Negative stimuli   c) Hygiene factors   d) Defectors

19. Hygiene factors are_____

    a) Satisfiers   b) **Maintenance factors**   c) Defectors   d) Motivators

20. Leadership is important for directing _____ behaviour

    a) **Group**   b) Individual c) Society   d) Organization

PART – B (3 X 2 = 6 Marks)
ANSWER ALL THE QUESTIONS

21. Give the meaning of interpersonal relationship?

  Interpersonal relationship refers to a strong association among individuals working together in the same organization. Employees working together ought to share a special bond for them to deliver their level best.

22. List out the types of teams?

1. Department teams

2. Problem-solving teams

3. Virtual teams

4. Cross-functional teams

5. Self-managed teams

23. What do you mean by group cohesiveness?

Group cohesiveness (also called group cohesion and social cohesion) arises when bonds link members of a social group to one another and to the group as a whole. Although cohesion is a multi-faceted process, it can be broken down into four main components: social relations, task relations, perceived unity, and emotions.

PART – B (3 X 8 = 24 Marks)
ANSWER ALL THE QUESTIONS

24. a) What is organizational behavior? Write the challenges and opportunities of OB.

Improving People Skills:
Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There 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 programmes, career development programmes, induction and socialization etc.

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 certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use. The key dimensions of quality as follows.

Performance: Primary operating characteristics of a product such as signal coverage, audio quality, display quality etc.

Features: Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone

Conformance: Meeting specifications or industry standards, workmanship of the degree to which a product's design or operating characteristics match preestablished standards

Reliability: The probability of a product's failing within t a specified period of time

Durability: It is a measure of product's life having both economic and technical dimension

Services: Resolution of problem and complaints, ease of repair

Response: Human to human interface, such as the courtesy of the dealer

Aesthetics: Sensory characteristics such exterior finish

Reputations: Past performance and other intangibles, such as being ranked first.

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 component of TQM are (a) intense focus of 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.

Reengineering: This refers to discrete initiatives that are intended to achieve radically redesigned and improved work process in a bounded time frame. Business Process

Reengineering employees a structural methodology that reduces work process to their essential composite activist and provides cost performance matrices to facilitate a business case for dramatic improvements. Both functional and cross-functional processes are evaluated through workflow analysis and activity based costing. In many cases, the application of new technology and industries best practices will enable quantum improvement in an organization's cost and performance.

Managing Workforce Diversity:

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, 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.

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..

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 sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.

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. **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 IBNM 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.

Emergence of E-Organization

E- Commerce: It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order.

E-business: It refers to the full breadth of activities included in a successful Internet based enterprise.

Growth rate of e-business: The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business.

E-Organizations: This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet.

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.

<div align="center">(Or)</div>

b) Define Perception. Describe the process of perception in detail.

Perceptional Process : Perception is a process consisting of several sub processes. We can take an input –throughput output approach to understand the dynamics of the perceptual process. This approach emphasizes that there is input which is processed and gives output. The stimuli in the environment-objects, events, or people-can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanism of selection, organization, and interpretation can be treated as the throughputs, and the resultant opinions, feelings, attitudes etc. which ultimately influence our behavior, can be viewed as the perceptual outputs. This simplified process of perception in fig:

Perceptual Inputs : strictly speaking, perceptual inputs in the form of stimuli are not part of actual perceptual process through these are necessary for the occurrence of perception. Stimuli may be in the form of objects, events, or people. Thus everything in the setting where events occur, or which contributes to the occurrence of events, can be termed as perceptual input. Further the characteristics of stimuli are important as these affect the extent to which the perceiver is attracted to these which affects the selection of stimuli for perception along with other variables affecting selection of stimuli like like perceiver's characteristics and situational variables. When the perceiver interacts with a stimulus, sensation takes place which, we have seen earlier starts perceptual process.

Perceptual Mechanism: Perceptual mechanism involves three elements- selection of stimuli, organization of stimuli, and interpretation of stimuli.

Selection of stimuli: After receiving the stimuli from the environment, some are selected for further processing while others are screened out because it is possible for a person to selected all stimuli which he sees in the environment. There are two types of factors which affect selection of stimuli. These are external and related to stimuli and internal related to the perceiver. These external and internal factors are of several types. We shall discuss these factors and their impact on the selection of stimuli in the subsequent section of this chapter dealing with perceptual selectivity.

Organization of Stimuli: After the stimuli are received, these are organized in some form in order to make sense out of that. The various forms of organizing stimuli are figure-ground perceptual grouping, simplification, and closer.

Interpretation of Stimuli: The perceptual inputs that have been organized will have to be interpreted by the perceiver so that he can sense and extract some meaning of what is going on in the situation. People interpret the meaning of what they have selectively perceived and organized

<div align="center">5</div>

in terms of their own assumptions of people, things and situation. They also become judgmental as well and tend to interpret the thing as good/bad, beautiful/ugly and so on which are quite relative terms. In such a process, there are chances of misinterpretation. Interpretation of stimuli is affected by characteristics of stimuli, situations under which perception takes place, and characteristics of the perceiver. These factors also affect the total perceptual process.

Perceptual Outputs: Based on perceptual mechanism which ends with interpretation of stimuli, perceptual outputs emerge. These outputs may be in the form of covert actions development of attitudes, opinions, beliefs, impression about the stimuli under consideration. These outputs along with other factors affecting human behavior may result in overt behavior. For overt behavior to occur, perception is not the sole decider though it is important. For example, when a person sees an advertisement of a product, he may perceive that the product is good. This perception, however, may not be enough for the person to buy the product (overt behavior). The actual buying may depend on the availability of the product, perceiver's need for product and his propensity and capacity to spend money for buying the product.

25. a) Elucidate the theories of learning in detail?

1. Classical conditioning theory;
2. Operant conditioning theory;
3. Cognitive learning theory; and
4. Social learning theory.

Classical Conditioning

Classical conditioning is one of the simplest forms of learning yet it has a powerful effect on our attitudes, likes and dislikes, and emotional responses. We have all learned to respond in specific ways to a variety of words and symbols. Our lives are profoundly influenced by associations we learn through classical conditioning. Ivan Pavlov whose research on the conditioned reflex in dogs revealed much of what we know about the principles of classical conditioning.

Operant Conditioning

Operant conditioning argues that behaviour is a function of its consequences. People learn to behave to get something they want or avoid something they don't want. Operant behaviour means voluntary or learned behaviour in contrast to reflexive or unlearned behaviour. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour. Reinforcement therefore strengthens behaviour and increases the likelihood it will be repeated.

What Pavlov did for classical conditioning, the Harvard psychologist B.F. Skinner did for operant conditioning.

Cognitive learning theory

Today, however, a growing number of psychologists stress the role of mental processes. They choose to broaden the study of learning to include such cognitive processes as thinking, knowing, problem solving, remembering and forming mental representations. According to cognitive theorists, these processes are critically important in a more complete, more comprehensive view of learning.

Social Learning

Albert Bandura contends that many behaviours or responses are acquired through observational learning. Observational learning, sometimes called modelling results when we observe the behaviours of others and note the consequences of that behaviour. The person who demonstrates behaviour or whose behaviour is imitated is called models.

Parents, movie stars and sports personalities are often powerful models. The effectiveness of a model is related to his or her status, competence and power. Other important factors are the age, attractiveness, and ethnicity of the model.

(Or)

b) What is Personality? Explain the theories of personality.

The **Personality** refers to the distinct traits, thoughts, feelings, actions and characteristics of an individual that differentiates him from other individuals. Simply, the personality is the typical behavior of a person in which he responds to the given situations.

- **Psychoanalytic Theory**

  The **Psychoanalytic Theory** is the personality theory, which is based on the notion that an individual gets motivated more by unseen forces that are controlled by the conscious and the rational thought.

  Sigmund Freud is closely related to the psychoanalytic theory. According to him, the human behavior is formed through an interaction between three components of the mind, i.e. Id, Ego and Super Ego.

1. **Id:** Id is the primitive part of the mind that seeks immediate gratification of biological or instinctual needs. The biological needs are the basic physical needs and while the instinctual needs are the natural or unlearned needs, such as hunger, thirst, sex, etc. Id is the unconscious part of the mind; that act instantaneously without giving much thought to what is right and what is wrong.

Example: If your Id passed through a boy playing with a ball, the immediate urge to get that ball will drive you to snatch it by any means, this is irrational and may lead to the conflict between the boys. Thus, Id is the source of psychic energy, a force that is behind all the mental forces.

2. **Super-Ego:** The Super-Ego is related to the social or the moral values that an individual inculcates as he matures. It acts as an ethical constraint on behavior and helps an individual to develop his conscience. As the individual grows in the society, he learns the cultural values and the norms of the society which help him to differentiate between right and wrong.

Example: If the super-ego passed that boy playing with a ball, it would not snatch it, as it would know that snatching is bad and may lead to a quarrel. Thus, super ego act as a constraint on your behavior and guides you to follow the right path. But if the Id is stronger than super-ego, you will definitely snatch the ball by any means.

3. **Ego:** Ego is the logical and the conscious part of the mind which is associated with the reality principle. This means it balances the demands of Id and super-ego in the context of real life situations. Ego is conscious and hence keep a check on Id through a proper reasoning of an external environment.

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Example: If you pass through the same boy playing with the ball, your ego will mediate the conflict between the Id and super-ego and will decide to buy a new ball for yourself. This may hurt you Id, but the ego would take this decision to reach to a compromise situation between the Id and super-ego by satisfying the desire of getting a ball without committing any unpleasant social behavior.

- Socio-Psychological Theory

The **Socio-Psychological Theory** asserts that individual and society are interlinked. This means, an individual strives to meet the needs of the society and the society helps him to attain his goals. Through this interaction, the personality of an individual is determined.

The Socio-Psychological theory is the contribution of Adler, Horney, Forman and Sullivan. This theory is also called as Neo-Freudian Theory because it differs from the Freud's psychoanalytic theory in the following respects:
1. According to this theory, the social variables and not the biological instincts, are the important determinants in shaping the individual's personality.
2. Here, the motivation is conscious, i.e. an individual knows what are his needs and wants and what kind of behavior is required to meet these needs.

Thus, the theorists believe that socio-psychological factors, i.e. the combination of both the social (family, society, wealth, religion) and the psychological factors (feelings, thoughts, beliefs) play an important role in shaping the personality of an individual.

- Trait Theory

The **Trait Theory** asserts that an individual is composed of a set of **definite predisposition attributes** called as traits. These traits are distinguishable and often long lasting quality or a characteristic of a person that makes him different from the others.

Allport's Trait Theory: This theory is given by Gordon Allport. According to him, the personality of an individual can be studied through a distinction between the common traits and the personal dispositions.

The common traits are used to compare the people on the grounds of six values, such as religious, social, economic, political, aesthetic and theoretical. Besides the common traits, there are personal dispositions which are unique and are classified as follows:

Cardinal Traits: The cardinal traits are powerful, and few people possess personality dominated by a single trait. Such as Mother Teressa's altruism.

Central Traits: These traits are the general characteristics possessed by many individuals in the varying degrees. Such as loyalty, friendliness, agreeableness, kindness, etc.

Secondary Trait: The secondary traits show why at times, a person behaves differently than his usual behavior. Such as a jolly person may get miserable when people try to tease him.

Cattell's Trait Theory: This trait theory is given by Raymond Cattell. According to him, the sample of a large number of variables should be studied to have a proper understanding of the individual personality.

He collected the life data (everyday life behaviors of individuals), experimental data (standardizing experiments by measuring actions), questionnaire data (responses gathered from

the introspection of an individual's behavior) and done the factor analysis to identify the traits that are related to one another.

- Self Theory
- The **Self Theory** emphasizes on the set of perceptions an individual has for himself and the perceptions of the relationships he has with others and the other aspects of life. Carl Rogers has contributed significantly towards the self theory.

1. **Self-Image:** Self-image means what an individual thinks about himself. Everybody has certain beliefs about themselves, such as who or what they are, these beliefs form the self image and identity of a person.

   According to Erikson, identity is formed through a lifelong development usually unconscious to the individual and his society, i.e. an individual forms perception about himself unconsciously, according to the social circumstances.

2. **Ideal-Self:** The ideal-self means, the way an individual would like to be. It is very much different from the self-image, as it shows the ideal position perceived by an individual, whereas the self-image is the reality that an individual perceives.Thus, there could be a gap between these two.

   The ideal-self-acts as a stimulus to motivate an individual to undertake those activities that are in compliance with the characteristics of his ideal self.

3. **Looking-Glass-Self:** The looking-glass self means, an individual's perception of how others are perceiving his qualities or feeling about him. Simply, it is the perception of other's perception, i.e. perceiving what others perceive about yourself and not see what actually you are.
4. **Real-Self:** The real-self is what others show you with respect to your self-image. An individual's self-image is confirmed when others responses to him and shares their beliefs or perception, about what they actually feel about him.

   This is taken as feedback from the environment that helps an individual to adjusts his self-image accordingly and be in line with the cues he had received.

26. a) Define Motivation. Explain the Maslow's need hierarchy theory of motivation.
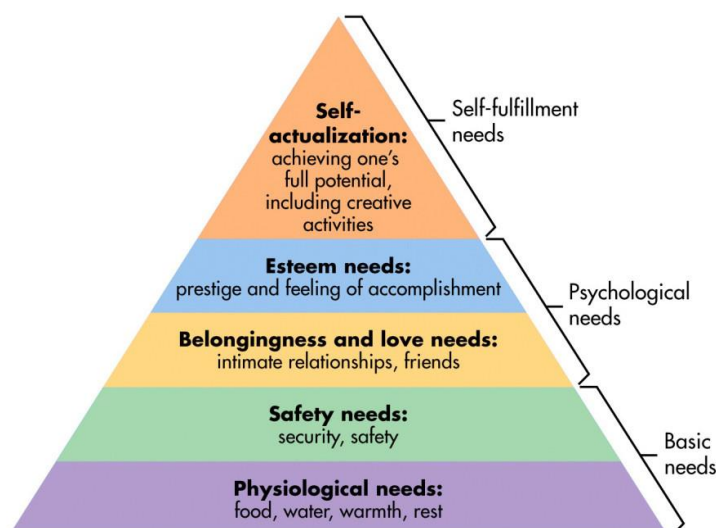
1. **Physiological needs** - these are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep.

If these needs are not satisfied the human body cannot function optimally. Maslow considered physiological needs the most important as all the other needs

become secondary until these needs are met.

2. **Safety needs** - protection from elements, security, order, law, stability, freedom from fear.

3. **Love and belongingness needs** - after physiological and safety needs have been fulfilled, the third level of human needs is social and involves feelings of belongingness. The need for interpersonal relationships motivates behavior

Examples include friendship, intimacy, trust, and acceptance, receiving and giving affection and love. Affiliating, being part of a group (family, friends, work).

4. **Esteem needs** - which Maslow classified into two categories: (i) esteem for oneself (dignity, achievement, mastery, independence) and (ii) the desire for reputation or respect from others (e.g., status, prestige).

Maslow indicated that the need for respect or reputation is most important for children and adolescents and precedes real self-esteem or dignity.

5. **Self-actualization needs** - realizing personal potential, self-fulfillment, seeking personal growth and peak experiences. A desire "to become everything one is capable of becoming"

(Or)

b) Discuss the leadership styles with examples.

Leadership style is the manner and approach of providing direction, implementing plans, and motivating people. As seen by the employees, it includes the total pattern of explicit and implicit actions performed by their leader.

o **authoritarian or autocratic** - the leader tells his or her employees what to do and how to do it, without getting their advice

o **participative or democratic** - the leader includes one or more employees in the decision making process, but the leader normally maintains the final decision making authority.

o **delegative or laissez-fair (free-rein)** - the leader allows the employees to make the decisions, however, the leader is still responsible for the decisions that are made.

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PART – A (20 X 1 = 20 Marks)

ANSWER ALL THE QUESTIONS

1. Father of Scientific Management is _____

a) Henry Fayol   b) Koontz o' Donnel   c) Frederick Winslow Taylor d) Luther Gullik

2. In a _____ ownership, management will vest in one and the same person.

a) Sole proprietorship b) Partnership c) Joint venture d) Strategic alliance

3. An employee receives order from only one superior and this concept is named as _____

a) Unity of command b) Unity of direction c) Discipline d) Centralization

4. The theory of bureaucracy is developed by_____

a) Koontz o' Donnel   b) Fredrick Winslow Taylor c)Luther Gullik   d) Max Weber

5. _____ is not one of the three major ownership categories.

a)Sole proprietorship   b) Trust agreement   c) Partnership d)Corporation

6. A partnership is formed by_____

a) Agreement   b) Relationship among persons c) The direction of government d) By words

7. A_____ partner is an owner who has unlimited liability and is active in managing the firm

a) Senior partner   b) General partner c) Silent partner d) Limited partner

8. The franchiser receives the amount from franchisee is called_____

a) Commission   b) Franchise fee   c) brokerage fee   d) wages

9. Partnership Act _____

a) 1932   b) 1942   c) 1962   d) 1982

10. The liability of sole trader is _____

a) Unlimited   b) limited c) certain period   d) certain month

11. Planning is _____ and _____ function of management.

a) Middle and important b) First and foremost c) Important and secondary d) First and Last

12. Planning is a _____ function

a) Pervasive   b) Development   c) Forecasting   d) Significant

13. Staff authority is an _____

a) Executive authority   b)   Advisory   authority   c)   Planning authority   d) Functional authority

14. A _____involves the purpose of unity.

a) Co-ordination b) Planning c)Forecasting d) Communication.

15. A _____ is a business with two or more owners.

a) Corporation   b) Conglomerate   c)   Partnership   d)   Public corporation.

16. Decision making is a prerequisite of an_____

a) Authority   b) Responsibility   c) Accountability d) Power

17. Obligation to do something is _____

a) Authority   b) Responsibility   c) Accountability   d) Power

18. A broad guideline to decision making is called_____

a) Plan   b) Organisation   c) Procedure   d) Policy

19. Selecting one from several alternatives is called_____

a) Forecasting   b) Decision Making   c) Planning   d) Process

20. Line organization is also known as _____

a) Staff organization   b) Military organization

c) Functional organization   d) Matrix Organization

PART – B (3 X 2 = 6 Marks)

ANSWER ALL THE QUESTIONS

21. Define Management.

22. Differentiate between sole proprietorship and Partnership.

23. List out the types of planning.

PART – C (3 X 8 = 24 Marks)

ANSWER ALL THE QUESTIONS

24. a)   Explain the Mintzberg's managerial roles.

(Or)

a)   Differentiate between Private and Public sector enterprises.

25. a)   Discuss the Henry Fayol's principles of management?

(Or)

a)   Write short notes on   i) Joint Ventures

ii) Strategic Alliance

26. a)   Describe the process of planning in detail.

(Or)

a)   Define organizing. Differentiate between Formal and informal organization.

Karpagam Academy of Higher Education

(Deemed University established Under section 3 of UGC Act 1956)

Coimbatore – 641021

(For the candidates admitted from 2018 onwards)

II Internal Examination –August 2018

I BBA- First Semester

Fundamentals of Management and Organizational Behaviour

Time: 2 Hours

Date :   **Maximum: 50 Marks**

PART – A (20 X 1 = 20 Marks)

ANSWER ALL THE QUESTIONS

1. Organisational behaviour is _____

    a) A science   b) An art c) A science as well as an art   d) Social Studies

2. The Hawthorne experiment was conducted by_____

    a) William Gilbreth   b) Hendry Fayol   c) F.W.Taylor   d) Elton Mayo

3. A study of human behavior in organizational settings is_____

    a) Individual behavior b) Group behavior c) Organizational behavior d) Social behavior

4._____ represent noblest thoughts, ideals.

    a) Id   b) Ego   c) Super ego   d) Negative Ego

5. A_____is an inspiration process.

    a) Action   b) Motivation c) Employee feedback d) Training

6. Informal standards of behavior are called _____

    a) Conduct   b) Rules   c) Norms   d) Regulation

7. _____ of the following is not an influence on behaviour in work organisations

    a) The building   b) The group   c) The environment   d) The individual

8. Anthropology is the study of _____

    a) Group dynamics   b) Intergroup behavior

    c) Civilizations   d) Cultures and environments

9. The Overall goal of Scientific Management is _____

    a) Maximization of Social welfare   b) Maximization of Employment

    c) Higher Industrial Efficiency   d) Increase Productivity

10. Transmission of Qualities from the ancestors_____

    a) Leadership b) Management c) Hereditary d) Personality

11. _____ of the following is not a step in perceptual Process

    a) Object   b) Selection   c) Perception   d) Response

12. Primary Needs of Human beings is _____

    a) Food, Shelter etc   b) Previlages   c) High level of wage d) Status

13. _____ needs cannot be satisfied by money

    a) Psychological   b) Socio-psychological   c) Physiological d) Social

14. Free rein leadership is also known as _____

    a) Democratic b) Laissez-faire   c) Autocratic   d) Bureaucratic

15. Employees need _____in work schedule

    a) Flexibility   b) Participation   c) Work group   d) Culture

16. Maslow's "basic needs" are also known as_____

    a) Social needs   b) Esteem needs   c) Security needs d) Physiological needs

17. Attitudes are usually tied in with _____

    a) Self-esteem   b) Self-image   c) Ideal self   d) Self-awareness

18. Under Herzberg's theory, factors causing dissatisfaction is called_____

    a) Demotivators   b) Negative stimuli   c) Hygiene factors   d) Defectors

19. Hygiene factors are_____

    a) Satisfiers   b) Maintenance factors   c) Defectors   d) Motivators

20. Leadership is important for directing _____ behaviour

    a) Group   b) Individual   c) Society   d) Organization

PART – B (3 X 2 = 6 Marks)
ANSWER ALL THE QUESTIONS

21. Give the meaning of interpersonal relationship?

22. List out the types of teams?

23. What do you mean by group cohesiveness?

PART – B (3 X 8 = 24 Marks)

ANSWER ALL THE QUESTIONS

24. a) What is organizational behavior? Write the challenges and opportunities of OB.

(Or)

b) Define Perception. Describe the process of perception in detail.

25. a) Elucidate the theories of learning in detail?

(Or)

b) What is Personality? Explain the theories of personality.

26. a) Define Motivation. Explain the Maslow's need hierarchy theory of motivation.

(Or)

b) Discuss the leadership styles with examples.