

UNIT – 1 INTRODUCTION TO HUMAN BEHAVIOR AND ORGANIZATION

- Introduction,
- Meaning,
- Importance,
- Historical Development of Organizational Behaviours
- Factors influencing organizational behaviour;
- Contributing disciplines of OB,
- OB models

INTRODUCTION

What Is Human Behavior?

Human behavior refers to the range of actions, reactions, and interactions of individuals in response to internal and external stimuli. It encompasses everything people **think, feel, and do**, both consciously and unconsciously. Human behavior is shaped by a combination of biological, psychological, and social factors, making it complex and often unpredictable.

Key Components of Human Behavior

1. Thoughts

- Thoughts include beliefs, perceptions, judgments, and interpretations.
- They guide how individuals make decisions, solve problems, and understand their environment.
- Example: Thinking that a task is too difficult may lead a person to avoid it.

Example:

- *If an employee thinks a new software is too difficult to learn, they may **avoid using it** or hesitate to adopt it fully.*

2. Feelings

- These involve emotional responses such as happiness, anger, fear, or motivation.
- Emotions influence how a person responds to situations and how they interact with others.
- Example: Feeling valued at work boosts motivation and productivity.

Example:

- *An employee who **feels appreciated** after receiving recognition may work harder and be more productive.*
- *Feeling stressed or anxious about a deadline may cause delay or conflict with colleagues.*

3. Attitudes

- Attitudes are learned tendencies to respond positively or negatively toward people, objects, or situations.
- They are shaped by experiences, culture, values, and social norms.
- Example: A positive attitude toward teamwork encourages cooperation.

Example:

- *A positive attitude toward teamwork encourages **cooperation and support** among colleagues.*
- *A negative attitude toward management may result in **resistance to change** or lack of engagement.*

4.Actions

- Actions are the observable behaviors people perform.
- They reflect the influence of thoughts, feelings, and attitudes.
- Example: Helping a coworker, completing a task, or showing up on time.

Example:

- *Helping a coworker complete a task demonstrates **supportive behavior**.*
 - *Arriving on time, meeting deadlines, or following organizational procedures reflects **responsible behavior**.*
 - *Participating in a team discussion shows engagement and a positive attitude toward collaboration.*
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Human Behavior in Organizations

In organizational settings, understanding human behavior is essential because it helps explain:

1. Why people work the way they do

- Motivation levels, personality, and job satisfaction affect performance.
- Some employees take initiative, while others wait for instructions.

Examples:

- **Motivation Levels:**
 - *An employee who is motivated by recognition may take on challenging tasks and exceed targets, while another motivated mainly by salary may do the minimum required.*
- **Personality:**
 - *An extroverted team member may volunteer to lead a project, while an introverted employee prefers working independently.*
- **Job Satisfaction:**
 - *A satisfied employee may be more engaged and committed, whereas dissatisfaction can lead to absenteeism or low productivity.*

2. How individuals interact with others

- Communication styles, teamwork, conflict management, and leadership all stem from human behavior.
- Behavior influences cooperation, trust, and workplace relationships.

Examples:

- **Teamwork and Collaboration:**
 - Employees with a cooperative attitude contribute ideas and help others, improving team performance.
- **Conflict Management:**
 - An employee who manages anger well may resolve disputes constructively, while someone reactive may escalate conflicts.
- **Leadership and Communication:**
 - A manager who listens actively and gives constructive feedback builds trust and engagement; poor communication leads to misunderstandings and low morale.

3. How individual behavior affects organizational goals

- Productive behavior contributes to success.
- Negative behavior—like absenteeism, low motivation, or conflict—can hinder progress.

Examples:

- **Positive Behavior:**
 - *Completing tasks on time, collaborating with colleagues, and showing initiative improves organizational efficiency and helps achieve goals.*
- **Negative Behavior:**
 - *Chronic absenteeism, low motivation, resistance to change, or workplace conflicts hinder progress and affect overall performance.*

Why Understanding Human Behavior Matters

- Helps managers lead effectively.
- Improves teamwork and communication.
- Enhances employee motivation and satisfaction.
- Improves decision-making and problem-solving.
- Builds a healthy organizational culture.

3. INTRODUCTION TO ORGANIZATIONAL BEHAVIOR (OB)

Definition of Organizational Behavior (OB)

Organizational Behavior (OB) is the **systematic study of human behavior in organizational settings**. It seeks to understand **how individuals, groups, and structures interact** within an organization and how these interactions affect organizational performance.

Key Focus Areas:

1. Individual Behavior:

- Examines personality, perception, motivation, learning, and attitudes of employees.
- Example: How an employee's motivation affects task performance.

Example: An employee with high intrinsic motivation consistently meets deadlines, showing how personality and drive affect performance.

2. Group Behavior:

- Studies team dynamics, communication, leadership, power, and conflict within groups.

- Example: How a team's cohesiveness impacts productivity.

Example: A cohesive marketing team collaboratively develops a campaign, demonstrating how group dynamics and communication influence productivity.

3. Organizational Structure and Culture:

- Analyzes how formal policies, hierarchy, organizational design, and culture influence behavior.
- Example: How a participative culture encourages innovation.

Example: A participative culture at a design firm encourages employees to share innovative ideas, improving creativity and engagement.

Objectives of Organizational Behavior

The main objectives of OB revolve around **understanding, predicting, and improving human behavior** to enhance organizational performance:

1. To Understand, Predict, and Control Human Behavior

- Managers can **anticipate how employees will react** in different situations.
- Understanding behavior helps in planning, decision-making, and problem-solving.

Examples:

- *A manager anticipates that a team under tight deadlines may experience stress, so they plan additional support or resources in advance.*
- *Understanding that certain employees prefer autonomy, a manager assigns independent projects to maximize productivity.*
- *Predicting potential resistance to a new technology, HR organizes training sessions to smooth the transition.*
- *Using past performance data to forecast which employees might excel in leadership roles.*

2. To Improve Organizational Effectiveness

- By aligning employee behavior with organizational goals, OB improves productivity, efficiency, and overall success.
- Example: Motivating employees increases performance and reduces turnover.

Examples:

- *Implementing a performance appraisal system that links goals to organizational objectives, improving productivity.*
- *Introducing incentive programs (bonuses, recognition) to align employee efforts with company targets.*
- *Streamlining team structures based on OB insights to reduce bottlenecks and improve workflow efficiency.*
- *Encouraging collaboration and knowledge sharing to boost innovation and organizational success.*

3. To Enhance Employee Performance and Satisfaction

- OB helps design policies, reward systems, and work environments that **increase job satisfaction and engagement**.
- Satisfied employees are more productive, creative, and loyal.

Examples:

- *Designing flexible work schedules to improve work-life balance and reduce burnout.*
- *Offering skill development workshops to increase competence and job satisfaction.*
- *Creating reward systems that recognize both individual and team achievements, boosting motivation.*
- *Implementing an open feedback culture to make employees feel heard and valued.*

Conclusion

Organizational Behavior (OB) bridges the gap between **people and organizational goals**. By studying OB, managers gain tools to **understand, predict, and influence human behavior**, resulting in improved individual performance, effective teams, and enhanced organizational success.

Meaning of “Human Behaviour and Organisation” / Organizational Behaviour

There are several definitions of OB.

- **Fred E. Luthans** : “ Organisational behaviour is the understanding prediction, and management of human behaviour in the organisation.”
- **Johan W. Newstrom** : “Organisational Behaviour is the systematic study and careful application of knowledge about how people – as individual and as groups – act within organisations. It strives to identify ways in which people can act more effectively.”
- **Harold H. Kelly** : “OB is a study of behaviour of a man in organisation. It studies effect of organisation’s action on his perception, feelings and action, and his effect on organisation, particularly how his behaviour affects the achievement of organisational purpose.”

Importance / Why Study Organizational Behaviour (Human Behaviour & Organisation)

- **Understanding & Managing Human Behaviour:** By studying human behaviour in organizational context, managers and leaders can understand what motivates employees, how they perceive work, how attitudes are formed — enabling better management of individuals and teams.
- **Improving Organizational Effectiveness:** OB helps organisations align individual behaviour, group behaviour, and organizational structure/processes so that goals are achieved more effectively — improving productivity, efficiency, job satisfaction, morale.
- **Better Team & Group Dynamics:** Helps in understanding team behaviour, group processes, leadership, communication, conflict resolution — facilitating harmonious working relationships.
- **Managing Change and Adaptation:** Given organizations operate in changing environments, OB helps in managing change, understanding employee reactions to change, and guiding organizational development in a way that accounts for human factors.
- **Enhancing Employee Well-being and Satisfaction:** By studying attitudes, emotions, job satisfaction, motivation, and organizational culture, OB helps create workplace settings that are conducive to employee well-being, commitment and retention.

In short — OB helps bridge the gap between “human factors” and “organizational goals,” ensuring organizations run effectively while respecting human behaviour, motivation, and social dynamics

HISTORICAL DEVELOPMENT OF ORGANIZATIONAL BEHAVIOR

Adam Smith advocated a new form of organisational structure based on the division of labour in 1776.

Then after, hundred years later, German Sociologist Max Weber introduced the concept about rational organisations and initiated the concept of charismatic (magnetic) leadership. Though the origin to the study of Organisational Behaviour can trace its roots back to Max Weber and earlier organisational studies, it is generally considered to have begun as an academic discipline with the advent of scientific management in the 1890's, with Taylorism representing the peak of the movement.

Thus, it was Fredrick Winslow Taylor who introduced the systematic use of goal setting and rewards to motivate employees that could be considered as the starting of the academic discipline of Organistional Behaviour.

Proponents (supporters) of scientific management held that rationalising the organisation with precise (exact) sets of instructions and time-motion studies would lead to increased productivity. Studies of different compensation systems were also carried out to motivate workers.

Elton Mayo an Australian born Harvard Professor and his colleagues conducted productivity studies at Western Electric's Hawthorne Plant in 1920's. With this epoch (period) making study the focus of organisational studies shifted to analysis of how human factors and psychology affected organisations. This shift of focus in the study of organisations was called the Hawthorne Effect.

The Human Relations Movement focused on teams, motivation, and the actualisation of goals of individuals within organisations.

Studies conducted by prominent scholars like Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Maslow, David McClelland and Victor Vroom contributed to the growth of Organisational Behaviour as a discipline.

In the 1960's and 1970's, the concept of organisation behaviour was strongly influenced by social psychology and the emphasis in academic study was quantitative research. An explosion of the rising, bounded rationality, informal organisation, contingency theory, resource dependence, institution theory and population ecology theories have contributed to the study of organisational behaviour.

Example:

Max Weber – Rational Organisation & Charismatic (magnetic) Leadership

*A government department where employees follow **written rules**, **formal hierarchy**, **clear job descriptions**, and **strict procedures** is an example of Weber's **bureaucratic (administrative) model**.*

Example:

F.W. Taylor – Scientific Management (1890s)

*In a steel plant, Taylor studied how fast a worker could lift pig iron safely and efficiently. Based on his **time-and-motion studies**, he set a **standard** for how much work a strong worker could do in a day and gave them **incentives** (extra pay) for meeting the target.*

*This demonstrated how scientific measurement and **financial rewards** could motivate employees.*

Scientific Management – Precise Instructions & Time-Motion Studies

Example:

*A bricklaying job was broken down into **18 steps**. Frank and Lillian Gilbreth reduced these to **5 steps**, saving time and energy. Workers followed **exact instructions** on how to move, bend, stand, and place bricks.*

As a result, productivity increased significantly.

Example:

Elton Mayo – Hawthorne Studies (1920s)

*At the Hawthorne plant, researchers changed the **lighting levels** to see if brighter lights increased worker productivity. Surprisingly, productivity increased even when lighting was **dimmed**.*

Why? Because workers felt they were being observed and valued.

*This became known as the **Hawthorne Effect**—people work better when they receive attention.*

Example:

Human Relations Movement – Focus on Teams & Motivation

*Companies began forming **small work teams**, encouraging employees to share ideas and participate in decision making.*

A supervisor who listens to workers' problems, motivates them, and helps them achieve personal goals represents the Human Relations approach.

Examples:

Contributions of Key Scholars

- **Chester Barnard** – In a company, employees willingly cooperate with management only when they think instructions are fair and achievable (**acceptance theory of authority**).
- **Henri Fayol** – A manager planning, organising, directing, coordinating, and controlling work shows Fayol's **14 principles** in action.
- **Mary Parker Follett** – A manager solving conflict through **integration** (win-win solutions) rather than domination or compromise.
- **Herzberg** – A company giving recognition, responsibility, and growth opportunities boosts employee satisfaction (**Motivation-Hygiene Theory**).
- **Maslow** – A worker wants job security first (safety needs) and later seeks promotion or appreciation (**esteem needs**).
- **McClelland** – A sales executive driven by **achievement** works harder to meet targets.
- **Vroom** – Workers perform better when they believe **effort leads to performance** and performance leads to **rewards** (**Expectancy Theory**).

Example:

1960s–1970s – Influence of Social Psychology & Quantitative Research

Researchers used surveys, experiments, statistics, and models to study topics like decision-making, leadership styles, and group behaviour in organisations.

Modern Theories – Bounded Rationality, Contingency Theory, etc.

Examples:

- **Bounded Rationality (Herbert Simon):** A manager chooses a solution that is “good enough” instead of searching for the perfect solution because of limited time and information.
- **Contingency Theory:** A company changes its leadership style depending on the situation—no single style works everywhere.
- **Resource Dependence:** A small business maintains good relationships with suppliers because it depends on them for raw materials.
- **Institutional Theory:** A university adopts certain policies not because they are efficient, but because other universities follow them.
- **Population Ecology:** New start-ups emerge and old companies die depending on environmental pressures (competition, technology, policies).

FACTORS INFLUENCING ORGANIZATIONAL BEHAVIOR

Organisational behaviour is the behaviour of people working in formal organisations. Forces affecting the nature of modern organisation essentially imply the forces affecting organisational design and organisational behaviour. Behaviour is an outcome of many forces relating to organisation. Type of behaviour people elicit depends on interplay of many factors. Keith Davis and Newstorm consider following four major factors/forces and explain their effect on organisational behaviour through a model.

Forces / Factors Affecting /Influencing Modern Organisation:

- 1. PEOPLE**
- 2. ORGANISATION STRUCTURE**
- 3. TECHNOLOGY**
- 4. ENVIRONMENT**

(Based on John W. Newstorm, Organisational Behaviour, Tata McGrawHill Publication, New Delhi, 2010 p.5.)

Organisational behaviour (OB) is an outcome of the interplay (interaction) of these four forces (variables or factors). At a time, behaviour of people (as individuals and groups) is jointly determined by these variables.

1. People: People mean workforce or human resource in the organisation. People are the living, thinking, and feeling beings who work in the organisation to achieve the goals. People include top executives, middle order managers, technical administrative staff, supervisors, and workers. Informal groups also affect organisational behaviour. This facet – human being – is most dynamic and carries a significant effect on overall behaviour patterns. How people behave depend on who people are.

Workforce diversities make the human factor the most complex one. Organisation exhibits more heterogeneous mix of people in term of gender, education backgrounds, age race, ethnicity, talent, skills, sexual orientation, cultural values, socioeconomic background, and other capabilities and/or disabilities. Due diversities, people vary in many characteristics, including cognitive, affective, motivational, and skill factors, which are changed by situations and also can change the situations. Managing workforce diversity has become global concern. Modern organisations focus on effective and acceptable leadership, more employee empowerment, more autonomy, openness, fairness, compassion, etc., to take maximum advantages of diverse people at work. People also affect other factors of organisation discussed next.

EXAMPLES FOR (1) People in Organizational Behaviour

1. Diverse Workforce Example

An IT company employs software engineers from different countries, cultures, age groups, and genders. Because of this diversity, employees bring different ideas, working styles, and expectations, which managers must handle carefully to maintain productivity and harmony.

2. Leadership Style Impact Example

A team performs well when the manager follows a participative leadership style—allowing employees to share ideas and make decisions. This shows how people's motivation and behaviour change based on who leads them and how they are treated.

3. Informal Groups Example

Workers in a manufacturing plant form an informal group, such as a lunch-time friend circle. Their shared opinions influence how they respond to new company policies or supervisors. This informal group behaviour affects the overall organisational climate.

4. Employee Attitudes Example

A newly hired employee with a positive attitude and high motivation completes tasks more efficiently compared to someone who is disengaged. This shows how individual differences affect performance.

5. Skill and Ability Differences Example

In a bank, some employees are excellent at customer communication, while others are strong in data analysis. Managers allocate tasks accordingly,

showing how differences in skills shape organisational behaviour and effectiveness.

6. Cultural Values Example

Employees from cultures that value collectivism prefer teamwork, while those from individualistic cultures prefer working independently. Managers must balance these preferences to reduce conflict and improve coordination.

7. Changing Behaviour with Situation Example

The same employee may behave calmly during normal working hours but becomes stressed or irritable during rush hours. This shows how situational factors influence people's behaviour.

8. Employee Empowerment Example

When an organisation allows employees to take decisions (autonomy), employees feel trusted and motivated, resulting in higher job satisfaction and innovation.

9. Impact of Socioeconomic Background Example

Employees from different socioeconomic backgrounds may have varied expectations regarding salary, benefits, and job security, influencing their behaviour and commitment.

10. Managing People with Disabilities Example

A company provides assistive technology and flexible hours for employees with physical disabilities. This increases their productivity and reflects the organisation's focus on fairness, compassion, and inclusiveness.

(2) Organisation Structure: Organisation structure refers to the formal relationships among people in organisation. Different jobs are required to accomplish all organisational activities. The jobs are managers, officers, accountants, supervisor, clerks etc. To relate these jobs and make them work effectively, we need a formal organisation structure. Formal provisions like policies, rules, regulations, procedures, schedules, etc., are formulated and implemented to bind different posts and facilitate coordination among their efforts. Thus, structure is made of interconnection different posts and positions across the levels in an organisation. The structure facilitates cooperation, negotiation, and decision-making. The structure plays an important role in innovation and change, conflict and stress management, and creating suitable work climate that makes people work with their best capacity.

EXAMPLES FOR (2) Organisation Structure

1. Hierarchy Example

A hospital has a clear structure: Chief Medical Officer → Doctors → Nurses → Ward Assistants. This hierarchy helps employees know whom to report to and who makes decisions, ensuring smooth functioning.

2. Departmentalisation Example

A manufacturing company is divided into Production, Finance, HR, Marketing, and R&D departments. Each department has specific responsibilities, improving coordination and specialization.

3. Rules and Procedures Example

A bank uses strict policies and procedures for approving loans. Employees follow a step-by-step process, which maintains consistency and reduces errors.

4. Chain of Command Example

In a retail store, a sales associate reports to the floor supervisor, who reports to the store manager. This clear chain of command helps resolve customer issues quickly.

5. Coordination Example

In an airline company, the operations team, ground staff, and flight crew must coordinate closely. The organisational structure ensures timely communication so that flights take off on schedule.

6. Decision-Making Example

A startup adopts a flat structure, where employees can directly approach the CEO with ideas. This reduces bureaucracy and encourages innovation.

7. Innovation and Change Example

A company creates a cross-functional team—members from marketing, IT, and customer service—to develop a new product. The flexible structure supports creativity and faster decision-making.

8. Conflict and Stress Reduction Example

An organisation has clear job descriptions for every role. Because employees know exactly what they are responsible for, misunderstandings and conflicts are reduced.

9. Schedule and Procedure Control Example

A school uses a timetable and academic calendar to coordinate classes, exams, and events. These formal schedules help manage time and resources effectively.

10. Work Climate Example

A BPO with a well-defined reporting structure and supportive supervisors creates a positive work climate. Employees feel secure and perform better because responsibilities are clearly assigned.

(3) Technology: Technology includes machinery, hardware, and software used for performing tasks. Technology is a useful resource that performs work, maintain interactions, and establish relationships. In business organisation, we need technology for production, distribution, and communication. The greatest advantage of technology is that it allows people do more and better work. Increasing use of robots and automation in production system, the drastic shift from manufacturing to service economy, computer hardware and software capabilities, enhanced application of Internet in business operations, excessive use of social networking, and telecommuting for interaction and connectivity, and many others wonders of modern technology have changed the pattern the life. Technology is used to respond to societal demands of better quality of goods and services at acceptable prices. The technological advancements have created a heavy pressure on OB. OB attempts to find the right trade-off between technical and social systems within organisation.

EXAMPLES FOR (3) Technology

1. *Automation in Production Example*
A car manufacturing company uses robots on the assembly line to perform welding, painting, and assembling. This improves speed and accuracy, but also requires employees to learn new technical skills.
2. *Computerised Accounting Example*
A firm replaces manual bookkeeping with accounting software like Tally or SAP. This reduces errors and allows accountants to finish work faster.
3. *Telecommuting Example*
Employees of an IT company work from home using video conferencing tools, cloud platforms, and shared documents. Technology enables smooth communication even when people are not physically present.
4. *Online Customer Support Example*
A retail company uses chatbots and AI-driven help desks to answer customer queries quickly. Employees focus on more complex issues while routine tasks are automated.
5. *Digital Communication Tools Example*
Teams use email, WhatsApp groups, Slack, or MS Teams to coordinate tasks. This improves collaboration and keeps people connected across different locations.
6. *E-Commerce Example*
Traditional stores start selling products online through websites or apps, using digital payment systems. Technology expands their customer base and changes the way work is done.
7. *Service Sector Growth Example*
Banking has become highly technology-driven with ATMs, online banking, mobile banking, UPI payments, reducing the need for physical visits to branches.
8. *Internet of Things (IoT) Example*
In a warehouse, smart sensors track inventory levels automatically. Employees receive alerts when stock is low, improving efficiency.
9. *Learning and Training Example*
Companies use online training platforms to teach employees new skills through videos, simulations, and virtual classrooms instead of traditional classroom training.
10. *Quality Control Example*
Factories use computer-based inspection machines to test product quality. This helps meet customer demand for better-quality goods at competitive prices.
11. *Social Media and Networking Example*
Organisations use LinkedIn, Facebook, and Instagram to market products, build brand image, and interact with customers, changing the communication patterns.
12. *OB-Relevant Technology Example*
When advanced technology such as AI, robotics, or automation is introduced, employees may feel stress, fear of job loss, or need to adapt quickly. OB studies how to manage people during such technological changes.

(4) Environment: Business environment contains internal and external forces affecting people, structure, and technology. All organisations operate within an internal and external environment. Company's employees and business stakeholders constitute internal environment. Board external environmental factors include economic factors, social and cultural factors, legal and political factors, competitive factors, technological factors, demographic factors, global factors, natural factors, etc. Particularly, external environment carried tremendous effect on organisations' operations. Citizens expect organisations to be socially responsible, customers demand quality product at reasonable price, the government demand more authenticity, shareholders demand higher returns, and trade unions demand benefits and protection for the workforce. Individual organisations cannot escape from the environmental pressures. They have to struggle constantly and consistently to align their operations in line with environmental forces on behaviour estimates impact of environmental forces on behaviour of individual and groups at work. It helps the managers identify alternative ways to cope with these forces.

A complex set of factors or forces affects nature of organisation, and hence organisational behaviour. Newstrom remarks that when people work together in an organisation, a kind of structure of formal relationships is required. People also use technology to help get the job done, so people, structure, and technology interact. These three elements are immensely affected by environmental forces. Interplay of these four variables affects organisation behaviour.

EXAMPLES FOR (4) Environment

1. *Economic Environment Example*
During an economic slowdown, customers reduce spending. A company responds by cutting costs, resizing teams, and offering discounts, which directly affects employee behaviour and morale.
2. *Social and Cultural Environment Example*
As society becomes more aware of gender equality, organisations introduce policies like equal pay, POSH compliance, and diversity hiring. This shapes workplace behaviour and culture.
3. *Legal and Political Environment Example*
New labour laws requiring higher minimum wages force companies to adjust their salary structures. Managers rethink job roles and budgets to remain compliant.
4. *Competitive Environment Example*
When a rival company launches a new product, an organisation increases its R&D efforts, marketing campaigns, and employee performance expectations to stay competitive.
5. *Technological Environment Example*
The rise of digital platforms pushes a traditional business to adopt online sales, digital marketing, and automated systems. Employees must learn new tools and processes.
6. *Demographic Environment Example*
A large number of young employees joining the workforce leads organisations to adopt flexible work hours, modern offices, and tech-driven processes, since young workers prefer such facilities.
7. *Global Environment Example*
A multinational firm must follow global quality standards, deal with foreign competitors, and adapt to international cultural norms. This influences training, communication, and leadership styles.
8. *Natural Environment Example*
Due to environmental regulations and public pressure, companies reduce plastic use, manage waste responsibly, and use renewable energy. Employees participate in eco-friendly practices and CSR activities.
9. *Stakeholder Pressure Example*
Shareholders demand higher returns, customers demand better quality and service, and trade unions demand job security and benefits. Managers modify policies to balance these expectations.
10. *Internal Environment Example*
Supportive top management, motivated employees, and strong teamwork create a positive internal environment. This influences how people behave and cooperate within the organisation.
11. *Government Regulation Example*
When the government tightens rules on data privacy, companies upgrade security systems and train employees on data protection practices.
12. *Consumer Behaviour Example*
Increased demand for eco-friendly or organic products forces companies to redesign products and marketing strategies, affecting the work of multiple departments.

CONTRIBUTING DISCIPLINES TO ORGANIZATIONAL BEHAVIOR (OB)

Anthropology
Psychology
Sociology
Social Psychology
Political Science
Other Discipline

Among these five disciplines, psychology contributes mainly at the individual or micro level study of human behaviour, remaining disciplines contribute to analyse and understand group and organisational behaviour, or macro level study of human behaviour. Psychology has remained a dominant discipline to analyse human behaviour. Most knowledge of OB is based on psychology alone. Stephen Robbins and other have mentioned key contributed of each of the disciplines to OB. Following part describes individual contribution of each of the disciplines to OB:

(1) Anthropology: Anthropology is considered as the base of behavioural science. Anthropology can be defined as the science of man. This subject basically studies origin and evolution stages of development of human societies, from very primitive stage to the advanced stage. Anthropologist study on culture and environment to describe differences in fundamental values, attitudes, and behaviour between people of different countries and within different organisations.

Example:

Anthropology – General Examples

- *When an anthropologist studies how a tribe (people) in Africa organizes family, work, and services, it helps us understand how human behaviour changes across cultures.*
- *When researchers compare how Japanese employees bow while greeting, Americans shake hands, and Indians join their palms (Namaste), they are using anthropological study of culture and behaviour.*

Anthropology has been defined as:

Stephen Robbins: “*The study of societies to learn about human beings and their activities.*”

Example:

An anthropologist visits villages in South India to observe how festivals, food habits, and social structures influence people’s behaviour. This helps in understanding human activities in a society.

Oxford Dictionary: “*The study of human origins, societies, and cultures.*”

The term can be defined as: Anthropology closely concerns with the study of evolution stages of human societies, their gradual development from origin and cultural changes.

Example:

A researcher studies how early humans used tools and how different cultures developed languages, traditions, and customs. This is anthropology in action.

Cultural anthropology is more closely related to behaviour science. Fred E. Luthans defines term culture as: “The acquired knowledge that people use to interpret experience and generate social behaviour.” Really, our every action is culturally dominated. What we are and how we behave depend on the culture to which we belong.

Example:

In Japan, employees avoid saying “No” directly because their culture values respect and harmony.

In the USA, employees openly disagree in meetings because their culture values individual expression.

This shows how behaviour is shaped by culture—exactly what cultural anthropology explains.

Contribution of Anthropology in OB: Anthropology has contributed following aspects to OB:

(1) Development Stages of Human Society

Example:

Understanding how societies evolved from hunting–gathering to agriculture to industry helps managers see how workplace roles, power structures, and teamwork have changed over time.

E.g., earlier workplaces were hierarchical, but modern workplaces are more team-based—due to social evolution.

(2) Comparative Values and Attitudes

Example:

Employees in Germany value punctuality and precision, while in India people may be more flexible with time.

Anthropology helps managers understand and manage these differences in values and attitudes.

(3) Organisational Culture

Example:

Google’s organisational culture is informal—employees wear casual clothes, work in open office spaces, and openly share ideas.

This is similar to some societies that value openness and creativity.

Anthropology helps explain how such cultures develop.

(4) Cross-cultural Analysis (Difference among National Cultures)

Example:

When an Indian company opens a branch in Saudi Arabia, it must understand cultural practices like praying hours, dress codes, and gender rules.

Anthropological knowledge helps organisations avoid cultural misunderstandings.

(5) Organisational Changes

Example:

If a company introduces remote work, employees from different cultures may react differently.

- Americans may welcome the autonomy.*
 - Japanese employees may feel uncomfortable without group-based work.*
- Anthropology helps predict how cultural groups will respond to organisational change.*

(6) Organisational Environment

Example:

Anthropology helps managers study how the external environment—traditions, customs, religion, social norms—affects business.

For example, a company selling clothes in India must follow cultural preferences like bright colours and modest designs in some regions.

(2) Psychology: Psychology is the basic and most dominant contributing discipline in organisational behaviour. Major topics of OB are based on psychology. It lays most important psychological foundation for micro approach to OB. Major concepts and processes in OB are based on psychology. It is more closely related to the analysis of individual and interpersonal behaviour. Let us define the term.

Example:

Psychology – General Examples

- When a company tests job applicants using aptitude tests, personality tests, or IQ tests, it is using psychological tools to understand individual behaviour.*
- When a manager observes how an employee reacts under stress or pressure, he is studying psychological behaviour patterns.*

Definitions: Let's define the term:

Stephen Robinsons:“Psychology is the science that seeks to measure, explain, and sometimes change behaviour of humans and other animals.”

Example:

A company conducts a psychometric test to measure an employee's problem-solving ability.

A manager then provides counselling to help the employee change unproductive behaviour.

This shows measuring, explaining, and changing behaviour — the core of psychology.

Webster's Dictionary: "Psychology is the science that investigates the phenomenon of mental and emotional life."

Example:

An HR department studies why employees feel stressed, why they experience low morale, or what makes them emotionally satisfied at work.

This is an investigation of mental and emotional life.

Contribution of Psychology in OB: Contribution of psychology in OB includes the following aspects:

- (1) Learning and Perception**
- (2) Emotions and Values**
- (3) Attitudes and Beliefs**
- (4) Personality**
- (5) Motivation and Leadership**
- (6) Job Satisfaction and Employee Satisfaction**
- (7) Employees' Promotion, Selection, Training, and Performance Appraisal**
- (8) Work Stress and Work Design**
- (9) Individual Decision Making, etc**

CONTRIBUTION OF PSYCHOLOGY IN OB — WITH EXAMPLES

(1) Learning and Perception

Example:

A new employee learns to operate machinery through on-the-job training.

Two employees may perceive the same boss differently — one thinks he is strict, another thinks he is fair.

This shows psychological differences in learning and perception.

(2) Emotions and Values

Example:

*An employee in a bad mood due to personal issues may perform poorly that day.
Employees who value teamwork prefer cooperative tasks, while those who value independence like working alone.*

(3) Attitudes and Beliefs

Example:

*If employees believe the company treats them fairly, they show positive attitudes.
If they believe promotions are biased, they may become negative and disengaged.*

(4) Personality

Example:

*An extroverted employee enjoys sales jobs and talking to customers.
An introverted employee prefers data analysis or working quietly.
Personality influences job-fit.*

(5) Motivation and Leadership

Example:

*When a manager sets targets and offers bonuses, employees feel motivated (psychological motivation).
A transformational leader inspires employees emotionally, boosting morale and performance.*

(6) Job Satisfaction and Employee Satisfaction

Example:

*Employees who feel recognised and appreciated show higher job satisfaction.
Some employees feel satisfied when they have work-life balance, while others need growth opportunities.*

(7) Promotion, Selection, Training, and Performance Appraisal

Example:

*During selection, companies use psychological tests to choose the best candidates.
Training uses learning theories to improve skills.
Performance appraisal studies behaviour to evaluate employee performance.*

(8) Work Stress and Work Design

Example:

*Excessive workload and unrealistic deadlines create work stress.
Changing the job design by reducing workload or giving flexible timings improves well-being.*

(9) Individual Decision Making

Example:

A manager chooses between two suppliers based on past experience, biases, emotions, and thought process—all psychological factors.

(3) Sociology: Sociology is the science of society. It is systematic study of social aspects. Sociology primarily concerns with study of group behaviour in formal and complex organisations. It focuses on relational aspects of groups, institutions, societies, and organisations. It studies people in relation to their social environment. It explains issues relating to development and structure of human societies. It is scientific study of people in relation to their fellow human beings. Thus, it studies primarily focuses on group behaviour.

Example

- When employees behave differently in a group than when they are alone, sociology helps explain that behaviour.*
- When an organisation studies how departments interact, how teams form, or how social norms influence behaviour, it is applying sociology.*

Definitions: Let's define the term:

Stephen P. Robbins: “The study of people in relation to their fellow human beings.”

Example:

In a workplace, employees form groups such as teams, departments, or informal friend circles.

Studying how these groups influence behaviour, cooperation, conflict, or communication is sociology.

Fred E. Luthans: “Sociology is an academic discipline that utilizes the scientific methods in accumulating knowledge about social behaviour.”

Example:

A company conducts surveys and observations to understand how employees interact in teams or how workplace norms develop.

Using scientific methods to study social behaviour = sociology.

Oxford Dictionary: “The study of the development, structure and functioning of human society.”

Example:

Studying how organisations develop hierarchies, roles, divisions, and rules—similar to how societies develop structures—is part of sociology.

Contribution of Sociology in OB: Contribution of sociology in OB includes the following aspects:

- (1) Group Dynamics**
- (2) Design of Work Teams (or Team Work)**
- (3) Formal Organisational Theory and Structure**
- (4) Informal Organisation Theory**
- (5) Organisational Technology**
- (6) Organisational Change**
- (7) Organisational Culture and Climate, etc.**
- (8) Communication, power and policies, intergroup conflict and behaviour, intergroup conflict and behaviour (which are common in sociology and social psychology)**

(1) Group Dynamics

Example:

In a project team, some members lead, some follow, some are silent, and some dominate the conversation.

Sociology helps explain roles, norms, group pressure, and group behaviour.

(2) Design of Work Teams (Team Work)

Example:

A company designs teams based on skills and social compatibility—e.g., mixing experienced employees with new hires to improve cooperation.

This is based on sociological understanding of group behaviour.

(3) Formal Organisational Theory and Structure

Example:

A bank uses a tall hierarchy with managers, supervisors, and clerks.

A startup uses a flat structure where everyone reports directly to the CEO.

Sociology helps analyse these structures and how they affect behaviour.

(4) Informal Organisation Theory

Example:

Employees form informal groups during lunch breaks or tea breaks.

These groups influence attitudes, decisions, communication, and even resistance to changes.

This informal network—studied by sociology—affects real behaviour inside organisations.

(5) Organisational Technology

Example:

When a company adopts new software, employees change the way they collaborate, share information, and divide tasks.

Sociology explains how technology influences social interaction in workplaces.

(6) Organisational Change

Example:

When a company shifts from traditional office to remote work, team relationships, communication, and social structures change.

Sociology helps managers understand how groups react to change.

(7) Organisational Culture and Climate

Example:

An organisation where employees celebrate birthdays together, help each other, and share information freely has a friendly culture.

Another company may be very strict, rule-based, and formal.

Sociology studies how such cultures form and how they affect behaviour.

(8) Communication, Power, Politics, and Intergroup Conflict

Examples:

- Communication: Studying how information flows between departments.*
- Power: A senior manager influencing decisions because of position power.*

- *Politics: Employees forming alliances to gain favourable transfers or promotions.*
- *Intergroup Conflict: Marketing and Finance departments disagreeing over budgets.*

These are classic sociological topics that directly influence organisational behaviour.

(4) Social Psychology: Actually, social psychology is a branch of psychology. It is a social area of psychology. Social psychology seems more relevant to organisational behaviour. Social psychology is a blend of two disciplines – sociology and psychology to focus on people's influence on one another. Social psychology is more relevant to study interpersonal behaviour. Social psychology is a psychological study of sociology in forms of development, structure, and relationship. OB borrows many useful theories and research findings from social psychology.

Examples:

- *When an employee changes behaviour because others in the team expect it, this is social psychology.*
- *When a worker feels pressured to follow group norms, even if they disagree personally, social psychology explains this.*
- *When people adjust their behaviour after observing co-workers, this is social influence, a core part of social psychology.*

Definitions: The term can be defined as:

Stephen Robbins: “An area within psychology that blends concepts from psychology and sociology and that focuses on influence of people on one another.”

Example:

A new employee smiles more, uses polite words, and behaves formally because everyone in the office behaves that way.

They are influenced by the group—exactly what social psychology studies.

More clearly, it can be said: Social psychology concerns with psychological study of individual behaviour in relation to the social environment (groups). Psychology emphasises on individual behaviour while social psychology emphasizes on group behaviour.

Example:

An employee may be very confident at home but becomes quiet in a meeting because of the group atmosphere.

This shows individual behaviour changing according to the social environment.

Contribution of Social Psychology in OB: Contribution of social psychology in OB include the following aspects:

- (1) Behavioural Change**
- (2) Attitudes**
- (3) Group Formation Processes**
- (4) Group Decision**
- (5) Problem Solving**
- (6) Social Influences**
- (7) Leadership**
- (8) Communication, power and policies, intergroup conflict and behaviour, intergroup conflict and behaviour (which are common in sociology and social psychology)**

CONTRIBUTION OF SOCIAL PSYCHOLOGY TO OB — WITH EXAMPLES

(1) Behavioural Change

Example:

A company introduces “Zero Plastic Week.”

At first only a few employees follow it, but soon everyone changes behaviour because of peer influence.

(2) Attitudes

Example:

If team members constantly complain about the company, a new employee may also develop a negative attitude due to group influence.

(3) Group Formation Processes

Example:

In a new project team, members quickly form subgroups (friends, seniors-juniors).

They develop norms like:

- Lunch together*
- Supporting each other*
- Working in a specific style*

This is group formation described by social psychology.

(4) Group Decision Making

Example:

A team discusses several ideas but ends up choosing the idea suggested by the most influential member, not necessarily the best idea.

This is group influence on decision making.

(5) Problem Solving

Example:

In a brainstorming session, one person's suggestion inspires others to add new ideas.

The group solves the problem better together than individual members alone.

(6) Social Influences

Example:

Employees start arriving on time because everyone else in the department is punctual.

This happens due to conformity—a key concept in social psychology.

(7) Leadership

Example:

A team leader motivates the group by encouragement and emotional support.

Members follow the leader's behaviour—showing how leadership influences group behaviour.

(8) Communication, Power, Politics, and Intergroup Conflict

Examples:

- Communication:*
Misunderstanding spreads in a team because employees rely on informal gossip instead of official messages.

- *Power:*
A senior employee influences team decisions even without formal authority.
- *Politics:*
Groups form alliances to gain favourable project roles or promotions.
- *Intergroup Conflict:*
Marketing team and Finance team argue over budget allocation due to different goals and group identities.

These are shared areas between sociology and social psychology.

(5) Political Science: Modern organisations have become political areas where people play politics (political games or tactics) for different purposes. Its contribution seems to be more valuable in study of group dynamics. This discipline focuses on political behaviour of people at workplaces. Today's large and complex organisations employ workforces with diverse backgrounds. Due to limited resources and more expectation, people inevitably play politics. Politics is common phenomenon in today's organisations to gain power, position, and discriminative benefits. People play different political games or political tactic for several goals, such as to acquire power, gain more influence over others, maintain importance, and occupy key positions.

General Understanding Examples

- *When employees form alliances to influence promotions or decisions, they are using office politics, a key area of political science.*
- *When departments fight for more budget or power, political science helps explain these conflicts.*
- *When a manager uses his influence to get resources for his team, he is engaging in political behaviour.*

Definition : Political Science has been defined as:

Stephen Robbins: "The study of behaviour of individuals and groups within a political environment."

Example:

An employee tries to impress the CEO by volunteering for visible tasks so that he gets noticed during promotions.

This behaviour is political and is influenced by the political environment of the organisation.

Oxford Dictionary: “The study of political activities and behaviour of groups.”

Example:

In an organisation, different groups (Ex: HR vs Marketing, Union vs Management) may lobby, negotiate, or influence decisions.

This is political activity of groups—exactly what political science studies.

Thus, we can define the term as: Political science involves the study of political behaviour of individual and group within a particular political environment. It primarily studies tactful and intelligent games the people play in organisations for power, position, and discretionary benefits or favour.

Example:

Employees may support a particular manager not because they like him, but because he has power and can provide benefits like easier shifts or promotions. This is a political tactic to gain favour and discretionary benefits.

Contribution of Political Science in OB: Contribution of political science in OB includes the following aspects:

- (1) Analysis of conflict**
- (2) Power and Politics**
- (3) Manipulation of Power**
- (4) Intra-organisational politics**
- (5) Allocation and Acquisition of Power**
- (6) Individual Self-interest, etc**

(1) Analysis of Conflict

Example:

When two managers fight over who will lead an important project, political science helps analyse why the conflict occurs, who has more power, and how it can be resolved.

(2) Power and Politics

Example:

A senior employee influences the MD's decisions because he has close personal relations with top management.

This shows how power (formal or informal) affects organisational behaviour.

(3) Manipulation of Power

Example:

A team leader withholds important information so that others depend on him.

By controlling information, he manipulates power and increases his importance.

(4) Intra-organisational Politics

Example:

Two departments compete for a bigger share of next year's budget.

They create presentations, lobby with top management, and try to show more achievements.

This is intra-organisational politics.

(5) Allocation and Acquisition of Power

Examples:

- A manager gains power because he controls a scarce resource like specialised software.*
 - Power may also be allocated to employees who show loyalty to high-level managers.*
 - A new employee acquires power by building relations with influential staff.*
-

(6) Individual Self-Interest

Example:

An employee supports a policy not because it benefits the organisation, but because it increases his own chances of promotion.

Self-interest drives political behaviour.

(6) Other Disciplines: Besides five disciplines discussed in the former part, there are some disciplines having potential contribution to behavioural science. They include economics, management, information technology, etc.

Each discipline has something special to contribute to OB. However, one discipline cannot be completely separated from the remaining. Some topics are common in two or more disciplines. Particularly, anthropology, psychology, sociology, and social psychology seem more closely related.

Examples:

- **Economics:**
Contributes concepts like cost–benefit analysis, incentives, productivity, resource allocation, and decision-making under scarcity. For example, economic theories help managers understand how monetary and non-monetary incentives influence employee motivation and performance.
- **Management:**
Provides knowledge on planning, organizing, directing, controlling, and leadership. Modern OB builds heavily on management principles for designing jobs, developing leadership styles, and improving managerial effectiveness.
- **Information Technology (IT):**
Helps OB by explaining how technology shapes communication patterns, decision-making speed, virtual teamwork, and employee monitoring systems. For example, IT has changed how employees interact through email, video-conferencing, and collaborative platforms.
- **Communication Studies:**
Offers insights into verbal and non-verbal communication, persuasive communication, conflict resolution, and group communication, which are essential for understanding behaviour in teams and departments.
- **Education:**
Provides concepts related to learning processes, training methods, skill development, and knowledge transfer, which are directly applied in employee training and organizational learning.
- **Engineering (Human Factors / Ergonomics):**
Helps design safe and efficient work environments, study work measurement, and improve human–machine interaction, which influences employee behaviour and productivity.

ORGANIZATIONAL BEHAVIOR MODELS

OB Models

Models of Organizational Behaviour / Evolution Stages of OB Development

Organizational Behavior (OB) is the study of how people behave in organizations. To explain and predict this behavior, scholars developed **various OB models**.

A **model** is a framework that explains:

- How employees behave
- Why they behave in a certain way
- What managers can do to influence behavior
- What the organization expects from employees

These models show the evolution of management thinking—from treating workers as subordinates to treating them as partners in organizational success.

A model is a framework or paradigm(*pattern/standard*) that explains how things work. In organisational behaviour (OB), experts have developed various models to explain how important variables interact and influence behaviour in organisations. Each OB model focuses on key variables and is based on certain assumptions about people and situations. An OB model explains how behaviour is formed through the interaction of different forces and relationships. These models reflect management's beliefs and strongly influence managerial thinking and actions. Since behaviour can be explained in different ways, multiple OB models exist.

- (1) Alternative approaches to OB,
- (2) Evolution stages of OB,
- (3) Different frameworks that guide how to generate desired behaviour.

FIVE OB MODELS:

There are five models of OB to explain evolution of management practice during the last 100 years. They are same as approaches or evolution stages of development of OB. Each successive model is improvement over the previous one. These models still have practical utility.

MODELS OF ORGANISATIONAL BEHAVIOUR				
1.The Autocratic Model	2.The Custodial Model	3.The Supportive Model	4.The Collegial Model	5.The System Model
(Frederick Winslow Taylor) Keith Davis	Introduced by Keith Davis	Introduced by Rensis Linkert	Introduced by Keith Davis	Introduced by Keith Davis

Six Criteria of the OB Model: John Newstrom considers six criteria or bases for describing each of the models. The criteria are as under:

SIX CRITERIA OF THE OB MODEL					
1.Basis of Model	2.Managerial Orientation	3.Employee Orientation	4.Employee Psychological Result	5.Type of Employee Needs	6.Performance Result

Taking views for John W. Newstrom, we discuss alternative OB models in terms of these six criteria.

(1) THE AUTOCRATIC MODEL:

The autocratic model is the oldest model of management. It was prevailing during industrial revolution. This model is disliked by employee. But it still makes sense in many situations. The autocratic model of organisational behaviour is built around following six elements.

1. Basis of Model: Power is a base for this model; the autocratic model depends on power. Power means ability to create a desired influence on others. It is based on notion(*concept*): Those (leaders and managers) who are in command must have the power to order others what they must do. If employees do not follow orders are penalized.

Example:

In a factory during the industrial revolution, the owner decides working hours, wages, and rules without consulting workers. Employees must follow orders strictly. If a worker disobeys, wages are cut or the worker is dismissed.

2. Managerial Orientation: Formal authority is managerial orientation in the model. Formal authority is used to command the employees. The task of managers is to use authority to direct, persuade, and push employees toward work performance and goals. Authority is the means to exercise tight control over the employees.

Example:

A production manager issues strict instructions on how many units must be produced daily. Workers are not allowed to question methods or targets. The manager uses authority to supervise closely and ensure compliance.

3. Employee Orientation: Obedience(*agreement*) is the employees' orientation under the autocratic conditions. They strongly believe that they should obey(*follow*) the authority.

Example:

Workers on an assembly line follow commands silently. They believe their duty is only to obey orders, not to suggest improvements or express opinions.

4. Employee Psychological Result: Employee dependence on their boss is the employees' psychological result. Employees depend their boss who has absolute power to hire, fire, and perspire (hardworking).

Example:

Employees depend entirely on their supervisor for job security. Since the boss has the power to hire or fire, workers try to please the boss rather than focus on creativity or innovation.

5. Type of Employee Need Met: Under this model, employees can satisfy their subsistence(*survival*) needs. Employees achieve minimum performance because they want to satisfy their subsistence needs for themselves and their families.

Example:

A daily-wage labourer works under strict supervision mainly to earn money for food, shelter, and basic family needs. There is no concern for job satisfaction or personal growth.

6. Performance Result: Employees' performance result tends to be minimum. Under this condition, most employees give minimum performance because of minimum pay. Some employees give higher performance because they have a strong achievement drive, or they like leader due to their belief that their boss is a 'natural-born' leader.

Example:

Most employees do only the minimum required work because wages are low and there are no incentives. However, a few workers perform better either to gain favour with the boss or due to personal ambition.

This is old model and it has limited applicability. This is acceptable approach to guide managerial behaviour when there is no well-known alternative. Even, during crisis, this is practice-oriented.

(2) THE CUSTODIAL MODEL:

The custodial(*protective*) model is improved over the autocratic model. Employees were filled with insecurity, frustration, and aggressions. This affects his relations at workplaces and also at home. They wanted better security and quality of life. Progressive employers started thinking about ways and means to provide employee satisfaction and security. Employers, workers' unions, and government have begun caring for security needs of employees. This paradigm shift from autocratic model is labelled as the custodial model of organisational behaviour. The custodial model of organisational behaviour is built around following six elements.

1. Basis of Model: Economic resources are a base for this model; the successful custodial model depends on economic resources.

Example:

A large manufacturing company earns high profits and uses its strong financial position to provide facilities like pension schemes, medical insurance, housing allowance, and paid leave to employees.

2. Managerial Orientation: Money is managerial orientation in the model. Money is used to pay wages, and benefits.

Example:

Management motivates employees by offering higher wages, bonuses, gratuity, and retirement benefits rather than strict control or fear of punishment

3. Employee Orientation: Security is the employees' orientation under the custodial model. Organisations provides pension and pay other benefits.

Example:

Employees feel secure because the organisation provides job security, provident fund, health insurance, and pension. Their main concern is maintaining these benefits.

4. Employee Psychological Result: Here, employees' dependence is on organisation, then on their boss for subsistence needs. Employees depend on organisation for their security and welfare benefits.

Example:

Workers depend on the organisation for long-term benefits like retirement pension and medical care, rather than depending directly on their immediate boss for survival.

5. Type of Employee Need Met: Employees look for security needs. Security is a major force of their motivation to work.

Example:

An employee works regularly and loyally because he wants a steady income, safe working conditions, and post-retirement security for his family.

6. Performance Result: Employees are psychologically preoccupied with their economic rewards and benefits. So, employees' performance result tends to be passive cooperation. They may not perform much more effectively than old autocratic model. But performance tends to be little better.

Example:

Employees cooperate with management and avoid conflicts, but they usually do only what is required. They rarely show creativity or extra initiative because their main focus is protecting their benefits.

The custodial model brings satisfaction and security, but it has substantial flaws (faults or defects). Most employees do not perform near to their capabilities. Though they are happy, but they do not feel fulfilled or motivated. Managers, experts, and academic leaders started searching for 'better way'. It is not the question to replace the custodial model as it has much positive strengths, such as employee security. The issue was how to modify the custodial model. New model or organisational behaviour developed, it was the supportive model.

(3) THE SUPPORTIVE MODEL:

The supportive model of OB is based on the ‘principle of supportive relationships.’ The leadership and the other processes of the organisations should try to ensure a maximum interactions and relationships with their members. The climate should be created so that employees – different backgrounds, values, and expectations – can view the organisation as supportive, where they can build and maintains their sense of personal worth and importance. This movement was sparked when a series of research studies were conducted at the Hawthorne Plant of Western Electric during the period of 1924 to 1932. Elton Mayo and those who conducted the studies concluded that organisation was a social system and the worker was indeed the most important element in it. A worker is not a single tool; it is a complex personality and difficult to study. The supportive model of organisational behaviour is built around following six elements;

1. Basis of Model: Here leadership is a base for this model, instead of power and money. Through leadership, management provides a right climate to help employees grow and accomplish the things of which they are capable in the interest of the organisation. The leader assumes that workers are not by nature passive and resistant to organisational needs. They can be prepared by the supportive climate.

Example:

A team leader encourages employees, listens to their problems, guides them in work, and helps them improve their skills instead of using power or money as the main control tool.

2. Managerial Orientation: Support is managerial orientation in the model. Support indicates extending support to the employees’ job performance, rather than to simply support employee benefit payment in the previous model. Management support them, give them chance, they will take responsibility, develop drive to contribute, and improve themselves.

Example:

A manager provides training, coaching, and feedback to employees. When mistakes occur, the manager helps them learn rather than punishing them. Employees are given opportunities to grow and take responsibility.

3. Employee Orientation: Job performance is employees’ orientation in this model. With a given support, employees focus on their performance and strive to improve it.

Example:

With proper guidance and encouragement, employees concentrate on improving the quality and efficiency of their work and try to achieve higher performance standards.

4. Employee Psychological Result: In this model, management supports employees in their work. So, psychological result is a feeling of participation and task involvement in the organisation.

Example:

Employees are invited to take part in meetings and decision-making related to their work. They feel involved, important, and emotionally attached to their tasks and the organisation.

5. Type of Employee Need Met: Status and recognition are the needs that employees prioritise. They are strongly motivated as their status and recognition needs are better met in this model.

Example:

An employee is publicly appreciated for good performance, given additional responsibility, or promoted. This recognition raises the employee's status and motivates further improvement.

6. Performance Result: Here, performance result of employees is awakened drives for the work. They seriously and sincerely strive to produce superior result.

Example:

Employees show initiative, creativity, and commitment. They willingly put extra effort to achieve organisational goals because they feel valued and supported.

Note that supportive model is a part of management's style at work. It reflects in the ways that it deals with others. Manager's role to help the employees can solve their problems and accomplish their work. This model works better with both employees and managers, and that is the reason why it has been accepted widely. This model tends to be especially effective in affluent (wealthy) nations because it responds to employee drives toward a wide array of emerging needs. It may not work in countries where needs and conditions are different. Managers should be supportive approach. In consequent progression, new OB model was developed, it is the collegial model.

(4) THE COLLEGIAL MODEL:

The collegial model is a useful extension of the supportive model. In this model, managers and employees behave like partners or teammates. It is an attempt to match the supportive model with global management practice. The work 'collegial' implies a body of people working together cooperatively. The model embodies a team concept. Due to considerable workforce diversities, managers are required to know how people at work are treated in different parts of the world. Knowledge about global practice helps the managers formulate the appropriate approach toward workforce. The model is based on adoption more positive approach toward employees.

This model seems to be more effective in the situation where prevail contingency relationships, non-programmed work, intellectual work environment, and considerable job freedom. The collegial model of organisational behaviour is built around following six elements:

1. Basis of Model: Here, partnership is a base for this model, instead of power, money, and leadership. Employees feel that they are needed and useful for organisation. Leadership is necessary, but its different way. Leadership is used not to direct the people, but to build partnership with employees. Attempt is made to reduce difference between executive and employees. Employees are treated in a way that they behave in a more matured manner. Managers are seen as joint contributor that boss.

Example:

In a software development firm, managers and employees work as partners. Ideas from junior programmers are valued equally with those of senior managers. The manager acts as a joint contributor rather than a boss.

2. Managerial Orientation: Teamwork is managerial orientation in the model. Management tries to build achieve teamwork to achieve better work performance. Management is treated as a coach to build better teamwork among employees.

Example:

A project manager forms cross-functional teams and encourages cooperation among members. The manager acts like a coach who guides the team and helps members work together effectively.

3. Employee Orientation: Here, responsible behaviour is employee orientation. The employees respond to management through responsibility. For example, employees produce quality work not because management asks them to do so, but because they feel inside themselves an obligation to do better work. They also feel an obligation to uphold quality standards that bring credit to their jobs and company.

Example:

Employees follow quality standards voluntarily. They complete work accurately and on time, not because of strict supervision, but because they feel responsible toward the team and organisation.

4. Employee Psychological Result: In psychological result of the collegial model for the employees is self-discipline. Because the employees feel that they are part of managerial decisions and actions (due to participative management pattern), employees discipline themselves for performance on the team, same as what happen in a football team. So psychological result is a feeling of self-discipline in the organisation.

Example:

Team members regulate their own behaviour. They arrive on time, meet deadlines, and support colleagues without constant monitoring, similar to players in a football team.

5. Type of Employee Need Met: In this type of environment, the employees normally feel some degree of fulfilment, worthwhile contribution, and self-actualisation. The highest human need 'self-actualisation' seems to be satisfied.

Example:

An employee feels proud that his ideas are implemented in company projects. He feels fulfilled, important, and capable of using his full potential at work.

6. Performance Result: Here, moderate enthusiasm is performance result under this model. Self-actualization leads to moderate enthusiasm in performance.

Example:

Employees show steady enthusiasm and commitment. They work with interest and dedication, though not under pressure or fear, resulting in consistent and quality performance.

(5) THE SYSTEM MODEL:

The system model is the emerging and contemporary model of organisational behaviour. It is based on strong research on making the work and workplaces more meaningful. The system model of organisational behaviour is built around following six elements:

1. Basis of Model: Here, integrity, trust, and meaningfulness are the basis for this model. It provides the employees with an opportunity to experience a growing sense of community among co-workers.

Example:

An organisation promotes ethical practices, transparency, and mutual trust. Employees feel that their work has meaning and that they are part of a supportive community rather than just a workforce.

2. Managerial Orientation: Management demonstrates a sense of caring and compassion. It becomes more sensitive to the needs of diverse workforce. It focuses on satisfying employees' rapidly changing complex personal and family needs.

Example:

Management introduces flexible working hours, work-from-home options, counselling services, and family-friendly policies. Managers show concern for employees' personal and family problems.

3. Employee Orientation: Here, employees experience a sense of psychological ownership for the organisation and its products. They behave like the owner of organisation.

Example:

Employees treat the organisation's resources as their own. They actively suggest improvements, reduce waste, and take pride in the company's products and reputation.

4. Employee Psychological Result: The psychological result of the system model is self-motivation. Employees move beyond self-discipline of the previous approach until they reach a state of self-motivation. Self-motivation makes them take responsibility for their own goals and actions.

Example:

Employees set their own performance goals, take initiative without being told, and voluntarily take responsibility for improving work processes and outcomes.

5. Type of Employee Need Met: Self-motivated employees in the system model of OB results into satisfying a wide range of the higher order needs (like social status, esteem, and self-actualization).

Example:

Employees experience social respect, esteem, recognition, and self-actualisation because they feel valued, trusted, and able to use their full potential at work.

6. Performance Result: Here, performance result of employees includes passion and commitment to organisational goal. Employees' moderate enthusiasm transforms into passion and commitment. They are inspired, they feel important, they believe in the usefulness and viability of system. Their hopes and ideas are built around what system can accomplish as against individual's sole contribution.

Example:

Employees work with passion and strong commitment toward organisational goals. They go beyond job requirements and remain loyal to the organisation even during difficult times.

None of this model is completely outdated. Till today, every model has varying applicability in different area of organisation at different places in the world. The selection of model by the managers depends on a number of factors. The prevailing philosophy, values, vision, mission, goal, type of activities, internal conditions, past experience, and environmental conditions are some factors that affect the selection of the model. The use of model should not be static. The change in situation demands the managers to shift from one model to the next.

HUMAN BEHAVIOUR AND ORGANIZATION

UNIT – 2

Unit 2: Individual Behavior –

Foundations of Individual Behavior;

Personality:- Determinants of personality, Type A and B, Big Five personality types, stages of personality development;

Attitude:- Meaning, components, job-related attitudes;

Perception:- concept, perceptual process, factors influencing perception;

Values:- concept and types: terminal values and instrumental values.

Motivation – Concept, importance, and theories of motivation- (Maslow's Need Hierarchy, Herzberg's Two Factors Theory, Douglas Theory X and Theory Y,);

Foundation of Individual Behaviour (in detail)

Individual behaviour refers to how a person acts, thinks, and feels in an organisation.

The foundation of individual behaviour explains the basic factors that shape and influence an employee's behaviour at work.

Managers must understand these foundations because people behave differently under the same situation.

Meaning of Foundation of Individual Behaviour

The foundation of individual behaviour consists of psychological and personal factors that determine how individuals perceive situations, make decisions, interact with others, and perform in organisations.

In simple words:

Why people think differently, feel differently, and behave differently at work.

Main Foundations of Individual Behaviour

The foundations are usually studied under the following key elements:

1. Biographical Characteristics
 2. Ability and Skills
 3. Learning
 4. Perception
 5. Attitudes
 6. Personality
 7. Motivation
 8. Values
-

1. Biographical Characteristics

These are personal characteristics that influence behaviour at work.

Important biographical factors:

- Age
- Gender
- Education
- Marital status
- Work experience

Impact on behaviour:

- Older employees may value job security
- Younger employees may seek growth and challenges
- Experienced employees perform better due to practical knowledge

Managers use these factors for job design, promotion, and training.

2. Ability and Skills

Ability

Ability is an individual's capacity to perform various tasks in a job.

Types of ability:

- Intellectual ability – thinking, reasoning, problem-solving
- Physical ability – strength, stamina, coordination

Skills

Skills are learned capabilities developed through training and experience.

Importance:

- Right ability + right job = high performance
 - Mismatch leads to stress and poor results
-

3. Learning

Learning is a relatively permanent change in behaviour due to experience.

Key learning theories:

1. Classical Conditioning – learning by association
2. Operant Conditioning – learning through rewards and punishment
3. Social Learning – learning by observing others

Role in organisation:

- Improves performance
 - Shapes work habits
 - Helps adapt to change
-

4. Perception

Perception is the process by which individuals select, organise, and interpret information to give meaning to their environment.

Characteristics:

- Perception is subjective
- People see the same situation differently

Factors affecting perception:

- Perceiver (attitudes, experience, emotions)
- Target (size, novelty, background)
- Situation (time, work environment)

Perception influences decision-making, performance appraisal, and communication.

5. Attitudes

Attitudes are evaluative statements or feelings about objects, people, or events.

Components of attitude:

1. Cognitive – beliefs or knowledge
2. Affective – feelings or emotions
3. Behavioural – intention to behave

Important job-related attitudes:

- Job satisfaction
- Job involvement
- Organisational commitment

Positive attitudes → better performance

Negative attitudes → absenteeism, turnover

6. Personality

Personality refers to the unique pattern of traits and characteristics that influence behaviour.

Determinants of personality:

- Heredity
- Environment
- Situation

Common personality traits:

- Introversion / Extroversion
- Emotional stability
- Risk-taking
- Self-confidence

Managers must match personality with job roles.

7. Motivation

Motivation is the internal force that stimulates, directs, and sustains behaviour towards goals.

Types of motivation:

- Intrinsic – internal satisfaction
- Extrinsic – rewards, pay, promotion

Importance:

- Increases effort and productivity
- Reduces absenteeism
- Improves job satisfaction

Motivated employees are committed and energetic.

8. Values

Values are basic beliefs about what is right or wrong, good or bad.

Types of values:

- Terminal values – goals of life (success, happiness)
- Instrumental values – modes of behaviour (honesty, discipline)

Role in behaviour:

- Guide decisions
 - Influence attitudes
 - Shape ethical behaviour
-

Importance of Studying Foundation of Individual Behaviour

- Helps managers understand employees
 - Improves communication and leadership
 - Reduces conflicts
 - Enhances productivity
 - Aids in effective decision-making
-

The foundation of individual behaviour explains how biographical factors, ability, learning, perception, attitudes, personality, motivation, and values jointly influence employee behaviour in organisations. Understanding these foundations helps managers to effectively manage people and achieve organisational goals.

PERSONALITY

Personality is one of the prime factors determining individual response to any stimulus (person, event, thing, or situation). One's pattern of working or way of responding depends on one's personality. Personality is a unique/distinctive way to influence others. Dhirubhai Ambani, Narayan Murthy, JRD Tata, Dr ABJ Abdul Kalam and many others hold impressive personalities and exert desired influence over others. Personality is a complex and multidimensional construct. The term personality has been derived from Latin word *persona* which means 'to speak through'. People used the term to indicate the dress the actors used to wear in ancient Rome and Greece.

DEFINITIONS OF PERSONALITY:

Fred E Luthans: "Personality means how people affect others, and how they understand and view themselves. It also involves their pattern of inner and outer measurable traits and person-situation interaction."

Stephen Robbins, Timothy Judge, and Neharika Vohra: "Personality is the sum total of ways in which an individual reacts and interacts with others."

DETERMINANTS OF PERSONALITY

- 1. Biological Determinants**
- 2. Family-related Factors**
- 3. Cultural Factors**
- 4. Situational Factors**

Personality is the sum total of qualities and traits - both physical and mental. Many determinants (*factors*) locus of control, self-esteem, self-monitoring, risk-taking, and other aspects - determine (*regulate*) an individual personality. Level or degree of these determinants depends on many factors. Personality characteristics like self-confidence, vigour, emotional control, firmness, tolerance, persistence, and other depends on many factors. A wide variety of determinants significantly affects one's personality development. A person's personality is the outcome of the net impact of all these factors.

(1) Biological Determinants: Personality is a complex construct of biological and psychological traits. Biological determinants relate to physical aspects of human being. Dominant biological factors that affect one's personality include role of heredity, biofeedback process, physical characteristics, role of maturity and role of brain. Let us briefly discuss impact of the biological determinants.

(i) Role of Heredity: Heredity plays a vital role in personality. Some aspects of human personality, like aggressiveness, sensitivity, verbal and mathematical ability, musical ability, intelligence, and others, are transmitted through heredity. Some recent studies have proved that some aspects of human personality are at least partially affected by the heredity. Especially, intelligence is largely inherited. However, geneticists could not draw clear conclusions on this issue.

Example:

- *A child of intelligent parents may show strong mathematical or verbal ability.*
- *Aggressiveness or calmness seen in parents is often observed in children from an early age.*

(ii) Biofeedback Process: Biofeedback concerns with involuntary (done without conscious control) functions, such as brainwave patterns, fluctuations in blood pressure, skin temperature, etc. In short, biofeedback relates to functioning of brain, heart, and skin. Each person has different capacity to regulate these functions. Personality qualities like patience, self-confidence, tolerance capacity, balance, courage, etc., are affected by biofeedback. However, definite conclusions in this regard are still awaited.

Example:

- *A person who can control stress and remain calm during exams shows better biofeedback control, leading to patience and self-confidence.*
- *Someone whose heart rate rises quickly under pressure may become anxious or less tolerant.*

(iii) Physical Characteristics: Physical structure (appearance or body figure) does affect personality. Physical characteristics are vital in personality, Beauty, face type, skin colour, height, weight, body figure, hair style, eyes, physical strengths, and many other characteristics have a definite impact on one's personality.

Example:

- *A tall and well-built person may develop confidence and leadership qualities.*
- *A person with physical weakness or disability may become introverted or cautious due to social reactions.*

(iv) Role of Maturity: People of different age groups respond differently to the situation. Mental (not physical) maturity is more important. A fast maturing person has different personality than a slow maturing person. Again, maturity is also affected by many factors, like education, training, family background, food, circumstances, etc.

Example:

- *A mentally mature student handles failure calmly and learns from mistakes.*
- *A less mature person may react emotionally, showing anger or frustration in similar situations.*

(v) Role of Brain: Brain is also an important biological factor that affects personality. All people have brain, but all do not have the same brain power. Some studies conclude that brain has a definite impact on one's personality. However, brain still holds many secrets to be disclosed.

Example:

- *A person with strong analytical brain functioning may be logical and problem-oriented.*
- *Another person may be more creative or emotional due to different brain activity patterns.*

(2) Family-related Factors:

Family is the most powerful influence on personality development. Factors such as socio-economic status, family size, birth order, and parents' education significantly affect personality. The family climate and home environment shape behavior and transmit cultural values, strongly influencing an individual's personality.

There are three aspects relating to family that tremendously affect personality of its members, particularly of children.

(i) Early Family Treatment: Parents' role is significant in developing and shaping personality of their children at an early age. Parents and, to some extent, elders serve as role models for children. Children try to imitate parents and elders. Positive, supporting or encouraging family makes a huge contribution in developing impressive personality. In short, treatment of family shapes children's personality.

Example:

- *A child raised in a loving, supportive, and disciplined family often grows up confident, responsible, and emotionally stable.*
- *A child who faces constant criticism or neglect may develop low self-esteem, fear, or aggressive behavior.*

(ii) **Birth Order:** Birth order has also produced significant and interesting, but inconclusive, results. It was found that the first-born, or the only child, in a family has a strong need for affiliation, and the child finds it difficult to adjust with different and difficult situations. The first-born child finds a little chance to compromise and ultimately his immunity to face challenges tends to reduce. However, this is not a much conclusive fact.

Example:

- *A first-born child may be more responsible and serious but may find it difficult to adjust to change.*
- *A younger child may be more flexible, social, and willing to take risks due to constant interaction with siblings.*

(iii) **Impact of Groups and Associations:** Person is known by the company he keeps. Family's interactions with other associations and groups also have notable impact on its members. Person's values, attitudes, and behaviour tend to be similar to the members of such groups. Our personality continues being shaped throughout life by the people and groups we interact with.

Example:

- *A child whose family mixes with educated and disciplined groups may develop good manners, positive values, and ambition.*
- *If a family associates with antisocial or careless groups, children may adopt negative habits and attitudes.*

(3) Cultural Factors:

Culture is a major factor influencing personality. Country, company, and local cultures shape an individual's way of living, working, and thinking. Cultural values, beliefs, norms, customs, and traditions guide behavior by defining what is acceptable and unacceptable. Culture sets limits on behavior, shapes attitudes and responses, and transmits values across generations through socialization, leading to clear differences in personality across cultures, such as between Eastern and Western societies.

1. Country / National Culture

The culture of a country shapes basic attitudes and behavior.

Example:

- *People from **Eastern cultures** (e.g., India, Japan) often show respect for elders, cooperation, patience, and collective thinking.*
- *People from **Western cultures** (e.g., USA, Europe) are often more independent, assertive, competitive, and success-oriented.*

2. Religious Values and Traditions

Religious practices influence morals and lifestyle.

Example:

- *A person raised in a religious family may develop honesty, discipline, tolerance, and self-control.*
- *Regular participation in rituals and festivals may encourage social bonding and emotional balance.*

3. Social Norms and Customs

Cultural rules guide acceptable behavior.

Example:

- *In some cultures, speaking softly and politely is valued, leading individuals to be calm and respectful.*
- *In other cultures, open expression of opinions is encouraged, creating confident and outspoken personalities.*

4. Work and Organizational Culture

Workplace culture affects behavior and motivation.

Example:

- *An organization that encourages teamwork develops cooperative and supportive employees.*
- *A highly competitive company culture may produce ambitious and achievement-driven personalities.*

5. Attitude Toward Materialism and Simplicity

Culture influences life goals and priorities.

Example:

- *A culture that values simplicity may produce content, less materialistic individuals.*
- *A materialistic culture may encourage ambition, innovation, and high achievement motivation.*

(4) Situational Factors:

Situational factors play an important role in shaping personality, as personality is reflected through an individual's responses to different situations. The overall environment, including factors such as freedom, challenges, competition, leadership style, rewards, support, and working conditions, strongly influences behavior. Personality is affected by both the situation in which a person grows up and the situation in which they currently live or work. Individuals continuously adjust their behavior according to situational demands, and challenging or supportive environments help develop stronger and more effective personality traits.

EXAMPLES

1. Educational Environment

The type of school or college environment shapes confidence and behavior.

Example:

- *A student studying in a reputed institution with competition, discipline, and encouragement develops confidence, communication skills, and leadership qualities.*
- *A student in a poorly managed school may become less motivated and less confident.*

2. Work Environment

Workplace conditions influence personality traits.

Example:

- *An employee working under supportive leadership becomes responsible, innovative, and committed.*
- *An employee working in a stressful or unfair environment may become anxious, aggressive, or less motivated.*

3. Challenging or Risky Situations

Situations demanding courage and decision-making shape personality.

Example:

- *A person facing frequent challenges may become bold, confident, and problem-oriented.*
- *A person who avoids challenges may develop fear and low self-confidence.*

4. Reward and Punishment System

How behavior is rewarded or punished affects future actions.

Example:

- *A student praised for good performance becomes achievement-oriented.*
- *Excessive punishment may lead to frustration or withdrawal.*

5. Social and Living Environment

The surroundings in which a person lives affect personality.

Example:

- *A person living in a peaceful and supportive environment tends to be calm and cooperative.*
- *A person growing up in a violent or unstable environment may develop aggressive or defensive behavior.*

STAGES OF PERSONALITY DEVELOPMENT:

Erikson proposed eight stages of personality development, each marked by a specific conflict that must be addressed. These stages are continuous and interconnected, with conflicts never completely resolved. Development is gradual, and individuals may regress to earlier stages due to traumatic experiences.

Stage-1: Infancy (*1st year of life*)

Stage-2: Early Childhood (*2nd and 3rd year of life*)

Stage-3: Play Age (*4 and 5 years old*)

Stage-4: School Age (*6 to 12 age*)

Stage-5: Adolescence (*teenage 13 to 19*)

Stage-6: Young Adulthood (*20's to 30's*)

Stage-7: Adulthood (*40's and 50's*)

Stage-8: Later Life

1) Stage-1: Infancy: During the first year of life a person resolves the basic crisis of trust vs. mistrust. An infant who is cared for in a loving and affectionate way learns to trust other people. Lack of love and affection results in mistrust. This stage makes a serious impact on a child that influences events for remaining life.

*For example, when a baby cries and the parents **regularly respond with care**—by feeding, holding, and comforting the child—the infant feels safe and secure. This consistent love helps the child develop **trust** in others and in the world.*

(2) Stage-2: Early Childhood: In the second and third years of life, a child begins to assert independence. If the child is allowed to control these aspects of life that the child is capable of controlling, sense of autonomy will develop. If the child encounters constant disapproval or inconsistent rule setting, a sense of self-doubt and shame is likely to develop.

*For example, a two-year-old child tries to **eat food independently or choose clothes to wear**. If parents encourage these efforts and patiently guide the child, the child develops a **sense of autonomy and self-confidence**.*

(3) Stage-3: Play Age: The four- and five-year-olds seek to discover just how much they can do. If a child is encouraged to experiment and to achieve reasonable goals, he or she will develop a sense of initiative. If a child is blocked and made to feel incapable, he or she will develop a sense of guilt and lack of self-confidence'.

*For example, a four-year-old child **pretends to be a teacher or doctor** and tries to organize games with friends. If parents and teachers encourage such activities, the child develops a **sense of initiative, creativity, and leadership**.*

(4) Stage-4: School Age: From ages 6 to 12, a child learns many new skills and develops social abilities. If a child experiences real progress at a rate compatible with his or abilities, the child will develop a sense of industry. The reverse situation results in a sense of inferiority.

*For example, a child between 6 and 12 years **learns to read, write, solve math problems, or participate in sports** at school. If teachers and parents **encourage the child's efforts and appreciate improvement**, the child develops a **sense of industry**, feeling capable and hardworking.*

(5) Stage-5: Adolescence: The crisis of the teenage years is gain a sense of identity rather than to become confused about who you are. While undergoing rapid biological changes, the teenager is also trying to establish himself or herself as socially separate from parents. The autonomy, initiative, and industry developed in earlier stages are very important in helping the teenager successfully resolve this crisis and prepare for adulthood.

*For example, a teenager **explores different career options, hobbies, values, and peer groups** while trying to understand who they really are. If parents and teachers **provide guidance but allow independence**, the teenager develops a **clear sense of identity and self-direction**.*

(6) Stage-6: Young Adulthood: The young adult i.e. 20's and 30's, faces the crisis of intimacy versus isolation. The sense of identity developed during the teenage years allows the young adult to begin developing deep and lasting relationships.

*For example, a young adult in their 20s or 30s **forms close friendships or enters into a committed relationship or marriage**. If the person is confident about their identity and open to sharing thoughts and feelings, they develop **intimacy**, trust, and emotional closeness.*

(7) Stage-7: Adulthood: In adulthood (40s–50s), individuals face the conflict between generativity and self-absorption. Self-absorbed people focus mainly on personal success, while generative individuals care about future generations, society, and organizational welfare. Generativity is reflected through productivity, creativity, and contributions that benefit others and society.

*For example, an adult in their 40s or 50s **mentors' junior employees, contributes new ideas at work, supports community activities, or actively guides their children**. Such a person shows **generativity** by caring about the growth of others, the success of the organization, and the welfare of society.*

(8) Stage-8: Later Life: The adult of integrity has gained a sense of wisdom and prospective that can truly help guide future generations.

*For example, an elderly person **looks back on life with satisfaction**, accepts both successes and failures, and **shares experiences and advice** with younger generations. Such a person displays **integrity**, wisdom, and a positive outlook toward life.*

TYPE A AND TYPE B PERSONALITY:

People can be classified into Type A and Type B personalities based on their response patterns to situations. This classification is important in organizational behavior and management, as managers need to identify their own and others' personality types to interact effectively. Type A individuals are competitive, impatient, time-conscious, aggressive, and constantly in a hurry, while Type B individuals are calm, patient, relaxed, and less concerned with time or competition. Understanding these differences helps managers adopt appropriate behavior and management approaches for each personality type.

Type A Personality – Example:

*For example, a sales manager who **walks and talks fast**, constantly checks the time, **handles multiple tasks at once**, and becomes restless during meetings shows **Type A personality** traits. Such a person is **highly competitive, aggressive, impatient**, and always feels **pressure to achieve targets quickly**. Even during leisure time, they feel uneasy if they are not being productive.*

Type B Personality – Example:

*For example, a team leader who **works calmly**, takes time to make decisions, **listens patiently to others**, and remains relaxed even under pressure reflects a **Type B personality**. This person **does not rush**, enjoys breaks without guilt, cooperates well with colleagues, and **plays games for enjoyment rather than competition**.*

Characteristics of Type A Personality and Type B Personality

No.	Characteristics of Type A Personality	Characteristics of Type B Personality
1	People with Type A personality are always moving, walking, and eating rapidly.	People with type B personalities always do everything patiently.
2	They tend to be more aggressive, assertive, confident, result-oriented, career-conscious, competent, and success motivated.	They tend to be less aggressive, assertive, confident, result-oriented, career-conscious, competent, and success motivated.
3	They continuously feel time pressure to justify deadline to complete the job.	They hardly feel time pressure to justify deadline to complete the job. They are easy-going individuals and do not sense the time urgency.
4	They feel impatient with the rate at which most events take happen.	They are never impatient about the happening of things. They take everything likely.

5	They strive to think or do two or more things at a time.	They concentrate on a single task at a time.
6	They cannot cope with leisure time. They have no time and mood to justify family and social events. They do not spare time for entertainment.	They spare enough time for leisure and enjoy every occasion and event fully.
7	They are obsessed with number, rank, grade, or class.	They are very much obsessed with number, rank, grade, or class.
8	They measure their success in terms of how many or how much of everything they acquire. They have highly competitive drive.	They measure their success in terms of their requirement and never bother about what others gain. They have less competitive drive.
9	They operate under moderate or high level of stress. They are more victims of hyper tension, heart attacks, high blood pressure, and psychosomatic disorders. Other psychosomatic disorders.	They feel less stress. They safeguard themselves from psychosomatic disorders arising out of a high stress level.
10	They often violate rules and develop conflict.	They respect rules and try to avoid conflict.

Type A and Type B personalities are important in understanding behavior at work. Type A people are very competitive, focus more on doing more work than doing it well, and often feel stressed. Knowing these personality types helps managers understand why people react differently to the same work situations.

BIG FIVE PERSONALITY (FIVE FACTOR MODEL) / BIG FIVE MODEL OF PERSONALITY:

The Big Five personality traits explain the main types of human personality. They were developed by experts through many years of research. Companies use these traits to understand employees' strengths in teamwork. Knowing personality traits helps managers understand employee behavior and manage people more effectively.

BIG FIVE PERSONALITY

- 1. Extraversion**
- 2. Agreeableness**
- 3. Conscientiousness**
- 4. Openness to Experience**
- 5. Emotional Stability**

(1) Extraversion:

Extraversion describes energy, positive emotions, assertiveness, sociability, talkativeness, and the tendency to seek stimulation in the company of others. High extraversion is often perceived as attention seeking, and domineering. Low extraversion causes reserved, reflective personality, which can be perceived as aloof or self-absorbed (*self-centred*) .

Examples of High Extraversion

- 1. A sales executive who enjoys meeting new clients, actively participates in meetings, and confidently presents ideas in front of a large audience.*
- 2. A team leader who talks frequently, motivates team members with enthusiasm, and takes charge during group discussions.*
- 3. A student who enjoys group activities, makes friends easily, and prefers working in teams rather than alone.*

Examples of Low Extraversion (Introversion)

- 1. A software developer who prefers working independently, speaks less in meetings, but delivers high-quality work.*
- 2. A student who listens carefully in class, reflects deeply before speaking, and avoids being the centre of attention.*
- 3. An employee who prefers written communication (emails/reports) over face-to-face interaction and social gatherings.*

2) Agreeableness:

Agreeableness is a tendency to be compassionate (*kindly*) and cooperative rather than suspicious and antagonistic (*opposing*) towards others. It is also a measure of one's trusting and helpful nature, and whether a person is generally well-tempered or not. High agreeableness is often seen as naïve or submissive. Low agreeableness personalities competitive or challenging people, which can be seen as argumentative or untrustworthy.

Examples of High Agreeableness

- 1. An employee who willingly helps colleagues with their work, avoids conflicts, and cooperates smoothly with team members.*
- 2. A manager who listens patiently to others' problems, trusts team members, and maintains a calm and friendly attitude.*
- 3. A student who shares notes, supports classmates, and prefers harmony over competition.*

Examples of Low Agreeableness

- 1. A team member who frequently challenges others' opinions, argues strongly during meetings, and prioritizes personal success over group harmony.*
- 2. A manager who is highly competitive, questions others' intentions, and is strict rather than sympathetic.*
- 3. A student who distrusts peers, engages in debates aggressively, and is focused on winning arguments.*

(3) Conscientiousness:

Conscientiousness is a tendency to show self-discipline, act dutifully, and aim for achievement. Conscientiousness also refers to planning, organization, and dependability. High conscientiousness is often perceived as stubbornness and obsession. Low conscientiousness is associated with flexibility and spontaneity. but can also appear as sloppiness and lack of reliability.

Examples of High Conscientiousness

- 1. An accountant who plans work in advance, meets deadlines consistently, follows rules strictly, and pays close attention to details.*
- 2. A project manager who organizes tasks systematically, monitors progress regularly, and feels responsible for achieving targets.*
- 3. A student who studies regularly, submits assignments on time, and maintains neat notes and schedules.*

Examples of Low Conscientiousness

- 1. An employee who prefers working without strict schedules, is spontaneous in decision-making, but often misses deadlines.*
- 2. A creative professional who works flexibly and adapts easily to change, yet struggles with organization and consistency.*
- 3. A student who studies only before exams, keeps disorganized notes, and is unreliable in group assignments.*

(4) Openness to Experience:

Openness to experience measures a person's curiosity, creativity, imagination, and willingness to try new things. People with high openness seek variety, adventure, and intense experiences, while those with low openness prefer routine, practicality, and steady effort. High openness may seem unpredictable, whereas low openness may appear cautious or rigid.

Examples of High Openness to Experience

- 1. A marketing professional who enjoys experimenting with new advertising ideas, uses creative strategies, and welcomes change.*
- 2. An entrepreneur who takes risks, tries innovative business models, and enjoys learning new skills or technologies.*
- 3. A student who chooses unusual project topics, enjoys art, travel, debates, and is eager to explore new subjects.*

Examples of Low Openness to Experience

- 1. An employee who prefers traditional methods of working, follows established procedures, and avoids unnecessary changes.*
- 2. A manager who relies on past experience, values stability, and resists new ideas or experimental approaches.*
- 3. A student who prefers routine study methods, fixed schedules, and familiar subjects rather than trying new ones.*

(5) Emotional Stability:

Neuroticism (negativity-is a personality trait associated with negative emotions, people **high in neuroticism** experience fear, anger, shame, depression), the opposite of emotional stability, is the tendency to experience negative emotions like anger, anxiety, and depression. High emotional stability leads to calm and composed personalities, while low stability results in reactive, excitable, and sometimes insecure individuals.

Examples of High Emotional Stability

- 1. A manager who remains calm during work pressure, handles criticism positively, and makes rational decisions in stressful situations.*
- 2. An employee who stays composed when deadlines are tight and does not panic during unexpected problems.*

3. *A student who accepts exam results maturely and focuses on improvement rather than becoming anxious or upset.*

Examples of Low Emotional Stability (High Neuroticism)

1. *An employee who becomes anxious over small issues, reacts emotionally to feedback, and worries excessively about job security.*
2. *A manager who gets angry easily, feels stressed under pressure, and frequently experiences mood swings.*
3. *A student who panics before exams, feels insecure about performance, and becomes discouraged by minor failures.*

These dimensions represent broad areas of personality. These groupings of characteristics tend to occur together in many people. For example, individuals who are sociable tend to be talkative. However, these traits do not always occur together. Personality is complex and varied and each person may display different behaviours across several of these dimensions.

ATTITUDES:

Attitudes (*approach/perspective/outlook/view*) are mental frameworks that shape how we perceive (*to notice or realize something*) and respond to people, situations, and events. They influence perception, learning, motivation, and behavior, and can be positive, negative, or neutral. Understanding employees' attitudes is important for managers to effectively manage work, careers, and organizational relationships.

DEFINITIONS OF ATTITUDE:

Johan W. Newstrom: "Attitudes are the feeling and beliefs that largely determine how employees will perceive their environment, commit themselves to intended actions, and ultimately behave."

Fred E Luthans: "An attitude is a persistent (*insistent*) tendency to feel and behave in a particular way towards some objects."

Robbins, Judge, and Vohra: "Attitudes are evaluative statements- either favourable or unfavourable concerning objects, people, or events. They reflect how one feels about something."

Components of Attitude or ABC Model of Attitude

- Affective
- Behavioural
- Cognitive

Every attitude has three components that are represented in what is called the ABC model of attitudes:

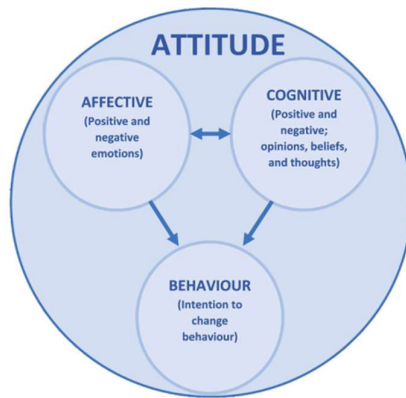
A for affective (*i.e. forming the "feelings" emotions, feelings, and moods an employee has towards their job, colleagues etc.*),

B for behavioural (*i.e. the intention to act or the actual observable actions – like showing up, participating, helping, make decisions*),

and C for cognitive (*i.e. how individuals' mental processes – like thinking, perception, memory and problem-solving-shape their understanding, attitudes behaviours at work, influencing job performance, decision-making, and adaptation by focusing on internal information processing rather than just external stimuli.*).

Although every attitude has these three components, any particular attitude can be based on one component more than another. This multicomponent model is the most significant model of attitude.

Attitude



1. Affective component:

The affective component of attitudes is related to feelings or emotions of people linked to an attitude object. Affective responses influence attitudes in a number of ways. For example, many people are afraid /scared of spiders. So, this negative affective response is likely to cause you to have a negative attitude towards spiders.

Example: If you say, "I feel excited about going on vacation," the positive emotional feeling you associate with the idea of going on vacation represents the affective component.

1. Job
 - Feeling: "I feel happy and satisfied with my job."
 - (Positive emotions create a positive attitude toward the job.)
2. Manager
 - Feeling: "I feel stressed and anxious (nervous) when my manager is around."
 - (Negative emotions shape a negative attitude.)
3. Workplace
 - Feeling: "I enjoy coming to my office because the environment feels friendly."
 - (Positive feelings influence attitude toward the workplace.)
4. Public Speaking
 - Feeling: "I feel nervous and fearful while speaking in front of a group."
 - (This fear leads to a negative attitude toward public speaking.)
5. Online Classes
 - Feeling: "I feel bored during online lectures."
 - (This emotional response forms a negative attitude.)
6. Teamwork
 - Feeling: "I feel excited and motivated when working in a team."
 - (Positive emotions lead to a positive attitude toward teamwork.)
7. Customer Service
 - Feeling: "I feel frustrated after dealing with rude customers."
 - (This negative emotion affects attitude toward customer interactions.)

2. Behavioural component:

The behavioural components of attitudes are associated with past behaviours or experiences regarding an attitude object. The idea is that people might infer their attitudes from their previous actions. This idea was best articulated by Bem. An important feature of attitudes is their ability to sum up several types of psychological information.

Example: If you say, "I always choose to buy eco-friendly products," that's an example of a behavioral expression of your attitude toward the environment.

1. **Job**
 - Behaviour: An employee regularly works overtime and takes initiative.
 - (This behaviour shows a positive attitude toward the job.)
2. **Manager**
 - Behaviour: An employee avoids interacting with his manager.
 - (This action reflects a negative attitude toward the manager.)
3. **Training Programs**
 - Behaviour: An employee voluntarily enrolls in skill-development programs.
 - (This shows a positive attitude toward learning.)
4. **Customer Service**
 - Behaviour: A salesperson patiently helps customers and follows up after sales.
 - (This behaviour indicates a positive attitude toward customers.)
5. **Teamwork**
 - Behaviour: An employee actively participates in team meetings and supports colleagues.
 - (This reflects a positive attitude toward teamwork.)
6. **Workplace Safety**
 - Behaviour: An employee strictly follows safety rules and uses protective equipment.
 - (This behaviour shows a positive attitude toward safety.)
7. **Environmental Protection**
 - Behaviour: A person regularly recycles waste and avoids plastic usage.
 - (This behaviour reflects a positive attitude toward the environment.)

3. Cognitive component:

The cognitive component of attitudes denotes to the beliefs, thoughts, and attributes (qualities) that people would associate with an object. Many times, a person's attitude might be based on the negative and positive attributes (*characteristics*) they associate with an object.

Example: If you say, "I believe that exercising regularly is good for my health," this belief is the cognitive component of your attitude toward exercise.

1. **Job**
 - Belief: "This job provides good career growth and job security."
 - (This belief forms the cognitive component of the employee's attitude toward the job.)
2. **Manager**
 - Belief: "My manager is knowledgeable but very strict."
 - (These thoughts shape the employee's attitude toward the manager.)
3. **Company**
 - Belief: "The company offers fair salaries and good working conditions."
 - (These perceived attributes influence the employee's attitude.)
4. **Online Education**

- *Belief: "Online classes are flexible but lack practical exposure."*
- *(Both positive and negative beliefs form the cognitive component.)*
- 5. *Product (Mobile Phone)*
 - *Belief: "This phone has a strong battery and good camera but is expensive."*
 - *(The attitude is based on the product's perceived qualities.)*
- 6. *Work-from-Home*
 - *Belief: "Work-from-home saves travel time but reduces teamwork."*
 - *(These thoughts represent the cognitive aspect of attitude.)*
- 7. *College*
 - *Belief: "This college has experienced faculty and good placement opportunities."*
 - *(Such beliefs form students' attitudes toward the institution.)*

Three-component model of attitude structure states that beliefs, feelings and behaviours form three distinct types of psychological information that are strongly tied to attitudes.

TYPES OF ATTITUDES:

In organizational behavior, not all attitudes are important; the focus is on employees' positive or negative attitudes toward their work environment. These attitudes influence key outcomes such as performance, job satisfaction, involvement, commitment, turnover, absenteeism, and workplace behavior. Research shows that job satisfaction, job involvement, and organizational commitment are the most significant attitudes affecting organizational behavior.

TYPES OF ATTITUDES / JOB RELATED ATTITUDES

- (1) Job Satisfaction
- (2) Job Involvement
- (3) Organisational Commitment

(1) Job Satisfaction:

Job satisfaction refers to the evaluation of one's job and the set of favourable or unfavourable feelings an employee holds toward it. According to Robbins, it is a positive feeling about the job that results from an assessment of job characteristics. Employees with high job satisfaction have positive attitudes toward their work, while dissatisfied employees hold negative feelings.

Job satisfaction reflects how employees view different aspects of their job and is important for management in preventing and solving employee-related problems. Organisations use job satisfaction surveys as diagnostic tools to measure satisfaction levels and to frame staffing policies and employee benefit programmes.

Job satisfaction is closely related to motivation, attitudes, morale, personality, and job design. Factors such as the nature of work, pay, promotion opportunities, supervision, work group, and working conditions significantly influence an employee's level of job satisfaction.

Examples of High Job Satisfaction

1. *An employee who enjoys the nature of work, feels fairly paid, receives recognition from supervisors, and shows enthusiasm at the workplace.*

2. *A teacher who feels proud of the job, is motivated to perform better, maintains high morale, and willingly takes additional responsibilities.*
3. *An IT professional who is satisfied with working conditions, promotion opportunities, and supportive colleagues, resulting in strong commitment to the organization.*

Examples of Low Job Satisfaction

1. *An employee who feels underpaid, ignored by supervisors, and dissatisfied with working conditions, leading to frustration and poor performance.*
2. *A worker who dislikes the job role, feels no growth opportunities, and frequently complains about workload and management policies.*
3. *An employee who shows low morale, avoids responsibilities, and is often absent or thinking about quitting the job.*

(2) Job Involvement:

Job involvement refers to the degree to which an employee identifies with, is concerned about, and is actively engaged in the job he performs. It reflects the employee's psychological attachment to the job and the importance of job performance to self-worth. According to Robbins, Judge, and Vohra, a highly involved employee strongly identifies with the job and actively participates in it.

High job involvement is positively related to organisational citizenship behaviour, where employees voluntarily engage in activities that support organisational success, such as helping others and contributing extra effort. It also leads to lower absenteeism and reduced resignation rates. Job involvement is influenced by factors like participation in decision-making, meaningful work, and autonomy. However, high job satisfaction does not necessarily imply high job involvement.

Examples of High Job Involvement

1. *An engineer who strongly identifies with his job, actively participates in problem-solving, and feels proud when projects succeed.*
2. *An employee who voluntarily stays late to complete work, helps colleagues, and treats the organization's success as personal success.*
3. *A nurse who feels emotionally attached to the profession, gives extra care to patients, and considers job performance as a measure of self-worth.*

Examples of Low Job Involvement

1. *An employee who performs tasks only because it is required, shows little interest in outcomes, and avoids extra responsibilities.*
2. *A worker who does not identify with the job, feels disconnected from work, and is unconcerned about performance quality.*
3. *An employee who frequently remains absent, shows minimal participation in team activities, and has little attachment to the organization.*

(3) Organisational Commitment: Organisational commitment shows an employee's attitude toward the whole organisation. It shows how loyal an employee is to his organisation. Organisational commitment is an employee's assurance or promise to continue his membership in the organisation.

Stephen Robbins and others define: "Organisational commitment is the degree to which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation."

There are three dimensions of organisational commitment, such as:

(1) Affective Commitment: It is an emotional attachment to the organisation and a belief in its value. It shows a person's affection or love toward the organisation.

(2) Continuance Commitment: It shows the perceived *(considered)* economic value of continuing with organisation because he is paid well by the organisation, and quitting the organisation will hurt his family interest.

(3) Normative Commitment: It is an employee's obligation to remain with the organisation for normal or ethical reasons. He believes it is his ethical obligation to remain with the organisation.

Examples of Organisational Commitment (General)

- 1. An employee who strongly believes in the organisation's mission, speaks positively about it, and intends to continue working there.*
- 2. A worker who remains loyal to the organisation even during difficult times and does not easily look for alternative jobs.*

Examples of Types of Organisational Commitment

1) Affective Commitment (Emotional Attachment)

- 1. An employee who feels proud to be part of the organisation and enjoys contributing to its success.*
- 2. A manager who voluntarily promotes the company's values and feels emotionally connected to colleagues and organisational culture.*

2) Continuance Commitment (Cost-Based Attachment)

- 1. An employee who continues working because the organisation offers a high salary, pension benefits, or job security, and leaving would cause financial loss.*
- 2. A worker who stays in the organisation because alternative job opportunities are limited and family responsibilities depend on current income.*

3) Normative Commitment (Moral Obligation)

- 1. An employee who feels a moral duty to remain with the organisation because it supported him during difficult times.*
- 2. A person who believes it is ethically right to stay loyal to the organisation that invested in his training and development.*

PERCEPTION:

CONCEPT :

A person holds perception on almost every stimulus he confronts (*meet/challenges*). Perception is one's own views about the objects, events, persons, or situations. Perception is a powerful factor determining individual human behaviour. Perceived world, not the real, is more important in behaviour. In case of organisational life, employees have their perceptions on working condition, pay, job assignment, benefits, boss, and so forth.

Ex. Two employees receive the same feedback from their manager. One perceives it as helpful guidance and works harder to improve, while the other perceives it as criticism and feels demotivated. Though the situation is the same, their behaviour differs because of their individual perceptions.

Perception has a direct application in organisational behaviour and management practices. Human being has five senses (in psychology often referred as five faculties) to sensitise the stimuli (object, event, person, etc.), such as (1) visual (ability to see), (2) auditory (ability to hear), (3) tactile (ability to touch), (4) gustatory (ability to taste) and (5) olfactory (ability to smell). Data are fed in the mind by these senses. The mental process through which stimuli (any object, thing, person, idea, or situation) are attended, selected, and considered to draw a meaningful picture is called perception.

1. Visual Perception (Seeing)

Example: Performance Appraisal

- *A manager sees an employee frequently staying late in the office.*
- *The manager perceives the employee as **hardworking and committed**, even if the employee's productivity is average.*
- *This visual perception may influence **promotion or appraisal decisions**.*

2. Auditory Perception (Hearing)

Example: Communication and Leadership

- During meetings, an employee speaks confidently and clearly.
- Managers perceive the employee as **competent and leadership-oriented**.
- Another employee with good ideas but a soft voice may be perceived as less capable.

3. Tactile Perception (Touch)

Example: Workplace Interaction

- A firm handshake during an interview creates a perception of **confidence and professionalism**.
- A hesitant or weak handshake may lead to a negative first impression.

4. Gustatory Perception (Taste)

Example: Organisational Culture & Informal Interaction

- Quality of food in the company cafeteria influences employees' perception of **management's concern for employee welfare**.
- Poor quality food may create dissatisfaction even if salary is competitive.

5. Olfactory Perception (Smell)

Example: Work Environment

- A clean, fresh-smelling office environment leads employees to perceive the organisation as **professional and well-managed**.
- Unpleasant smells may create perceptions of poor maintenance and low standards.

6. Overall Perception in Management Decision-Making

Example: Recruitment

- Interviewers form perceptions based on **dress, body language, accent, and confidence**.
- These perceptions may outweigh objective qualifications, affecting hiring decisions.

DEFINITIONS OF PERCEPTION:

Perception is a cognitive concept. Let us define the term 'perception:

Robbins, Judge, and Vohra: "Perception is process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

Fred E Luthans: "Perception is very complex cognitive process that yields (*produces*) a unique picture of the world that may be quite different from reality."

We can define the term as: Perception is one's own views about any object, event, or person. It involves transforming raw data into a meaningful picture. It is a unique way of perceiving (looking at) the world.

1. Example: Perception of an Employee's Behaviour

- Two managers observe the same employee questioning a decision in a meeting.
- **Manager A** perceives the employee as confident and proactive.
- **Manager B** perceives the same behaviour as rude and disobedient.

🔗 Explanation:

The sensory input (employee speaking up) is the same, but each manager **organizes and interprets** it differently. This shows perception is a **cognitive process** and creates a **unique picture**, as stated by Luthans.

2. Example: Performance Evaluation

- An employee misses a deadline once.
- One supervisor perceives this as **carelessness**.
- Another supervisor perceives it as **work overload or system failure**.

🔗 Explanation:

Raw data (missed deadline) is transformed into **meaning based on mental interpretation**, not objective reality.

3. Example: Perception of Leadership Style

- A manager strictly follows rules and procedures.
- Some employees perceive the manager as **disciplined and fair**.
- Others perceive the same manager as **rigid and authoritarian**.

🔗 Explanation:

This reflects Robbins et al.'s idea that individuals give meaning to their environment through perception.

4. Example: Interview Situation

- A candidate speaks slowly during an interview.
- One interviewer perceives the candidate as **thoughtful and careful**.
- Another perceives the same candidate as **lacking confidence**.

🔗 Explanation:

The interviewer's **own views and mental framework** shape perception, proving it is a **cognitive process**.

5. Example: Organisational Change

- Management introduces new technology.
- Younger employees perceive it as **opportunity for growth**.
- Older employees perceive it as **job threat**.

🔗 Explanation:

The same event produces **different perceptions**, highlighting that perception may differ from reality.

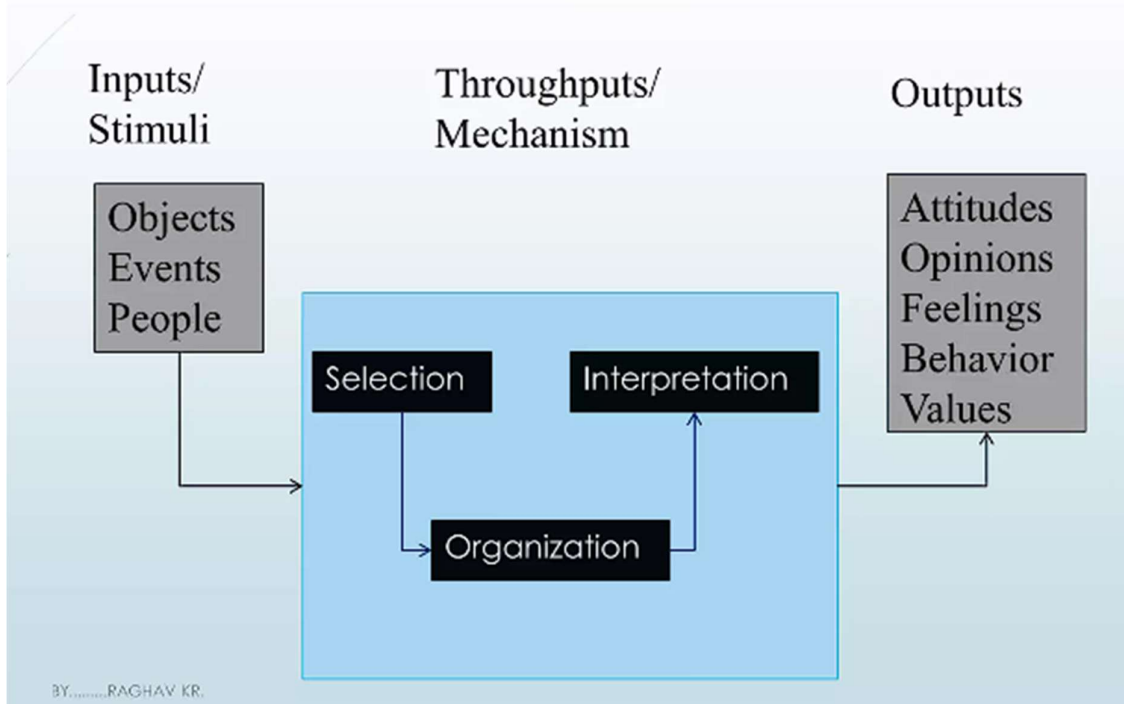
PERCEPTUAL PROCESS:

Perceptual process, also called perception (*assumption*) process, contains some definite steps that an individual follows while forming perception for a given stimulus. We know that perception formation is slow and complex process that undergoes a number of psychological processes.

While explaining perception process, Joseph Reitz states: "Perception includes all those processes by which an individual receives information about his environment—seeing, hearing, feeling, tasting, and smelling. The study of these perceptual processes shows that their functioning is affected by three classes of variables: (1) the objects or events being perceived, (2) the environment in which perception occurs, and (3) the individual doing the perceiving."

In fact, perception mechanism involves only three basic steps, (1) selection, (2) organisation, and (3) interpretation. However, in order to understand continuity from the beginning to the end, we consider five steps. Following figure shows steps in perception process.

Process of Perception



(1) Inputs: Inputs are the first step in the perception process, where information enters the mind through the senses. This pre-perception stage, also called stimuli confrontation, involves exposure to events, ideas, objects, and people. Sensory organs collect information from the environment and send it to the brain. Without these inputs, perception cannot be formed. The environment—especially the business and general environment—acts as the main source of inputs that shape individual and organisational decisions and behaviour.

Example for Inputs (Stimuli / Confrontation Stage)

Workplace Example: Manager Observing an Employee

- A manager **sees** an employee working late in the office.
- The manager **hears** the employee discussing project issues with team members.
- The manager **reads** an email showing the employee missed a deadline.

☞ These sights, sounds, and written information act as **inputs**.

Explanation

- At this stage, **no judgment or meaning is formed.**
- The brain only **receives raw information** through sensory organs:
 - Eyes (seeing late working hours)
 - Ears (hearing discussions)
 - Skin (tiredness sensed during handshake, if any)

☞ This is called **stimulus confrontation** because the individual comes in direct contact with stimuli.

Business Environment as a Source of Inputs

Example:

- Rising customer complaints
- Declining sales reports
- Competitor advertisements
- Employee absenteeism records

☞ These environmental factors act as **inputs** for managers to later form perceptions about organisational performance.

General Environment as a Source of Inputs

Example:

- News about economic recession
- Government policy changes
- Technological advancements

☞ These inputs influence perceptions about future business strategies and decisions.

(2) Selection: Selection is a key stage of the perceptual process in which an individual chooses certain stimuli for further processing. Also called registration of stimuli, it involves focusing only on important and relevant inputs based on one's needs. Since not all stimuli are equally significant, perceptual selectivity helps reduce overload by filtering out unnecessary information. The selection of stimuli depends on the perceiver's personality characteristics and the nature of the stimuli themselves.

Example 1: Selection Based on Personality Characteristics of the Perceiver

Situation:

Two managers attend the same meeting.

- **Manager A** (result-oriented) focuses mainly on **sales figures and targets**.
- **Manager B** (people-oriented) pays more attention to **employee concerns and morale**.

☞ **Explanation:**

Both managers receive the same stimuli, but their **personality, attitudes, and interests** determine which stimuli they select.

Example 2: Selection Based on Needs and Motives

Situation:

An employee seeking promotion:

- Selects feedback related to **performance and achievements**.
- Ignores casual comments unrelated to appraisal.

☞ **Explanation:**

Needs and motives influence **perceptual selectivity**.

Example 3: Selection Based on Characteristics of the Stimuli (Intensity)

Situation:

In a noisy office:

- A **loud alarm** or **raised voice** immediately attracts attention.
- Normal background noise is ignored.

☞ **Explanation:**

Stimuli that are **stronger or louder** are more likely to be selected.

Example 4: Selection Based on Novelty

Situation:

Employees ignore regular notice board messages but immediately notice a **new digital display**.

☞ **Explanation:**

New or unusual stimuli are selected more quickly than familiar ones.

Example 5: Selection Based on Relevance

Situation:

During a presentation:

- A finance manager focuses on **cost and budget details**.
- A marketing manager focuses on **customer response and branding**.

☞ **Explanation:**

Individuals select stimuli that are **relevant to their role and responsibilities**.

(3) **Organisation:** Organisation is an important stage of the perceptual process that occurs after stimuli are received. It involves arranging and interpreting selected information in a meaningful way. Perceptual organisation includes figure–ground differentiation (*the ability to differentiate an object from its background*), where a stimulus is separated from its background, and grouping, where inputs are arranged by modifying, adding, associating, or eliminating information. People organise stimuli using principles such as nearness, closure, continuity, and simplification (similarity), which help in understanding patterns and reducing information overload.

3) Organisation – Examples

Organisation refers to **arranging selected stimuli into meaningful patterns**. It includes **figure–ground and grouping**.

A. Figure–Ground Example

Situation:

In a busy office:

- A manager focuses only on an **employee's raised voice** during a meeting.
- Background noises (AC, typing, side conversations) are ignored.

☞ **Explanation:**

The raised voice becomes the **figure**, while other sounds become the **ground**.

B. Grouping – Examples Based on Principles

1. Proximity

Example:

Employees sitting close together in a meeting are perceived as a **team or group**, even if they belong to different departments.

☞ *Nearness leads to grouping.*

2. Closure

Example:

A supervisor notices an employee leaving early for a few days and **assumes** the employee is avoiding work, even without full information.

☞ Missing information is **filled using past experience**.

3. Continuity

Example:

If an employee has performed poorly in the past, a manager expects the employee to **continue performing poorly** in future tasks.

☞ Past patterns are connected to present behaviour.

4. Simplification / Similarity

Example:

Management perceives all fresh graduates as **inexperienced**, ignoring individual differences.

☞ Similar stimuli are grouped together to reduce complexity.

(4) Interpretation: Interpretation is the stage where meaning is given to selected and organised stimuli, leading to the formation of perception. Without interpretation, sensory inputs remain meaningless. It involves making judgments or conclusions and is influenced by psychological factors such as motivation, learning, attitudes, and personality. Interpretation depends on both perceiver-related factors (needs, experiences, emotions) and situational factors (work environment, organisational culture, and social conditions). Since interpretation is subjective, people often use mental shortcuts, which can distort perception and reduce perceptual accuracy.

*Interpretation is the stage where **meaning and judgment** are assigned to organised stimuli.*

Example 1: Interpretation Based on Perceiver Characteristics

Situation:

An employee questions a decision.

- *A confident manager interprets it as **constructive feedback**.*
- *An insecure manager interprets it as **disrespect**.*

☞ *Interpretation depends on **attitudes, personality, and emotional state**.*

Example 2: Interpretation Based on Situation Characteristics

Situation:

An employee remains silent in a meeting.

- *In a participative culture → perceived as **lack of preparation**.*
- *In an authoritarian culture → perceived as **obedience and discipline**.*

☞ *Organisational culture influences interpretation.*

Examples of Shortcuts (Barriers to Perceptual Accuracy)

1. Halo Effect

- *A well-dressed employee is perceived as **highly competent**.*

2. Stereotyping

- *Older employees are perceived as **resistant to change**.*

3. Projection

- *A dishonest manager assumes others are also dishonest.*

4. Attribution

- *Success is attributed to **ability**, failure to **luck or situation**.*

☞ *These shortcuts distort perception and reduce accuracy.*

(5) Output (Behaviour or Feedback): Output is the result of perception. It is like feedback of the perception developed. Output may be referred as the reaction or behaviour. The perceiver behaves or responds according to his perception. Output is witnessed in terms of the impact of perception on one's attitudes, opinions, beliefs, or actions. An employee's past behaviour may be changed or modified, and it may give a new or fresh outlook.

Selection (or registration) of inputs, organisation of inputs, interpretation of inputs are cognitive processes and they occur within individual. These processes are unobservable. Only feedback, in the form of person's reaction or behaviour, is observable.

Examples for Output (Behaviour / Feedback)

Example 1: Employee Performance

Situation:

*A manager perceives an employee as **lazy** based on late arrivals.*

Output (Behaviour):

- *Manager gives **less responsibility***
- *Manager avoids assigning important tasks*

☞ *This behaviour is the **observable output** of the manager's perception.*

Example 2: Leadership Style

Situation:

*Employees perceive their manager as **supportive and fair**.*

Output (Behaviour):

- *Employees show **higher motivation***
- *Employees cooperate and communicate openly*

☞ *Positive perception leads to **positive behavioural output**.*

Example 3: Recruitment Decision

Situation:

An interviewer perceives a candidate as **confident and capable**.

Output (Behaviour):

- Candidate is **selected for the job**
- Offered better role or package

☞ Hiring decision is the **feedback of perception**.

Example 4: Organisational Change

Situation:

Employees perceive a new policy as a **threat**.

Output (Behaviour):

- Resistance to change
- Negative attitude and complaints

☞ Perception influences **attitudes and actions**.

Example 5: Modification of Past Behaviour

Situation:

An employee perceives feedback as **constructive**.

Output (Behaviour):

- Improves performance
- Adopts a **new work approach**

☞ Output reflects **change in behaviour and outlook**.

(FACTORS INFLUENCING PERCEPTION)

SELECTIVE PERCEPTION-CONCEPT AND FACTORS:

Selective perception is the process by which individuals **choose and interpret only certain stimuli** from their environment based on their **interests, needs, background, experiences, and attitudes**. People focus on stimuli that are **most relevant or important** to them in a given situation.

The selection of stimuli is also influenced by their **characteristics**, such as size, intensity, contrast, repetition, movement, usefulness, novelty, and familiarity.

Thus, selective perception means that **only selected and meaningful stimuli are attended to and interpreted**, and it affects **the entire perception process**, not just the initial selection.

FACTORS IN SELECTIVE PERCEPTION:

Two types of factors affect selective perception,

(A) Characteristics of the stimuli, and

(B) Personality characteristics of the perceiver

(A) Characteristics of Stimuli:

Human beings cannot perceive everything in their environment, so they **select only certain stimuli** for perception. Because it is impossible to process all sensory inputs, people focus on stimuli related to their **interests, needs, or activities**. This selectivity helps in **reducing perceptual overload** and makes perception manageable.

They include:

1. Intensity
2. Size
3. Contrast
4. Repetition
5. Motion (speed)
6. Novelty & Familiarity
7. Status

(1) Intensity: Stimuli with a high intensity are more likely to be selected. The principle states that more intensive the external stimulus, the more likely it is to be selected. For example, loud noise against soft sound is more likely to be attended. A shop with strong glaring light is likely to attract people

Stimuli with greater intensity attract more attention.

Example:

- A **loud alarm** is noticed more quickly than a soft beep.
- A shop using **bright, glaring lights** attracts more customers than one with dim lighting.

(2) Size: It is clear that anything with abnormally big size in a given mass is likely to be selected. The generalization is: The larger is the size of stimulus, the more likely it is to be selected. For example, full page advertisement is more attention catching.

Larger stimuli are more likely to be perceived than smaller ones.

Example:

- A **full-page newspaper advertisement** draws more attention than a small corner ad.
- A **big hoarding** on the roadside is noticed more than a small signboard.

(3) Contrast: More contrasting (different from others) thing is more eye-catching. A stimulus that looks different as compared to others is more likely to be selected. For example, highlighted, underlined, and different coloured words are more capable to draw attention

Stimuli that are different from their surroundings attract attention.

Example:

- **Highlighted or bold words** in a textbook catch the reader's eye.
- A person wearing **bright clothes** in a group dressed in dull colors is noticed quickly.

4) Repetition: Normally, a repeated external stimulus gets more attention as compared to a single one. The higher is repetition of a stimulus, the more is the possibility of it being selected. For example, repeatedly given warning by the supervisor create the desired effect on the workers.

Repeated stimuli are more likely to be noticed and remembered.

Example:

- *Repeated safety warnings by a supervisor influence workers' behavior.*
- *TV advertisements shown repeatedly remain in consumers' minds.*

(5) Motion: This factor states that moving objects are more attention-getting against stationary (or fixed) objects. Moving person on a stage is attended more by the audience.

Moving objects attract more attention than stationary ones.

Example:

- *A moving person on a stage draws more attention than someone standing still.*
- *Animated ads are noticed more than static posters.*

(6) Novelty and Familiarity: Naturally, novel and familiar object/situation is more likely to be attended. For example, job rotation tends to increase attention of employees.

Both new and familiar stimuli attract attention.

Example:

- *Job rotation creates novelty and increases employees' interest.*
- *A familiar company logo or brand name is quickly recognized among many products.*

(7) Status: Stimulus with a high or magnifying status increases the chance of being selected among others with low status. The chairman of the company can easily draw other's attention.

7. Status

High-status stimuli receive more attention than low-status ones.

Example:

- *Employees pay more attention when the **chairman or CEO** speaks.*
- *Instructions from a **senior manager** are noticed more than those from a junior employee.*

(B) Personality Characteristics of the Perceiver:

Personality characteristics of the perceiver are internal or cognitive factors such as **learning, motivation, attitudes, and personality** that influence perceptual selectivity. These factors affect **which stimuli are selected and how they are interpreted**. Because of individual differences, **the same situation may be perceived differently by different people**. Internal factors influence the **entire perception process**, including **selection, organisation, and interpretation** of stimuli.

CHARACTERISTICS OF THE PERCEIVER

1. Needs
2. Personality
3. Past Experience
4. Attitudes
5. Emotional & Psychological State
6. Situations
7. Social Factors

(1) Needs or Motives: One always selects and evaluates given stimuli based on his current and expected needs. Other factors that affect one's needs and preference also play important role in selective.

People notice stimuli that satisfy their current needs.

Example:

- *A **hungry person** notices restaurants and food stalls more than other shops.*
- *A student preparing for exams focuses more on **study-related books**.*

(2) Personality and Self-concept: Personality characteristics and self-concept affect selection of stimuli. They also affect interpretation of the selected stimuli.

Personality traits influence what is noticed and how it is interpreted.

Example:

- *An **optimistic person** sees a challenging task as an opportunity.*
- *A **confident employee** perceives feedback as helpful.*

3) Past Experience: Depending upon past experience, one selects, organises and interprets the stimuli.

Previous experiences shape perception of present stimuli.

Example:

- *An employee who was earlier scolded may **fear the manager** even during normal interaction.*
- *A driver who met with an accident drives **more cautiously**.*

(4) Attitudes: Attitudes determine the degree of favourableness of the stimuli. Favourable stimuli are more likely to be selected.

Positive or negative attitudes affect selection and interpretation.

Example:

- *A person who likes his job views **extra work positively**.*
- *A person with a negative attitude towards management sees new rules as **unfair**.*

(5) Current Emotional and Psychological State: A person may be frightened, confused, out of mood, or relaxed. His selection of stimuli and their interpretation tend to be different in different mental states.

Mood and mental condition influence perception.

Example:

- *A **stressed employee** may see small problems as big issues.*
- *A **relaxed person** remains calm in the same situation.*

(6) Situations: Situations is made of many things, like physical settings of the organisation, level of encouragement, facilities, place, climate, comfort versus stress, etc. The situation affects selection and interpretation of stimuli.

Physical and psychological surroundings affect perception.

Example:

- *A **comfortable, well-lit office** increases positive perception of work.*
- *Heavy workload and pressure create **negative perception** of the same job.*

(7) Social Factors: Social factors, including social class, family, reference groups, and others, affect whole perception process, including selection of stimuli.

Social background and group influence perception.

Example:

- *A person's **family values** affect how he views authority.*
- *Employees are influenced by opinions of their **reference group or colleagues**.*

All external attention factors do not equally affect attention of all the people.

The effect of **external attention factors** on perception depends on **internal factors**, and together they influence **perceptual selectivity**, causing people to select different stimuli. Understanding these factors is important for managers. Since perception is formed only on **selected stimuli**, **characteristics of stimuli** play a key role in selective perception and help managers guide employees to focus on **important issues**.

VALUES:

Values guide us to judge the thing right or wrong. They contain a judgmental element in that shows what is desirable and what is not. Values have both content and intensity attributes. Content attribute certifies what is right or wrong, while intensity attribute measures how much important it is. When we rank a person's values in their intensity, we obtain the person's value system. Every person, every department, every company and every nation hold values relevant to life and work environment.

Example:

*Imagine a company, **EcoTech Solutions**, that develops environmentally friendly technologies. The company's values include:*

- 1. **Environmental Sustainability (Content: Protecting the environment; Intensity: Very high)***
 - This value guides employees to prioritize eco-friendly methods in all projects, such as reducing waste, using renewable energy, and avoiding harmful chemicals.*
 - The intensity shows that this value is non-negotiable for the company—they consistently make decisions based on it.*
- 2. **Innovation (Content: Creating new and useful solutions; Intensity: High)***
 - Employees are encouraged to think creatively and develop cutting-edge technologies.*
 - Its high intensity shows that while it's important, some decisions (like environmental impact) may take precedence over innovation.*
- 3. **Profitability (Content: Making financial gains; Intensity: Medium)***
 - The company wants to remain financially healthy.*
 - The medium intensity indicates that profit is important but not at the expense of sustainability or ethics.*

*When we rank these values by intensity—**Environmental Sustainability > Innovation > Profitability**—we get **EcoTech's value system**, which guides all decisions, from product design to hiring practices.*

*In short, values tell us **what is right or wrong** (content) and **how strongly we care about it** (intensity). The hierarchy of these values forms a **value system** that influences behavior in personal, organizational, and societal contexts.*

DEFINITIONS OF VALUES:

Stephen Robbins and others values as: "Values are basic convictions (accepted norms) that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence-

Values are imparted or imposed by the culture, society, religion. In this reference, we can define values as: Values are culturally imported, socially approved (or imposed), and religiously sanctioned preferable system that governs our thinking and actions.

Values and attitudes are closely related. We hold positive or negative attitudes due to our values. Values, thus, are an input in attitudes. They are indicative of the ideal human conduct, or preferred behaviour. They shape our behaviour response. Values are relatively stable. However, they undergo changes in a long run. Other terms similar to values are principles, ethics, morals, ideals, ex standards.

Example:

Consider **Rahul**, a young professional living in India. His values have been shaped by **family, society, and religion**.

1. Honesty (Culturally and socially approved)

- Rahul believes telling the truth is preferable to lying. This belief is reinforced by his family and cultural norms, and also emphasized in religious teachings.
- Because honesty is a core value for him, he tends to **avoid cheating at work** or taking credit for someone else's effort.
- Here, honesty guides his **attitudes**—he feels strongly against unethical behavior and praises transparency.

2. Respect for elders (Socially sanctioned)

- Growing up in a society that emphasizes respect for elders, Rahul treats older colleagues and family members with courtesy.
- This value shapes his **behavior response**, like seeking advice from seniors and listening attentively, even if he doesn't personally agree.

3. Helping others (Ideals/religious sanction)

- Rahul values altruism, encouraged by both religious teachings and social expectations.
- This leads him to volunteer at a local NGO on weekends, demonstrating the link between **values and attitudes/behavior**.

In this example:

- **Values** (honesty, respect, helping others) are culturally and socially shaped, as Robbins says.
- They **inform Rahul's attitudes** (feeling positively about honesty and negatively about cheating).
- They **guide his behavior** (volunteering, being respectful, avoiding dishonesty).
- While stable, his values might **evolve over time** due to exposure to new cultures or experiences.

TYPES OF VALUES:

Milton Rokeach has classified values into two groups:

TYPES OF VALUES

(1) Terminal Values

(2) Instrumental Values

(1) Terminal Values: Terminal values refer to desirable end-states (or outcomes). These values are the goals the person desires to achieve in his life. Some terminal values are:

- (1) A comfortable life (a personal life)
- (2) A world at peace (free of war and conflict)
- (3) Equality (brother hood and equal opportunity for all)
- (4) Family security (taking care of loved one)
- (5) Freedom (independence and free choice)
- (6) Happiness (contentedness)
- (7) Inner Harmony (freedom from inner conflict)
- (8) National Security (protection from attack)
- (9) Pleasure (an enjoyable, leisurely life)
- (10) Self-respect (self-esteem)
- (11) Friendship (close companionship)
- (12) Wisdom (matured and understandable life)

Examples of Terminal Values

1. **A Comfortable Life**

- Neha works steadily to buy a house, save for the future, and enjoy a stable lifestyle without financial stress.

2. **A World at Peace**

- Raj volunteers with organizations promoting conflict resolution and peace-building to help reduce war and violence.

3. **Equality**

- Anjali advocates for equal opportunities at her workplace, ensuring everyone is treated fairly regardless of gender or background.

4. **Family Security**

- Sameer saves money and invests wisely to ensure his children's education and his parents' healthcare are taken care of.

5. **Freedom**

- Priya pursues a career she is passionate about rather than one chosen by others, valuing independence in decision-making.

6. **Happiness**

- Karan spends quality time with loved ones, enjoys hobbies, and seeks contentment in daily life rather than just material success.

7. **Inner Harmony**

- Meera practices meditation and mindfulness to maintain mental peace and reduce inner conflicts caused by stress or difficult decisions.

8. **National Security**

- Arjun joins the armed forces to protect his country and ensure safety from external threats.

9. **Pleasure**

- Tina takes vacations, enjoys entertainment, and indulges in hobbies as a way to enjoy life fully.

10. **Self-Respect**

- Rakesh refuses to lie or cheat at work even if it would benefit him, maintaining his dignity and self-esteem.

11. **Friendship**

- Alok spends time nurturing close relationships, supporting friends in need, and being a reliable companion.

12. **Wisdom**

- Shreya seeks knowledge through reading, learning from experiences, and reflecting on her actions to lead a mature and meaningful life.

(2) Instrumental Values: Instrumental values refer to preferable modes of behaviour to realise the terminal values. They are means, inputs, or instruments to achieve the desirable end-states.

- (1) Ambitious (hardworking and spring)
- (2) Broad-minded (open-minded)
- (3) Cheerful (lightened or joyful)
- (4) Courageous (standing up for your belief)
- (5) Forgiving (willing to pardon others)
- (6) Helpful (working for the welfare of others)
- (7) Imaginative (daring and creative)
- (8) Independent (self-reliant and reflective)
- (9) Intellectual (intelligent and reflective)
- (10) Obedient (dutiful and respectful)
- (11) Polite (courteous and well-mannered)
- (12) Responsible (dependable, reliable)

Examples of Instrumental Values

1. ***Ambitious (hardworking and driven)***
 - *Priya works late to complete her projects and improve her skills, aiming to achieve a comfortable life and career success.*
2. ***Broad-minded (open-minded)***
 - *Rahul listens to diverse perspectives at work, promoting equality and friendship among colleagues.*
3. ***Cheerful (lighthearted or joyful)***
 - *Anjali maintains a positive attitude in challenging situations, helping herself and others pursue happiness and inner harmony.*
4. ***Courageous (standing up for beliefs)***
 - *Sameer speaks out against unfair practices at work, striving for justice and equality.*
5. ***Forgiving (willing to pardon others)***
 - *Meera forgives a friend who betrayed her trust, preserving friendship and achieving inner harmony.*

6. **Helpful (working for the welfare of others)**

- Rakesh volunteers at a local NGO to support disadvantaged families, promoting **family security** and **a world at peace**.

7. **Imaginative (daring and creative)**

- Tina creates innovative solutions for environmental challenges, contributing to **a world at peace** and **wisdom**.

8. **Independent (self-reliant and reflective)**

- Arjun makes decisions on his own career path, ensuring **freedom** and **self-respect**.

9. **Intellectual (intelligent and reflective)**

- Shreya studies philosophy and ethics, aiming to develop **wisdom** and make thoughtful life choices.

10. **Obedient (dutiful and respectful)**

- Neha follows workplace rules and respects societal laws, ensuring **national security** and **a comfortable life**.

11. **Polite (courteous and well-mannered)**

- Karan treats everyone respectfully, which strengthens **friendships** and promotes **family security**.

12. **Responsible (dependable and reliable)**

- Alok ensures he meets deadlines and keeps promises, supporting **a comfortable life** and **self-respect**.

IMPACTS OR IMPORTANCE OF VALUES:

Impacts or importance of value can be better described in relations to following points:

(1) Values affect our attitudes, perception, personality, satisfaction, motivation and morale, and significance of the final outcomes. Parents, teachers, friends, relatives, spiritual leaders, and formal rulers have significant role in our value formation.

(1) Values affect attitudes, perception, personality, satisfaction, motivation and morale

Example:

A person brought up with values like **honesty, discipline, and respect for elders** (taught by parents and teachers) develops:

- **Positive attitude** towards work
- **Perception** that hard work leads to success
- **Personality** that is sincere and responsible
- **High job satisfaction** when work is meaningful
- **High motivation and morale** even under pressure

☞ A dishonest environment during upbringing may lead to **negative attitudes and low morale** at work.

(2) Values are personal judgment that determines whether a specific mode of conduct is personally or socially preferable (or desirable). They contain a judgment element as to what is right, good, or desirable.

All of us have hierarchy of values that forms our value system. Based on the value system that we hold, we judge/assign relative importance to freedom, relations, pleasure, self-respect, honesty, sincerity, regularity, (compliance to) commitment, obedience, equality, and such other aspects.

(2) Values are personal judgments of what is right, good, or desirable

Example:

Two employees face the same situation:

- One believes **honesty is the best policy** → refuses to manipulate accounts
- Another values **personal gain** → agrees to falsify data

☞ Their **value system** determines their judgment of what is right or wrong.

Value hierarchy example:

- For one person: **Honesty > Money > Pleasure**
- For another: **Money > Honesty > Commitment**

(3) Values set our priorities and affect our efforts and outcomes of the efforts. Values affect both our personal life at home and corporate life at workplaces. Our overall behaviour pattern depends on our value system.

(3) Values set priorities and affect efforts and outcomes

Example (Personal life):

A person who values **family and relationships**:

- Leaves office on time
- Avoids unnecessary overtime

Example (Workplace):

An employee who values **achievement and commitment**:

- Works late to meet deadlines
- Takes ownership of tasks

☞ Thus, **values decide priorities, level of effort, and final performance.**

(4) Be clear that all values are not equally relevant to all type of position holders. Different values carry different impacts on different position holders. Even, different cultures have their unique set of values.

(4) All values are not equally relevant to all position holders

Example:

- A **bank manager** must value **integrity and accuracy**

- A **sales executive** must value **persuasion and relationship-building**
- A **soldier** must value **discipline and obedience**

☞ The **importance of values differs** according to job roles and cultural background.

(5) Groups or class in society based on caste, religion, profession, etc., hold a set of values quite different to among them.

(5) Different social groups hold different sets of values

Example:

- **Doctors** value service, ethics, and compassion
- **Business people** value profit, competition, and innovation
- **Teachers** value knowledge, patience, and moral development

Similarly:

- Religious groups may value **spirituality**
- Professional groups may value **efficiency and competence**

(6) Employees' values and top management values determine overall work climate. Success of organisation depends on parity among two set of values, employee value and organisational values. An organisation can also prescribe some values that its members are required to follow.

(6) Employees' values and top management values shape work climate

Example:

If top management values:

- **Teamwork, transparency, and fairness, and**
Employees also share these values → **positive work climate**

But if:

- Management values **profits at any cost**
- Employees value **ethics and fairness**

☞ Conflict arises, morale falls, and performance suffers.

Example of prescribed organisational values:

- Tata Group: Integrity and trust
- Infosys: Ethics and professionalism

(7) Major contribution to our values comes from the culture to which we belong. Parents, teachers, etc., are just mediators or agents that impart (or institutionalize) cultural values. Cultural values govern every type of action and reaction.

(7) Culture is the major contributor to value formation

Example:

In Indian culture:

- *Respect for elders*
- *Importance of relationships*
- *Collectivism*

In Western culture:

- *Individualism*
- *Independence*
- *Achievement orientation*

Parents, teachers, and leaders only **transmit these cultural values**, but culture itself shapes behaviour, reactions, and decisions.

UNIT 3: GROUPS AND TEAM BEHAVIOUR – 20%

CONTENT

- **Groups and Work Teams: Concept**
- **Five Stage model of group development**
- **Groupthink and Shift**
- **Indian Perspective on Group Norms**
- **Group v/s Teams; Types of Team**
- **Individual and Group Conflict**
- **Concept of E-team (electronics/ virtual team)**

DEFINITION OF GROUP

According to **Stephen Robbins**, group can be defined as, “Two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.”

According to Fred Luthans

“A group consists of two or more people who interact with each other and are psychologically aware of one another.”

According to K. Aswathappa

“A group is a collection of individuals who interact with one another and share common interests, norms, and goals.”

According to L. M. Prasad

“A group is a set of individuals who have regular contact with each other and who share common objectives.”

DEFINITION OF WORK TEAM

According to Stephen P. Robbins

“A work team is a group whose individual efforts result in performance that is greater than the sum of individual inputs.”

According to Fred Luthans

“A work team is a group of employees who interact and coordinate their work to accomplish shared goals.”

According to K. Aswathappa

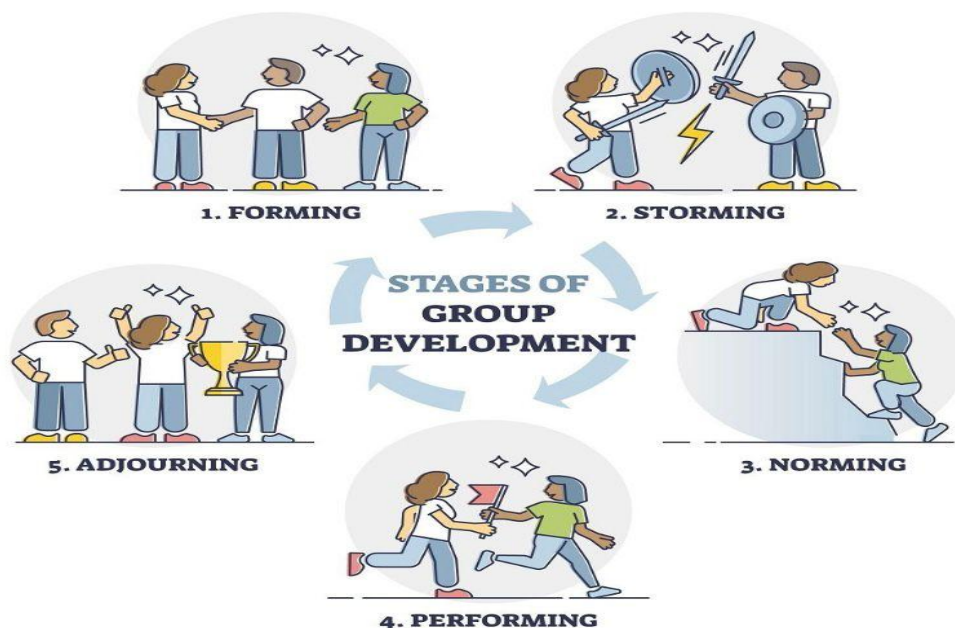
“A work team is a group of individuals working together in a coordinated manner to achieve common organizational goals.”

According to V. S. P. Rao

“A work team is a small group of people with complementary skills committed to a common purpose and performance goals.”

FIVE STAGE MODEL OF GROUP DEVELOPMENT/ PROCESS OF FORMATION OF GROUP

1. Forming
2. Storming
3. Norming
4. Performing
5. Adjourning



1. Forming

- Group is formed - Members comes together as group
- Getting to know each other
- Try to determine (know) group task and goals.
- Seek guidance from other members especially leader/ manager.
- Member behaviour- openness, politeness, sharing thoughts and ideas
- Member feel- anxiety, isolation, hesitation and frustration
- Being leader you have to introduce fun and enjoyment to encourage attention.

2. Storming

- A period of highly emotion and tension among group.
- Members begin to confront each other.
- Strong personalities emerge.
- Members engage in clarifying expectations.
- Deal with obstacles.
- Understand members interpersonal style and skills.
- Very critical stage.

- If conflict handled well the team develop strong bonding and goal orientation.

3. Norming

- A point at which group really begins to come together as a coordinated unit.
- Members concern's include:
 - Holding group together.
 - Dealing with divergent views and criticisms.
 - Dealing with a premature sense of accomplishment.
- Group begin to work more constructive.
- Roles become clear.
- Sub-groups are more likely to form.
- Rules and regulations are prepared and well communicated.
- New leadership and dominance might emerge.

4. Performing

- Marks the emergence of mature, organized, well functioning group.
- Members deal with complex tasks and handle internal disagreements in creative ways.
- Primary challenge is to continue to improve relationships and performance.
- Group member will perform according to defined roles
- This is the best stage for a group to complete tasks, assuming that task, rather than process and individuals, are the focus of the group
- The team focuses on 2 type of roles:
 - Task related roles
 - Group maintenance Role

5. Adjourning

- Termination: The final stage in the life of a group.
- This stage in group development is equally important to positive outcomes.
- The ending of a group can be a very unhappy and distressing time for some members, as they may feel some extent of dependency on the group.

PITFALLS OF GROUP

Groups can be effective, but they also face several limitations or pitfalls, including:

A. GROUPTHINK

Meaning

Groupthink means when a group wants everyone to agree, some members stop expressing their real opinions. They agree with the group even if the decision is wrong.

- Members wants harmony
- They want to avoid conflicts
- They do not want to hurt anyone's feelings
- So they say yes even when they disagree inside

Definition

- Members suppress different opinions to maintain harmony, leading to poor decision-making.

- Groupthink is a phenomenon where the desire for group harmony becomes so strong that members suppress dissenting viewpoints, leading to poor-quality or irrational decisions.
- Groupthink is an unhealthy agreement-seeking tendency in groups that discourages critical evaluation of alternatives.

Why Groupthink Happens?

1. Group is very close / cohesive
 - Members feel emotionally attached so they don't want to disagree.
2. Leader is very strong
 - They follow the leader without question.
3. No proper discussion
 - Alternatives are not checked properly.
4. Members don't want to look different
 - They fear rejection.

Symptoms of Groupthink

1. Feeling "We cannot fail"
 - Group thinks it is always right.
2. Ignoring negative information
 - They reject criticism or warning signs.
3. Belief that "Our decision is moral"
 - Group thinks whatever they decide is correct.
4. Labeling outsiders as wrong
 - They think anyone who disagrees is foolish.
5. Pressuring members who disagree
 - Members who raise doubts are criticized.
6. Keeping silent (self-censorship)
 - People hide their real opinions.
7. Thinking "Everyone agrees"
 - Silence is taken as agreement.

Effects of Groupthink

- Wrong decisions
- No creativity
- Lack of alternatives
- Harmful results
- Members feel frustrated

How to Prevent Groupthink

1. Encourage open debate.
2. Allow criticism without fear.
3. Include outsiders in discussions.
4. Break group into subgroups.
5. Leader should remain neutral initially.
6. Invite experts for external evaluation.
7. Promote psychological safety.

B. GROUP SHIFT

Meaning

Group Shift means that after group discussion, group decisions become more extreme than individual opinions.

- The group becomes more risky
- The group becomes more cautious than what individuals would decide alone.
- Groups often make decisions that are more extreme than individual decisions.

Definition

- Group Shift refers to the tendency of group members to make more extreme decisions after discussion than their initial individual opinions.

Two Types of Group Shift

- 1. Risky Shift – Group becomes more risk-taking.
- 2. Conservative Shift – Group becomes more cautious than individuals.

Why Group Shift Happens?

1. People feel safer in a group
 - Responsibility is shared → more bold decisions.
2. Group discussion increases confidence
 - More arguments → stronger opinions.
3. Members want to impress others
 - They may show they are bold or careful → become extreme.
4. Everyone supports the same idea
 - This makes that idea stronger and more extreme.

Examples of Group Shift

- Investment groups taking riskier investment decisions.
- Committees taking more conservative decisions than individuals.
- Student teams choosing extreme choices in project planning.

INDIAN PERSPECTIVE ON GROUP NORMS

1. Meaning of Group Norms

Group norms are the shared expectations, rules or standards that guide how members of a group should behave.

According to OB authors:

Robbins: Norms are acceptable standards of behavior within a group.

Luthans: Norms are common rules that influence members' actions and maintain group stability.

Prasad & Aswathappa: Norms are unwritten rules that tell members what to do, how to behave, and what not to do.

In simple words

Group norms are “unwritten rules” followed by members of a group to maintain harmony, cooperation, and smooth functioning.

2. Why Indian Perspective is Different

India has a unique socio-cultural environment. Group behavior in India is influenced by:

- **Collectivism**

Indian society is more group-oriented than individualistic. People give importance to family, community, and team harmony.

- **Respect for hierarchy**

There is high respect for seniority, authority, and age.

- **High power distance**

Employees often expect the leader to make decisions; they avoid openly challenging authority.

- **Importance of relationships**

Trust, personal bonding, and informal networks (personal favours) influence behavior.

- **Cultural values**

Values like cooperation, obedience, loyalty, and group unity are strong.

Thus, Indian group norms are more relationship-driven, authority-oriented and influenced by social traditions.

3. Types of Group Norms (General + Indian Context)

1. Performance Norms

These norms define how hard members should work.

Indian context

Employees often match their effort with the group.

High respect for senior workers—juniors follow their pace.

Group harmony is prioritized over standing out.

2. Appearance Norms

Relate to dress code, cleanliness, and presentation.

Indian context

Many workplaces still follow *formal* dressing norms.

Traditional clothing is accepted in many organisations.

Employees avoid outfits that look disrespectful or too casual.

3. Social Norms

These norms guide interaction, communication, and relationships.

Indian context

Respectful communication (polite language, avoiding direct confrontation).

Using honorifics like “Sir”, “Madam”, “Anna”, “Didi”.

Sharing food, celebrating festivals together.

4. Loyalty Norms

Norms related to loyalty towards group, leader, or organisation.

Indian context

Loyalty to boss, team, or organisation is valued.

Workers avoid “showing off” or competing aggressively.

5. Obedience Norms

Members follow instructions from leaders without much questioning.

Indian context

High obedience due to cultural respect for seniors.

Asking too many questions may be seen as disrespectful.

6. Informal Norms

Unwritten rules developed from the culture of the group.

Indian context

Examples:

- Coming early to impress seniors even if start-time is 10 am.
- Not leaving office before the boss.
- Supporting colleagues during personal problems/family events.

4. Formation of Group Norms in India

Based on Robbins, Luthans, and Indian authors:

Group norms develop through:

1. Early Behavior Patterns

The behaviour of the first few members becomes the “standard”.

2. Statements from the Leader

In India, leader’s instructions often become norms because of respect for authority.

3. Critical Events in Group History

If the group successfully handles a situation, the method becomes a norm.

4. Cultural and Social Values

Indian values like respect, cooperation, and unity become part of group norms.

5. Role of Culture in Indian Group Norms

Indian employees prefer collective decision-making, but final decision from leader.

Social ties (friendship, community, caste, language) influence teamwork.

Strong emphasis on harmony and avoidance of open conflict.

Group opinion is powerful—individuals rarely act against the group.

V. S. P. Rao

Indian groups create strong informal networks.

People avoid criticizing members publicly.

Festivals, rituals, and celebrations strengthen group norms.

6. Effects of Indian Group Norms on Behaviour

Positive Effects

- Strong unity and cooperation
- Low conflict due to harmony norms

- Supportive and emotionally connected teams
- Smooth functioning because everyone respects leaders

Negative Effects

- Less innovation due to over-obedience
- People hesitate to question or give new ideas
- Groupthink—everyone agrees even if wrong
- Favouritism and informal influence decisions

7. Examples of Indian Group Norms at networks Workplace

- Touching feet of seniors (in traditional organisations).
- Calling seniors “sir/madam” instead of name.
- Not leaving before the boss leaves.
- Helping colleagues during festivals or family functions.
- Avoiding loud disagreement during meetings.
- Sharing lunch (“dabba system”) in offices.
- Team outings and festival celebrations to maintain bonding.

DIFFERENCE BETWEEN GROUP AND TEAM

Sr. No.	Basis of Difference	Group	Team
1.	Meaning	A group is a collection of two or more individuals who interact mainly to share information and make decisions.	A team is a group of people who work closely together to achieve a common, shared goal through collective effort.
2.	Purpose	The primary purpose of a group is to exchange information and help each member perform better in their individual roles.	The primary purpose of a team is to produce joint results through coordinated and interdependent work.
3.	Goal Orientation	Group members may have individual goals that differ from one person to another.	Team members always share a specific, measurable common goal.
4.	Interdependence	Group members work independently and do not depend much on each other to complete tasks.	Team members are highly interdependent, and each member's contribution affects the team's outcome.

5.	Accountability	Accountability is individual, meaning each person is responsible for their own performance.	Accountability is both individual and mutual, meaning the entire team shares responsibility for results.
6.	Level of Collaboration	Collaboration is limited and occurs only when needed.	Collaboration is high, continuous, and essential for team success.
7.	Leadership	A group usually has one strong leader who guides the members.	Leadership in teams is often shared, distributed, or rotated depending on situations.
8.	Synergy	Groups may produce negative or neutral synergy because members work independently.	Teams generate positive synergy because coordinated efforts produce results greater than individual contributions.
9.	Communication Style	Communication is relatively formal and used mainly for sharing information.	Communication is open, continuous, and focused on problem-solving and coordination.
10.	Skills Required	Group members may have different skills unrelated to each other.	Team members possess complementary skills that support the team's overall performance.
11.	Decision Making	Decisions are often made by the leader or by individuals, not collectively.	Decisions are made jointly, emphasizing consensus and cooperation.
12.	Conflict Handling	Conflict is often avoided or resolved by the leader rather than through collective discussion.	Conflict is addressed openly and constructively as part of team problem-solving.
13.	Performance Measurement	Group performance is measured by individual performance levels.	Team performance is measured by collective results and outcomes achieved together.
14.	Role Structure	Roles in a group are loosely defined and may not require much coordination.	Roles in a team are clearly defined, interdependent, and aligned with team goals.

15.	Commitment Level	Members show moderate commitment because they focus mainly on personal tasks.	Members show high commitment because they share ownership of team goals and results.
16.	Outcome	The outcome of a group reflects the sum of individual contributions.	The outcome of a team reflects a collective, high-quality, integrated performance.

TEAMS

Definition

A team is a group of people who work together in a coordinated and interdependent manner to achieve a common goal. Teams share responsibilities, resources, and success collectively.

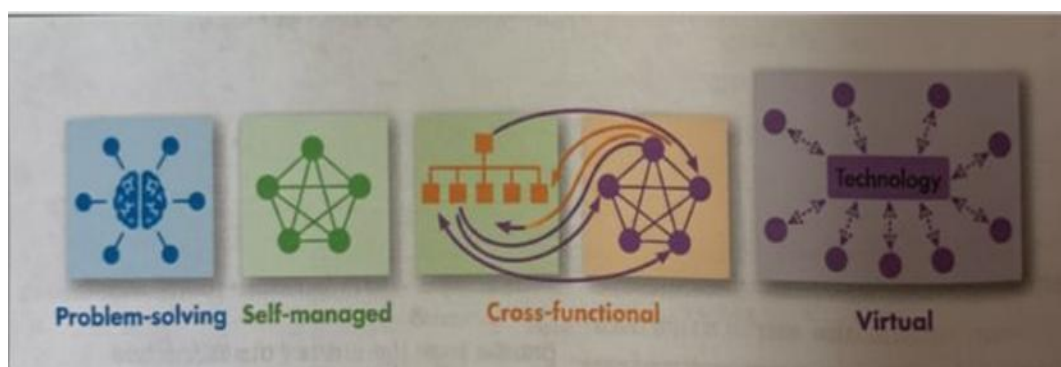
Robbins defines a team as “a small number of people with complementary skills who are committed to a common purpose, common performance goals, and an approach for which they hold themselves mutually accountable.”

Prasad explains that a team is a formal structure developed by management to achieve specific organizational objectives through coordinated actions.

Rao states that a team is an advanced form of group where members work cohesively, show mutual trust, and contribute jointly toward results.

Aswathappa describes a team as a group where synergy is created because the combined performance is greater than the sum of individual performances.

TYPES OF TEAMS



1. Problem-Solving Teams (Same department, improve work)

- These teams are made up of employees from the same department.
- Small group (about 5–12 people) from the same department.

- They meet regularly to discuss ways to improve work quality, efficiency, and solve department-related problems.
- Members mainly share ideas and suggestions, but they don't often have the power to make final decisions themselves.

2. Self-Managed Work Teams (Manage themselves)

- Self-managed teams usually have 10–15 people who do related jobs and manage themselves.
- They make decisions on their own about planning, assigning tasks, and solving work-related issues.
- In fully self-managed teams, members may choose new members and evaluate each other, so need for a traditional supervisor is much lower.

3. Cross-Functional Teams (Different departments)

- Cross-functional teams include people from different departments or specialties, like marketing, finance, or engineering.
- They work together to solve complex problems, launch new products, or complete big projects that need a mix of skills.
- These teams help break down barriers between departments, encourage new ideas, but can take longer to build trust because members have different backgrounds.

4. Virtual Teams (Online, different places)

- Virtual teams use technology (like email, video calls, or chat) to work together from different places.
- Can include people from the same company or from suppliers, partners, or clients, working together on a common goal.
- Members may be from the same or different organizations, and can even be in different countries.
- These teams are flexible and save travel time, but sometimes it's harder to communicate clearly because they can't always rely on face-to-face cues

INDIVIDUAL AND GROUP CONFLICT

Meaning of Conflict

Robbins

Conflict is a process that begins when one party perceives that another has negatively affected or will negatively affect something it cares about.

Luthans

Conflict is a natural outcome of human interaction, created by differences in goals, values, or opinions.

Prasad, Rao, Aswathappa

- Conflict occurs when there is disagreement or opposition between individuals, groups, or departments regarding interests, needs, behaviour, or expectations.

- Conflict means a clash of thoughts, emotions, or actions between people or groups.

Levels of Conflict

Conflict can occur at different levels

1. Intrapersonal Conflict (Within an Individual)

- Conflict arises inside a person due to confusion, stress, or contradictory expectations.

Types:

- **Approach–Approach conflict:** Confusion between two desirable options.
- **Avoidance–Avoidance conflict:** Choosing between two bad options.
- **Approach–Avoidance conflict:** A goal has both positive and negative effects (e.g., promotion means higher salary but more pressure).

2. Interpersonal Conflict (Between Individuals)

- Conflict between two or more people due to personality clashes, different views, competition, jealousy, etc.

Example: Conflict between colleagues about sharing responsibilities.

1. Intragroup Conflict (Within a Group)

2.

- Conflict among members of the same group or team.
- Happens because of incompatible roles, unclear norms, or unequal workload.

4. Intergroup Conflict (Between Groups)

- Conflict between two or more groups, departments, or teams.
- Common in organisations such as marketing vs. production, finance vs. HR.

Difference Between Individual Conflict and Group Conflict

Sr. No.	Basis	Individual Conflict	Group Conflict
1.	Meaning	Conflict within one person or between two individuals.	Conflict between teams, departments, units, or groups.
2.	Scope	Limited, personal, small-scale.	Wider impact, affects organisation.
3.	Cause	Personal issues, emotions, misunderstanding.	Departmental goals, resource allocation, group rivalry.
4.	Influence	Affects personal performance.	Affects organisational

			performance and coordination.
5.	Example	Two employees fighting.	Sales vs. Production department conflict.

Causes of Conflict

A. Causes of Individual Conflict

1. Differences in personality
2. Different opinions, attitudes, values
3. Poor communication or misunderstandings
4. Role conflict (different expectations from same person)
5. Scarcity of rewards (promotion, recognition)
6. Stress, frustration, work pressure

B. Causes of Group Conflict

1. Competition for limited resources
Example: Budget, manpower, time.
2. Goal incompatibility
Example: Production wants low cost
Marketing wants high quality
3. Interdependence of tasks
When groups depend on each other, delays create conflict.
4. Differences in group norms and values
Example: One group is very formal, another informal.
5. Poor communication across departments
6. Power and status differences
Groups fight to show dominance or maintain authority.
7. Role ambiguity
When responsibilities are unclear.

Types of Conflict

According to Robbins, Luthans, and Indian authors, conflict can be:

1. Functional Conflict

Healthy, positive conflict

Encourages new ideas, creativity, better decisions

Helps challenge old practices

Example: Debating a new marketing strategy.

2. Dysfunctional Conflict

Negative, harmful conflict

Reduces performance, morale, and cooperation

Creates tension, fear, and hostility

Example: Personal rivalry that stops teamwork.

Consequences of Conflict

Positive Outcomes (Functional)

- More creativity and innovation
- Better decision-making
- Encourages discussion and problem-solving
- Clarifies roles and expectations
- Motivates people to improve performance

Negative Outcomes (Dysfunctional)

- Stress and frustration
- Low productivity
- Poor communication
- Reduced team spirit
- High turnover and absenteeism
- Wasted time and resources

Conflict Management Styles

1. Avoiding – Ignoring the conflict; not trying to solve it.

2. Accommodating – Giving in to others' needs.

3. Competing – Using authority or power to win.

4. Compromising – Each party gives up something to reach a solution.

5. Collaborating – Win-win solution where both parties cooperate.

Methods to Resolve Individual Conflict

1. Better Communication

Clear instructions, honest interaction.

2. Counseling & Support

Employees need psychological support from managers.

3. Clarifying Job Roles

Reduce ambiguity and confusion.

4. Emotional Control

Methods to Resolve Group Conflict

1. Establish Common Goals

Unite teams under one objective.

2. Improve Coordination Between Departments

Regular meetings, shared data, intergroup workshops.

3. Reduce Interdependence Problems

Set timelines and action plans clearly.

4. Use Superordinate Goals

Large goals that require cooperation between groups.

5. Negotiation and Mediation

Neutral third party can help solve issues.

6. Reward Cooperation

Appreciate teamwork instead of individual competition.

Examples

- **Individual Conflict Example**

Two classmates fighting over project leadership.

- **Group Conflict Example**

Science club and sports club having a disagreement over using the school playground.

- **Organisational Example**

HR wants low hiring cost, Marketing wants highly skilled employees → conflict.

E-TEAM (ELECTRONIC / VIRTUAL TEAM)

Meaning of E-Team

- An E-Team (Electronic Team) or Virtual Team is a group of employees who work together through electronic communication tools rather than meeting face-to-face.
- An E-Team is a team that works online, using technology such as email, Zoom, WhatsApp, Google Meet, Microsoft Teams, and shared digital platforms to perform tasks.

Key Features of E-Teams

1. Geographically distributed

Members may be in different cities, states, or countries.

2. Technology-based communication

Uses digital tools:

- Email
- Video conferencing
- Online chat
- Shared documents
- Project management software

3. Flexible work hours

Members work at different times depending on time zones.

4. No physical workplace

Team does not meet in one office.

5. Goal-oriented and task-focused

Focus on completing tasks, solving problems, or making decisions.

6. Temporary or permanent

Created for specific projects (temporary) or long-term assignments.

Types of E-Teams

1. Networked Virtual Teams

Experts from different locations collaborate online.

2. Parallel Virtual Teams

Team members temporarily join for improvement or problem-solving.

3. Project/ Product Development Teams

Members work together to develop a product/service using digital tools.

4. Service Teams

Teams provide customer support online (call centers, help desks).

5. Management Virtual Teams

Managers in different regions coordinate strategy or decisions online.

Examples of E-Teams

- IT software developers working from India, USA, UK on same project.
- Online teaching teams in colleges.
- Multinational companies coordinating through Zoom.
- Online customer service teams.
- Remote marketing and sales teams using WhatsApp/Teams.

Advantages of E-Teams

1. Cost savings

No office space, less travel expense.

2. Access to global talent

Experts from anywhere can join the team.

3. Flexibility

Members can work anytime, anywhere.

4. Faster communication

Instant sharing of files, messages, updates.

5. Increased productivity

Less time wasted on travel and meetings.

6. Better work–life balance

Remote work reduces stress and promotes comfort.

Challenges / Disadvantages of E-Teams

1. Lack of face-to-face interaction

May reduce trust, bonding, and emotional connection.

2. Communication problems

Misunderstandings occur due to email/text limitations.

3. Technology issues

Slow internet, software problems disturb teamwork.

4. Cultural differences

Members from different cultures may interpret messages differently.

5. Coordination difficulties

Time-zone differences making scheduling hard.

6. Low team cohesiveness

Members may feel isolated or disconnected.

Skills Required in E-Teams

- Digital communication skills
- Self-discipline and time management
- Ability to work independently
- Technological knowledge
- Cultural sensitivity
- Trust-building and collaboration skills
- Problem-solving and decision-making abilities

Managing E-Teams Effectively

1. Clear communication guidelines

Specify meeting times, response rules, and platforms to use.

2. Shared goals and roles

Clearly define responsibilities for each member.

3. Regular online meetings

Weekly updates maintain coordination.

4. Use of project management software

Tools like Trello, Asana, Slack help track tasks.

5. Build trust

Encourage transparency, recognition, and continuous feedback.

6. Encourage social bonding virtually

Online introductions, virtual games, informal chats.

7. Provide training

Train members in technology and online communication.

Importance of E-Teams in Today's Organisations

- Due to globalisation
- Companies operate in many countries.

- After COVID-19
- Remote work became common.
- Increasing digital transformation
- Organisations use online tools for almost all functions.
- Saves cost and improves speed
- E-teams contribute to efficiency.

UNIT 4: LEADERSHIP & POWER (30%)

1. LEADERSHIP

Meaning of Leadership

Leadership is the process by which an individual influences the attitudes, behaviour and performance of others to achieve organizational objectives.

Leadership is not merely holding authority or position; it is about **guiding, inspiring, motivating and coordinating** people.

Robbins defines leadership as the ability to influence a group toward the achievement of goals.

L.M. Prasad explains leadership as the process of influencing the behaviour of people in a way that they willingly strive towards organizational goals.

Nature / Characteristics of Leadership

1. Leadership is an Influencing Process

Leadership works through influence rather than force. A leader convinces people to work willingly.

2. Leadership is Goal-Oriented

The primary purpose of leadership is goal achievement, both organizational and individual.

3. Leadership is a Continuous Process

Leadership is not a one-time activity; it continues as long as people work together.

4. Leadership is Situational

There is no universal leadership style. Effective leadership depends on situation, task and people.

5. Leadership Requires Followers

Without followers, leadership cannot exist.

6. Ethical responsibility

Leaders must act with integrity and consider the well-being of all stakeholders

Importance of Leadership in Business Organizations

1. Provides Vision and Direction

Leaders define mission, vision and future course of action.

2. Motivates Employees

Leadership increases employee morale and job satisfaction.

3. Facilitates Change and Innovation

Leaders guide employees during technological and organizational changes.

4. Ensures Coordination and Teamwork

Leadership harmonizes individual efforts.

5. Enhances Organizational Performance

Effective leadership improves productivity and efficiency.

2. LEADERSHIP THEORIES

A. TRANSFORMATIONAL LEADERSHIP

Concept

Transformational leadership focuses on bringing fundamental change in individuals and organizations by transforming attitudes, beliefs and values of employees.

Definition

Transformational leadership is a leadership style that inspires and motivates followers to transcend their self-interests for organizational objectives and to achieve extraordinary results. Transformational leaders go beyond routine supervision and inspire employees to perform beyond expectations.

Characteristics

1. Visionary Leadership

Leader creates a compelling future vision.

2. Charisma

Leader's personality inspires admiration and trust.

3. Emotional Appeal

Leader connects emotionally with followers.

4. Change Orientation

Leader encourages innovation and creativity.

Four Core Components (Bass & Avolio Model) 4 I'S

1. Idealized Influence

- Act with integrity and ethics.
- Provide vision and sense of purpose.
- Followers want to emulate them.
- Leader acts as a role model and gains respect.

2. Inspirational Motivation

- Leader motivates employees through enthusiasm and optimism.
- Articulate compelling vision.
- Communicate high expectations.
- Express optimism about future.
- Create meaning in work.

3. Intellectual Stimulation

- Leader encourages questioning traditional methods and promotes creativity.
- Challenge assumptions and conventions.
- Promote problem-solving.
- Support experimentation.

4. Individualized Consideration

- Leader focuses on personal development of employees.
- Provide mentoring and coaching.
- Recognize individual achievements.
- Listen to individual needs.
- Delegate to develop followers.

Advantages

- High employee commitment.
- Increased job satisfaction.
- Improved organizational culture.
- Encourages innovation and change management.
- Enhanced team cohesion.
- Dynamic business environments.
- Organizations emphasizing growth.

Limitations

- Not suitable for highly structured environments.
- Teams become overly reliant on the leader's presence and direction, leading to reduced autonomy and decision-making when the leader is unavailable.
- The focus on grand visions can overlook operational tasks and day-to-day execution, causing inefficiencies.
- Constant push for high motivation and change creates pressure, resulting in employee exhaustion and lowered morale.
- Employees may struggle without clear metrics or routines, disrupting focus on essential tasks.

B. SITUATIONAL LEADERSHIP THEORY (HERSEY-BLANCHARD)

Concept

This theory states that effective leadership depends on the readiness or maturity of followers.

Definition

Situational Leadership proposes that effective leaders adapt their style based on the task readiness (ability and willingness) of their followers.

Fundamental Principle

"There is no single 'best' style of leadership. Effective leadership is task-relevant and depends on the performance readiness level of followers."

Two Dimensions of Leadership:

1. Task Behaviour (Directive behaviour)

- Amount of direction leader provides
- Clear instructions and close supervision
- Emphasis on what, how, when, and where

2. Relationship behaviour (Supportive behaviour)

- Amount of emotional support and encouragement
- Open communication and active listening
- Two-way interaction

Follower Readiness

- **Ability** (skills and knowledge)
- **Willingness** (confidence and motivation)

Four Leadership Styles



1. Telling (Directing) Style

- High task, Low relationship.
- Low (unable and unwilling)
- Leader gives instructions and closely supervises.
- Used when followers lack ability and confidence.
- Training a new hire on procedures with detailed instructions and frequent check-ins.

2. Selling (Coaching) Style

- High task, High relationship.
- Low to Moderate (unable but willing).
- Leader explains decisions and motivates followers.
- Employees with motivation but lacking experience.
- Used when followers have limited ability but high willingness.
- Mentoring a junior manager through decision-making process while building confidence.

3. Participating (Supporting) Style

- Low task, High relationship.
- Moderate to High (able but unwilling).
- Facilitates, shares ideas, supports problem-solving.
- Capable but demotivated or insecure employees.
- Leader involves employees in decisions.

- Used when followers have ability but lack confidence.

4. Delegating Style

- Low task, Low relationship.
- High (able and willing).
- Leader gives responsibility and authority to followers.
- Used when followers are highly capable and motivated.
- Highly skilled, motivated, committed employees
- Allowing experienced team member to lead project independently.

Merits

- Highly Flexible and practical.
- Widely acceptable.
- Employee-centered.
- Improves leadership effectiveness.
- Recognizes individual differences.
- Adaptable to different contexts.
- Allows flexible leadership approach.

Demerits

- Difficult to assess readiness accurately.
- Complex to implement in fast-paced situations.
- May appear inconsistent to followers if not communicated well.
- Cultural limitations may observed.
- Results may not always be effective.
- Followers maturity is hard to measure.

C. BEHAVIOURAL APPROACH TO LEADERSHIP

Concept

- The Behavioural Approach Theory of Leadership is an important theory in Organisational Behaviour (OB).
- The behavioural approach to leadership focuses **on what leaders do**, rather than who leaders are. and the classic Ohio State and Michigan studies are its best-known foundations.
- Both shifted leadership research away from inborn traits toward observable, learnable behaviours.

This theory believes that

- Leadership behaviour can be **learned and developed**
- Effective leadership depends on **task-oriented and people-oriented behaviours**
- Leaders are **made, not born**

Meaning

According to this approach, leadership effectiveness depends on **how a leader behaves with employees and handles work.**

Behavioural approach

- Emphasizes leaders observable actions (how they structure work and relate to people) rather than personality traits.
- Assumes leadership behaviours can be taught and developed through training, not just “born” qualities.
- Aims to identify behaviour patterns that differentiate effective from ineffective leaders in real organizations.

1. OHIO STATE STUDIES (1940s)

The **Ohio State University studies** were conducted to identify **key leadership behaviours** that influence employee performance and satisfaction. The studies identified two independent critical dimensions of leadership behaviour:

1. Initiating Structure (Task-Oriented Behaviour)

- Task-oriented behaviour.
- Emphasis on rules, procedures, and performance standards.
- Emphasis on productivity and efficiency
- Leader defines roles and schedules activities.
- Ensures task completion and efficiency.
- Setting clear deadlines and expectations.

Example

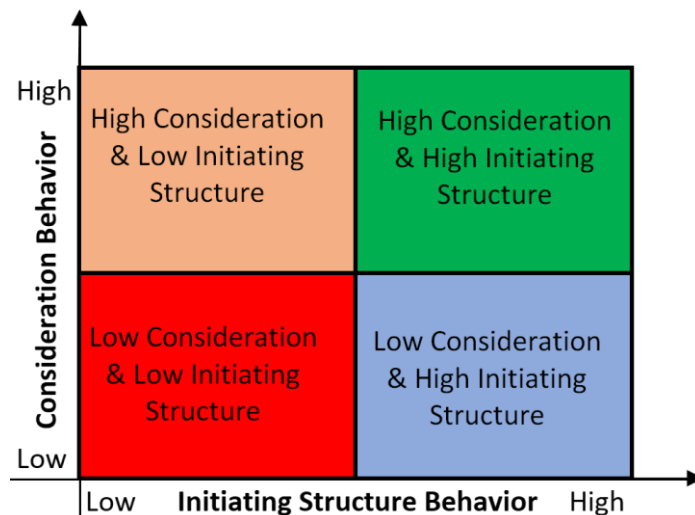
A supervisor who assigns duties clearly and monitors deadlines closely.

2. Consideration (People-Oriented Behaviour)

- Relationship-oriented behaviour.
- Concern for employee welfare and trust.
- Shows concern for followers feelings and needs.
- Creates friendly, supportive atmosphere.
- Attention to employee needs.
- Being approachable and listening to concerns.

Example

A manager who listens to employee problems and supports work–life balance.



Key Findings of Ohio State Studies

- Initiating structure and consideration are independent dimensions.
- A leader can be high or low on both.
- High consideration improves employee satisfaction.
- High initiating structure improves task performance.

Four Leadership Styles (Quadrants):

	High Consideration	Low Consideration
High Structure	Team Leadership	Directive Leadership
	High task + High relationship	High task + Low relationship
	Best for: Motivated but unskilled teams	Best for: Crisis situations, new employees
Low Structure	Participative Leadership	Laissez-Faire Leadership
	Low task + High relationship	Low task + Low relationship
	Best for: Skilled, motivated teams	Best for: Expert, self-motivated teams

2. MICHIGAN STUDIES (1950s)

The Michigan University studies focused on identifying leadership styles that lead to high productivity and employee satisfaction. Led by Rensis Likert at the University of Michigan, these studies Identified two leadership orientations style:

1. Employee-Oriented Leadership (People-Centered Leadership)

- Focus on human relations.
- Encourages participation and motivation.
- Build trust.
- Interest in subordinates well-being.
- Supportive relationships.
- High morale and job satisfaction.
- More effective long-term.

2. Production-Oriented Leadership (Task-Centered Leadership)

- Focus on tasks and output.
- Strict supervision.
- Little concern for employee needs.
- Attention to technical aspects.
- Effective short-term.
- Less concern for people.
- Treat employees mainly as resources.
- Stress efficiency and output.

Key Findings of Michigan Studies

- Employee-oriented leadership is more effective.
- Leads to higher productivity and job satisfaction.
- Improves commitment and reduces absenteeism.

Comparison between Ohio state university and Michigan university

Basis of Comparison	Ohio State University Studies	Michigan University Studies
University / Origin	Conducted at Ohio State University	Conducted at University of Michigan
Approach	Behavioural approach to leadership	Behavioural approach to leadership
Main Objective	To identify key leader behaviours that influence effectiveness	To identify leader orientation that leads to high productivity
Core Idea	Leadership consists of two independent dimensions	Leadership is based on one dominant orientation
Task Dimension	Initiating Structure – leader defines roles, sets goals, plans work, and follows rules	Production-Oriented Leadership – leader emphasizes task, output, and technical efficiency
Explanation (Task Focus)	Leader clearly explains what, how, and when work should be done	Leader closely supervises employees to achieve targets
People Dimension	Consideration – leader shows concern for employee welfare, trust, and respect	Employee-Oriented Leadership – leader focuses on human relations and employee needs
Explanation (People Focus)	Leader supports employees and maintains friendly relationships	Leader encourages participation and personal development
Relationship between Task & People	Both task and people orientations can exist together	Leader is seen as either task-oriented or people-oriented
Flexibility	High – leaders can adjust both behaviours as needed	Low – leaders usually follow one orientation

Leadership Effectiveness	Effectiveness depends on balance of structure and consideration	Employee-oriented leaders are generally more effective
View of Employees	Employees need both guidance and support	Employees perform better when treated as important resources
Managerial Control	Combination of formal structure and supportive behaviour	Either strict control or supportive supervision
Key Contribution	Introduced the idea of dual leadership behaviour	Highlighted importance of employee-centered leadership
Limitation	Does not clearly specify when to use which behaviour	Too rigid; ignores possibility of balancing both styles

Advantages of Behavioural Approach

- Leadership can be learned.
- Practical and action-oriented.
- Useful in management development.
- Emphasizes human relations.
- Foundation for modern Leadership theories.
- Improve managerial effectiveness.
- Reduces over-dependence on personality.

Limitations of Behavioural Approach

- No universal best leadership style.
- Leadership is complex.
- Ignores external and organizational factors.
- Cannot predict leadership success in all situations.
- Leaders behaviour is difficult to measure.

D. AUTHENTIC LEADERSHIP

Meaning

Authentic leadership refers to a leadership style in which leaders are genuine, ethical, self-aware, and transparent in their behaviour. Such leaders remain true to their values, act with integrity, and build trust with followers.

An authentic leader is real, honest, and leads with heart and values, not by pretending or manipulating others.

Definitions

According to Stephen P. Robbins, Authentic leaders are those who know who they are, what they believe in, and act openly and consistently with their values.

According to L. M. Prasad, Authentic leadership focuses on ethical behaviour, honesty, and trust, which improves long-term organizational effectiveness.

According to V. S. P. Rao, Authentic leaders develop credibility and trust by aligning actions with words and by encouraging openness in organizations.

According to K. Aswathappa, Authentic leadership highlights self-discipline, transparency, and ethical decision-making, leading to sustainable leadership success.

Key Characteristics of Authentic Leaders

1. Self-Awareness

Leaders understand their strengths, weaknesses, emotions, and values.
They accept feedback and continuously improve.

2. Relational Transparency

Open and honest communication.
No hidden agenda or manipulation.

3. Balanced Processing

Consider different viewpoints before making decisions.
Encourage employee participation.

4. Internalized Moral Perspective

Decisions are guided by strong ethical values.
Do what is right, even under pressure.

Components (Four-Dimensional Model)



Component	Explanation
Self-Awareness	Knowing one's values and emotions
Transparency	Open sharing of information
Balanced Processing	Objective decision-making
Moral Perspective	Strong ethical standards

Four-Dimension Model of Authentic Leadership



The Four-Dimension Model of Authentic Leadership explains that authentic leadership is built on four core dimensions. These dimensions together help leaders act ethically, genuinely, and effectively in organizations.

1. Self-Awareness

Self-awareness means that the leader has a clear understanding of his or her own strengths, weaknesses, emotions, values, and beliefs. An authentic leader knows that What they are good at, Where they need improvement and How their behaviour affects others. They accept feedback and continuously try to improve themselves.

- Understanding personal values and goals
- Awareness of emotions and reactions
- Learning from experience

Example

A manager admits that he lacks technical knowledge and asks experts in the team for guidance.

2. Relational Transparency

Relational transparency refers to open, honest, and truthful interaction between leaders and followers. Authentic leaders always Speak the truth, Share relevant information, Do not hide facts or manipulate employees and They build trust by being real and open.

- Honest communication
- No hidden agenda
- Trust-based relationships

Example

A leader openly explains company problems to employees instead of hiding losses.

3. Balanced Processing

Balanced processing means that the leader objectively analyzes all relevant information before making decisions. An authentic leader always Listens to different opinions, Encourages employees to express views and Takes fair decisions without bias

- Open-mindedness
- Fair decision-making
- Encourages participation

Example

Before implementing a new policy, the leader takes suggestions from employees and unions.

4. Internalized Moral Perspective

Internalized moral perspective means that a leader's behaviour is guided by strong internal moral values and ethical standards, not by external pressure. Authentic leaders is Do what is right; even when it is difficult, Follow ethics over personal gain and Remain consistent in values.

- High ethical standards
- Integrity and honesty
- Resistance to unethical pressure

Example

A manager refuses a bribe even if it could benefit the organization financially.

Importance of Authentic Leadership in Organizations

- Builds trust and credibility.
- Improves employee engagement.
- Reduces unethical practices.
- Enhances job satisfaction.
- Creates long-term organizational sustainability.
- Especially important in today's environment of corporate scandals and ethical failures.

Advantages

- Creates positive work culture.
- Encourages ethical behaviour.
- Improves team morale.
- Enhances organizational reputation.
- Develops future leaders.

Limitations

- Time-consuming decision-making.
- Difficult to practice in rigid hierarchies.
- Not suitable for extreme crisis situations.
- Requires high emotional intelligence
- Authentic Leadership in Modern Organizations
- Promotes ethical corporate governance.
- Useful in knowledge-based industries.
- Helps Indian organizations handle diversity and transparency.
- Builds trust between management and employees.

E. TRAIT APPROACH (MODERN TRAIT-BASED COMPETENCIES)



Meaning of Trait Approach

The Trait Approach to Leadership states that leaders possess certain inborn or developed qualities (traits) that distinguish them from non-leaders. Modern OB does not say leaders are only born; instead, it emphasizes trait-based competencies that can be developed through learning and experience.

Effective leaders have specific qualities like confidence, honesty, intelligence, and emotional control that help them lead successfully.

Definitions by OB Authors

According to Stephen P. Robbins

Leadership traits are personal qualities and characteristics that help individuals influence others, such as confidence, integrity, and emotional intelligence.

According to Fred Luthans

Modern trait theory focuses on positive psychological traits and emotional competencies that improve leadership effectiveness.

According to L. M. Prasad

Leadership traits include personality, motivation, intelligence, and social skills, which together influence leadership behaviour.

According to V. S. P. Rao

Leadership effectiveness depends on a combination of traits and competencies, not on a single quality.

According to K. Aswathappa

Trait approach identifies key personal attributes that increase the probability of leadership success but does not guarantee it.

Evolution: Classical to Modern Trait Approach

Classical Trait Approach	Modern Trait-Based Competency Approach
Leaders are born	Leaders can be developed
Focus on physical traits	Focus on psychological & behavioural traits
Fixed traits	Learnable competencies
Limited application	Widely applicable in organizations

Major Modern Trait-Based Leadership Competencies

1. Intelligence

- Ability to analyze problems and make decisions.
- Includes emotional and social intelligence.

2. Self-Confidence

- Belief in one's abilities.
- Helps leaders take initiative and face challenges.

3. Integrity and Honesty

- Truthfulness and ethical conduct.
- Builds trust and credibility.

4. Emotional Intelligence (EI)

- Ability to understand and manage emotions.
- Includes empathy and self-control.

5. Drive and Motivation

- High energy level and ambition.
- Willingness to work hard to achieve goals.

6. Leadership Motivation

- Desire to lead and influence others.
- Not for personal power, but organizational goals.

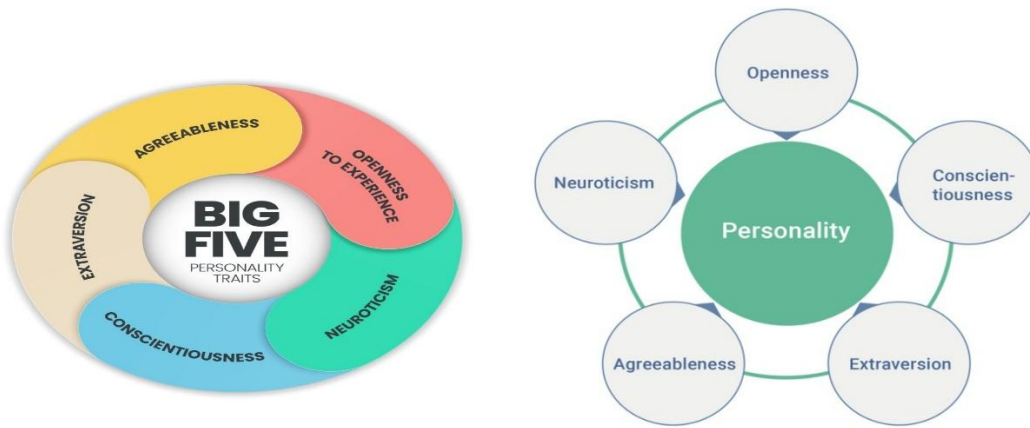
7. Cognitive Ability

- Logical thinking and problem-solving skills.
- Important for planning and strategy.

8. Social and Communication Skills

- Ability to interact effectively with people
- Persuasion, listening, and negotiation skills

Big Five Personality Traits and Leadership (Modern View)



Trait	Description	Leadership Impact
Extraversion	Sociable and assertive	Strongest leadership predictor
Conscientiousness	Responsible and disciplined	Goal achievement
Openness	Creative and adaptable	Innovation
Emotional Stability	Calm under pressure	Stress handling
Agreeableness	Cooperative and friendly	Team harmony

Importance of Trait Approach

- Helps in selection and promotion of leaders.
- Useful in leadership development programs.
- Identifies potential leaders.
- Enhances self-development among managers.
- Supports competency-based HR practices.

Advantages of Trait Approach

- Easy to understand.
- Helps identify leadership potential.
- Useful for training and development.
- Focuses on personal improvement.
- Widely applicable in modern organizations.

Limitations of Trait Approach

- No single set of traits guarantees success.
- Ignores situational factors.
- Leadership effectiveness varies with context.
- Traits alone cannot explain leadership behaviour.

2. POWER – MEANING AND SOURCES

Meaning of Power

Power is the capacity of an individual to influence the behaviour of others.

Definition of Power

Power is the ability of an individual or group to influence or control the behaviour of others, outcomes, or resources in an organization. It is a fundamental aspect of organizational dynamics and can manifest in various forms. Power is not solely about authority but also about the capacity to affect others' actions, decisions, and perceptions.

Characteristics of Power

1. Capacity to Influence

Power involves the ability to affect the behaviour, decisions, or attitudes of others. Individuals with power can influence outcomes by shaping how others think, feel, or act.

2. Dependence

The extent of power is often related to the dependence of others on the individual or group holding power. Those who control essential resources or critical information tend to have more influence because others rely on them.

3. Control Over Resources

Power is often associated with the control and allocation of important resources, such as financial assets, information, or personnel. The ability to manage these resources grants individuals or groups significant influence.

4. Legitimacy

Power can be derived from a formal position within an organizational hierarchy or from recognized authority. Legitimate power comes from the official role or title that grants the right to make decisions and direct others.

5. Visibility

The effectiveness of power can be influenced by how visible it is. Power that is openly exercised and recognized can have a more immediate impact compared to power that is covert or subtle.

6. Flexibility

The ability to adapt and apply power in various situations enhances its effectiveness. Flexible power allows individuals to adjust their tactics based on changing circumstances or needs.

7. Impact on Relationships

Power affects interpersonal relationships within an organization. It can lead to changes in dynamics, creating shifts in alliances, dependencies, and interactions among individuals and groups.

8. Potential for Abuse

Power carries the potential for misuse or abuse. When not managed responsibly, power can lead to coercion, exploitation, or unethical behaviour, impacting organizational culture and effectiveness.

The characteristics of power highlight its multifaceted nature, including its capacity to influence, dependence, control over resources, and legitimacy. Power's visibility, flexibility, impact on relationships, and potential for abuse further illustrate how it operates within organizational contexts. Understanding these characteristics is essential for effectively navigating power dynamics and fostering a positive and productive work environment.

Sources of Power

2.1 Interpersonal Sources of Power

1. Number Power

It refers to the influence derived from the size and strength of one's network or the number of people who support or align with an individual. This type of power is based on the principle that having a large number of supporters or being part of a sizable group can enhance one's ability to influence decisions and outcomes. For example, a department head who leads a large team can exert considerable power within an organization due to the collective influence and support of their team members. This numerical backing can amplify their voice in meetings, increase their leverage in negotiations, and contribute to their overall effectiveness in achieving organizational goals.

2. Reward Power

This form of power is based on the ability to provide positive reinforcement or incentives to others. For example, a manager who controls promotions, raises, or special perks can motivate employees by rewarding them for their performance or compliance. This power is effective in shaping behaviour and encouraging desired actions, as employees often work harder or behave more favourably to receive the rewards they value.

3. Coercive Power

Coercive power arises from the capacity to enforce penalties or sanctions for non-compliance or poor performance. For instance, a supervisor who can impose disciplinary actions, such as warnings or terminations, has coercive power. This form of power can create a sense of fear or obligation, compelling individuals to adhere to rules and expectations to avoid negative consequences. However, if overused, it can lead to a toxic work environment and employee dissatisfaction.

4. Legitimate Power

Derived from an individual's formal position within the organizational hierarchy, legitimate power is associated with the authority granted by the organization. For example, a department head or team leader has the right to make decisions, allocate tasks, and direct the efforts of their subordinates. This power is recognized by the organization and is often accompanied by specific roles and responsibilities outlined in organizational structures.

5. Expert Power

Expert power is based on possessing specialized knowledge or skills that are critical to the organization. For example, an IT specialist with advanced technical knowledge or a financial analyst with deep expertise in financial forecasting holds expert power. Others rely on their insights and advice, giving them influence over decision-making processes and problem-solving activities within their areas of expertise.

6. Referent Power

Referent power stems from personal attributes that others admire and wish to emulate. Leaders or respected mentors who exhibit strong interpersonal skills, integrity, and vision often wield referent power. Their ability to inspire, motivate, and build strong relationships allows them to influence others based on admiration and respect rather than formal authority.

7. Persuasion Power

This power involves using logical arguments, data, and evidence to influence others' opinions and decisions. An individual who can present compelling arguments and factual information to support a proposal or idea demonstrates persuasion power. For example, a project manager who effectively argues for a new initiative by showcasing its benefits and aligning it with organizational goals can gain support and approval from stakeholders.

8. Charismatic Power

Charismatic power is derived from an individual's personal magnetism and ability to captivate and inspire others. Leaders who possess charisma can generate enthusiasm and commitment through their dynamic presence, compelling vision, and effective communication. For example, a visionary CEO who articulates a compelling future for the organization and motivates employees through their passion and energy exemplifies charismatic power.

2.2 Structural Sources of Power

Structural power is based on the position of the individual in the organisation

1. Knowledge Power

Knowledge power is based on controlling access to critical or strategic information. Individuals who manage or possess valuable knowledge, such as confidential data, strategic plans, or key insights, hold significant influence over organizational decisions. For example, a chief information officer (CIO) who controls access to proprietary technology and data can impact organizational strategy and operations by determining how this information is used.

2. Resource Power

This form of power arises from the control and allocation of key organizational resources, such as budgets, personnel, or equipment. For instance, a financial officer who oversees the allocation of funds or a human resources manager who controls staffing levels has resource power. By managing these resources, they can influence which projects receive funding, how many employees are assigned to different tasks, and which departments receive necessary equipment.

3. Decision-Making Power

Decision-making power comes from the authority to make significant organizational decisions that affect the direction and operations of the company. Senior executives, board members, or high-level managers who have the authority to set strategic goals, approve major projects, and make key policy decisions hold substantial decision-making power. Their choices can shape the organization's future, influence its competitive position, and impact overall performance.

Understanding these sources of power helps individuals navigate organizational dynamics, leverage their influence effectively, and contribute to achieving organizational goals. Each type of power plays a distinct role in shaping behaviours, decisions, and outcomes within the workplace.

3. ORGANISATIONAL CULTURE

Meaning

Organizational culture refers to the **shared values, beliefs, norms, assumptions, and ways of behaving** that are accepted and practiced by members of an organization.

It represents **“how things are done in an organization.”**

Definitions by OB Scholars

- **Stephen P. Robbins**

“Organizational culture is a system of shared meaning held by members that distinguishes the organization from other organizations.”

- **Fred Luthans**

“Organizational culture consists of shared beliefs, values, norms, and behaviour patterns that influence employees’ actions.”

- **L. M. Prasad**

“Organizational culture is the pattern of values, norms, beliefs, attitudes, and assumptions shared by organizational members.”

- **V. S. P. Rao**

“Organizational culture is the philosophy, ideology, values, assumptions, beliefs, expectations, and attitudes shared by an organization.”

- **K. Aswathappa**

“Organizational culture refers to the set of values, beliefs, and norms that influence the behaviour of employees.”

Key Features of Organizational Culture

- Shared among members
- Learned over time
- Guides employee behaviour
- Invisible but powerful
- Distinguishes one organization from another
- Provides identity to employees

Impact of Organizational Culture

Organizational culture has both **positive (functional)** and **negative (liability/dysfunctional)** impacts on organizations.

A. Functional Impact of Organizational Culture (Positive Impact)

A strong and healthy culture **supports organizational effectiveness**.

1. Provides Organizational Identity

- Employees feel **proud to belong** to the organization
- Creates a sense of “we” feeling
- Increases loyalty and commitment

2. Promotes Commitment

- Employees align their goals with organizational goals
- Reduces absenteeism and turnover
- Encourages long-term association

3. Guides Employee Behaviour

- Culture acts as an **informal control mechanism**
- Employees know what is acceptable and unacceptable
- Reduces need for strict rules and supervision

4. Enhances Coordination and Teamwork

- Shared values improve cooperation
- Reduces conflicts
- Encourages mutual trust and understanding

5. Improves Performance and Productivity

- Motivated employees perform better
- Encourages initiative and responsibility
- Leads to higher efficiency

6. Facilitates Decision-Making

- Common beliefs help employees take quick decisions
- Reduces confusion and ambiguity

B. Culture as a Liability (Negative / Dysfunctional Impact)

Sometimes organizational culture becomes a **problem instead of an advantage**.

1. Barrier to Change

- Strong culture resists new ideas and innovation

- Employees prefer old methods
- Difficult to implement technological or structural changes

2. Barrier to Diversity

- Culture may favour a particular group
- New employees or diverse backgrounds feel excluded
- Limits creativity and inclusion

3. Encourages Groupthink

- Employees avoid questioning decisions
- Fear of opposing senior management
- Leads to poor decision-making

4. Obstacle to Mergers and Acquisitions

- Different organizational cultures clash
- Causes employee dissatisfaction
- Leads to failure of mergers

5. Limits Individual Growth

- Employees forced to conform
- Creativity and independent thinking are discouraged
- Talented employees may leave

Functional vs Liability Impact

Functional Impact	Culture as Liability
Motivates employees	Demotivates employees
Supports change	Resists change
Improves coordination	Creates conflict
Encourages commitment	Causes turnover
Enhances performance	Reduces innovation

4. CROSS-CULTURE IN MANAGEMENT

Meaning of Cross-Cultural Management

Cross-cultural management refers to **managing people, teams, and organizations that consist of individuals from different cultural backgrounds** (national, regional, organizational, or ethnic).

It focuses on understanding **differences in values, beliefs, attitudes, communication styles, and work behaviour** across cultures.

Need for Cross-Cultural Management

In today's globalized and diverse work environment, cross-cultural management has become a **necessity**, not a choice.

1. Globalization of Business

- Organizations operate across **countries and cultures**
- Managers deal with employees, customers, and partners from different nations
- Cultural misunderstanding can lead to conflict and failure

Hence, managers must understand and manage cultural differences effectively.

2. Increasing Workforce Diversity

- Modern organizations employ people of different:
 - Nationalities
 - Languages
 - Religions
 - Value systems
- Diversity without cultural understanding leads to miscommunication and dissatisfaction.
- Cross-cultural management helps in **harmonizing diversity**.

3. International Assignments and Expatriates

- Managers are sent to foreign countries for assignments
- Cultural shock, adjustment problems, and failure rates are high

Cultural training and awareness reduce failure of international assignments.

4. Mergers, Acquisitions, and Joint Ventures

- Organizations with different cultures come together
- Cultural clash becomes a major reason for merger failure

- Cross-cultural management ensures **smooth integration**.

5. Effective Communication

Culture influences:

- Language
- Body language
- Tone and gestures
- Same message may be interpreted differently by different cultures

Cross-cultural understanding improves clarity and reduces misunderstandings.

Importance of Cross-Cultural Management

1. Improves Managerial Effectiveness

- Managers understand employee expectations better
- Helps in proper leadership style selection
- Enhances decision-making ability in diverse environments

2. Reduces Conflict and Misunderstanding

- Cultural awareness minimizes stereotypes and biases
- Encourages respect for differences
- Leads to harmonious working relationships

3. Enhances Teamwork and Cooperation

- Promotes trust among culturally diverse employees
- Encourages collaboration and knowledge sharing
- Improves group performance

4. Increases Employee Motivation and Satisfaction

- Employees feel respected and valued
- Reduces cultural discrimination and stress
- Improves morale and commitment

5. Supports Ethical and Inclusive Practices

- Encourages equality and fairness
- Prevents cultural dominance
- Builds inclusive organizational culture

6. Improves Organizational Performance

- Better utilization of diverse talents
- Enhances creativity and innovation
- Leads to competitive advantage

7. Helps in Global Leadership Development

- Develops culturally intelligent leaders
- Prepares managers for global roles
- Enhances adaptability and flexibility