UNIT -I   Nature of management

Definition – theory and practice – effective management – Management : Science of Art – Management in India. Development of Management thoughts – Taylor's – Henry Fayol – Hawthrone experiment – Barnard & Social system – Herbert Simon – Peter Drucker – Various approaches – Management thoughts.

Definition of management

Meaning:

Management is an important factor for the success of any organized activity. Today management basically concern with changes and challenges, and it is difficult to manage.

Management is an art of getting things done through others. Management is to plan, organize, direct and control the resources of the organization for obtaining common objectives or goals. It is related with resources like material, money, machinery, methods, manufacturing and marketing.

Management principles are universal in nature. Management is necessary for all types of organization, such as public sector, private sector, govt. department, hotel, hospital, hostels, educational institutes, require management for several growth and expansion.

Definitions:

1) **According to Taylor:-**

   "Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way."

2) **According to Lawrence:-**

   "Management is the accomplishment of results through the efforts of other people."

3) **According to Henry Fayol:-**

   "To manage is to forecast and to plan, to organize, to co-ordinate and to control."

Theory and practices

As blood, soul & mind are important for the life, same as management is for business. Someone has written, "Management is the soul of Industrial development." The progress and prosperity of business organization is based on management. It is the brain of an organization, without management nothing can be done in the business. So, it has some characteristics which are as follows.

1. Management is universal
2. Management, social process
3. Goal oriented
4. Science & Art
5. Group Effort
6. Intangible
7. Required at all level
8. Separate from ownership
9. Purposeful activity

Theory and Practices

There are five types of functions in management. They are,

- Planning-Defines the goal & establishing strategy.
- Organizing-ncludes determining what task has to be done, who is to do them.
- Staffing-Includes recruitment of people and training them towards the project.
- Leading-Includes the motivating the employees and directing the activities.
- Controlling-It is the process of monitoring the performance.

Management : Science of Art

Management is treated as art, science and profession because it has some characteristics of an art, a science and a profession.

Art is personal skill. It is created by nature. It does not posses by all. Art is bringing about desired results with the help of skills. Management is one of the most creative arts. It requires a lot of knowledge.

Management is an art because:

1] It is creative

2] It involves use of skill.

3] It involves use of technical know how.

4] It is directed towards getting results.

5] It is personalized.

Management as a Science:-

Science is a systematic body of knowledge based on certain principles and which are universally approved.

F. W. Taylor was the first person who considered management as a science. Science is divided into two parts.

1. Physical science.

Management : Science of Art

2. Social science.

Management is a social science because it deals with human being.

Management is a social science due to the following reasons:-

1. **Systematic collection and processing of information:-**
   Management collects information either by observation or experiment and practice. E.g. Marketing people collect information about expected sales on the basis of observation, experiment and practice. The data is collected. Then it is process and with the help of computer and statistical tools and then the data is analyzed and decisions are taken.

2. **Output may change though the inputs are same:-**
   In management the output may change even when the input remains the same because it deals with human being. Subordinates working under one manager may give different result though resources are same. Process of management is universally followed i.e. planning, organizing, staffing, directing, controlling and reporting. Every manager while performing his job must use his knowledge to get better results.

3. **Principles of Management are universally accepted:-**
   All successful organizations must follow established principles of management, such as division of work, unity of command, authority and responsibilities, discipline etc.

   So it is said that management is not only an art, a science or a profession but combination of all.

Development of Management thoughts – Taylor's

2.2 CONTRIBUTION OF F.W. TAYLOR

(SCIENTIFIC MANAGEMENT)

Scientific management is a part of early management approaches. The chief contributor of scientific management is F. W. Taylor. He is known as Father of Scientific Management (1856 to 1915) was born in USA.

He did most of his schooling in France & Germany. He couldn't finish his graduation & join Midvale Co. (Steel Work). He worked there for 6 years. In 1884 he raised to the position of Chief Engineers, as mean while he obtained Masters degree in Physics, Mathematics & Engineering.

In 1898, he joined Bethlehem Steel Co. where he did his experiment to increase the loading capacity of each worker with regards to material handling equipment. At first one worker was engaged in loading 12.5 tones of iron. But with the help of time & motion study he proved that one man can load 47.48 tones because of the change in the size of spade & systematic arrangement of instruments. With the help of proper planning organization can earn more profit. Initially the workers in that company are 500 to 600 because of this the strength of workers reduce to 140 and profit increased by 78,000 dollars.

- **Definition:-**
  Scientific management is concern with exactly knowing what you want men to do & then see that they are doing in best & cheapest way.

Development of Management thoughts – Taylor's

Contribution of F. W. Taylor :-

1) At Midvale Steel Co. he improved proper distribution of work for each worker.

2) In Midvale Steel Co. he analyzed the work done by workers in specific job & allotted standard time.

3) He also made experiments on time study & motion study to decide the work load of each worker.

4) In Bethlehem Steel Co. he had made experiments with material handling equipment for increasing the capacity of each worker.

5) In 1901, he presented a paper on differential piece rate system.

6) In 1906, he published article on art of cutting metals.

7) In 1903, he presented important paper on shop management – In that he explained gang boss, speed boss, repair boss & inspector.

8) In 1911, he gave the principles of scientific management, for which he is remembered as 'Father of Scientific Management'. In that he has explained:-

i) Friendly relationship between workers & management.

ii) Scientific education to the workers.

iii) Scientific selection of workers so that each worker could be given responsibility for the task.

iv) Development of the true science of management with proper analysis in the organization.

General Principles of Management- Henry Foyal's

- Henry Fayol's 14 principles derive from the circumstance that Fayol's felt that management was not well defined. In his striving to change this circumstance he suggested "some generalized teaching of management" to be a main part of every curriculum at places of higher education and even beginning in "primary schools". Fayol's dedication to this idea is demonstrated by the fact that after retirement he went on to not just write books about management ideas, but more importantly, he found the Centre for Administrative Studies (CAS) in 1917 in Paris. The CAS mainly functioned as a centre of discussion between professionals from a large variety of professions, in order to further the knowledge and understanding of management principles.

Henry Fayol Thoughts

- **Division of work:** This is the specialization that economists consider necessary for efficiency in the use of labor. Fayol's applies the principle to all kinds of work, managerial as well as technical.

- **Authority & responsibility:** Here Fayol finds authority and responsibility to be related, with the later arising from the former. He sees authority as a combination of official factors, deriving from the manager' position and personal factors.

- **Discipline:** Seeing discipline as "respect for agreements which are directed at achieving obedience, application, energy, and the outward marks of respect. Fayol declares that discipline requires good superiors at all levels.

- **Unity of command:** This means that employees should receive orders from one superior only.

- **Unity of direction:** According to this principle, each group of actives with the same objective must have one head and one plan.

Henry Fayol Thoughts

- **Subordination of individual to general interest:** This is self explanatory when the two are found to differ, management must reconcile them.
- **Remuneration and methods:** of payment should be fair and afford the maximum possible satisfaction to employees and employer.
- **Centralization:** Without using the term "Centralization of authority."Fayol's refers to the extent to which authority is concentrated or dispersed. Individual circumstances will determine the degree that will give the best overall yield.
- **Scalar chain:** Fayol thinks of this as a chain of superiors from the highest to the lowest ranks, which, while not to be departed from need lessly, should be short circuited when to follow it scrupulously would be detrimental.
- **Order:** Breaking this into material and social order, Fayol's follows the simple adage of a place for everything and everything in its place.
- **Equity:** Loyalty and devotion should be elicited from personnel by a combination of kindliness and justice on the part of managers when dealing with subordinators.
- **Stability of tenure:** Finding unnecessary turnover to be both the cause and the effect Of bad management, Fayol points out its dangers and costs.

Hawthorne Experiment

➤The Hawthorne experiment were first conducted in November, 1924 at Western Electric Company's Hawthorne plant in Chicago

➤The initial tests were sponsored by The National Research Council (NRC) of the National Academy of Sciences

➤In 1927, a research team from Harvard Business School was invited to join the studies after the illumination test drew unanticipated results

➤A team of researchers led by George Elton Mayo from the Harvard Business School carried out the studies (General Electric originally contributed funding, but they withdrew after the first trial was completed)

Hawthorne Experiment

•The Hawthorne studies have had a remarkable impact on management in organizations and how workers react to various situations.

•The research carried out at the Western Electrics Hawthorne plant during the 1920's and early 1930's helped to initiate a whole new approach to human behaviour studies.

•The final result was "the organization of teamwork-that is, of sustained cooperation leads to success".

Hawthorne Experiment

I]   **Illumination Experiment :-** (Physical, conducting, lighting effect)

It was undertaken to find out how change in the level of light & physical factor affects production. Higher illumination will help in increasing the production; decrease in illumination will lead to decrease in production.

II]   **Relay Assembly Test Room:-**

Under this study, two small groups of six female telephone relay assemblers were put in separate rooms under close observation and control. Frequent changes were made in working conditions such as working hours, rest periods, hot lunch etc. Over the two years period, it was concluded that social or human relationship among workers exercised greater influence on productivity of workers than working conditions. This special attention and treatment given to workers developed a sense of group pride and belongingness which motivated them to increase their performance.

III]   **Mass Interview Program:-**

During the course of experiment about 20,000 interviews were conducted from 1928 to 1930. For determination of employee's attitude towards company such as supervision, insurance plan, promotion, wages etc. & yes & no type of questions were asked. During the course of interview it was discovered that workers behaviour was influenced by group behavior.

The programme indicated that productivity can be increased if people allowed talking freely.

IV]   **Bank wiring observation room:-**

This experiment was carried from 1931 to 1932 with a view to analysis functioning of small group & its impact on individual behavior. The group was formed consisting of 14 male members, 9 wire men & two inspectors. Hourly wage rate was based on average output of each worker & bonus was based on the productivity of group of workers.

Hawthorne Experiment

The main conclusions of Hawthorne Experiments are as follows :

1) **Social factor in output:-**

Worker is influenced by social factor & the behavior within the group. Man is a social animal. Only monetary incentives are not sufficient to increase the production but non-monetary incentives will also help to increase the production. Means, behavior within the group will definitely increase the production. This acts as a motivating factor.

2) **Group Influence:-**

Worker forms a group in the organization means, they develop informal relationship. They try to change their behavior & manager is considered as a part & parcel for that group & not as a manager.

3) **Leadership:-**

Leadership is important for directing group behavior. But the formal relationship is not accepted by the workers. Informal relationship which is express in relay assembly test room & bank wiring observation room is lead to increase the efficiency of the workers.

4) **Supervision:-**

Supervision is important for determining efficiency of output but friendly supervision helps to increase the productivity of the workers in the organization.

5) **Communication:-**

In every organization communication is very important. Workers participation in the process of decision making helps in increasing the productivity. Workers must communicate freely with managers to explain their problem. Better understanding between manager & workers develops positive attitude.

What is said about Barnard

He looked at organizations as systems of cooperation of human activity, and was worried about the fact that they are typically rather short-lived.

This happens **because organizations do not meet the two criteria necessary for survival: effectiveness and efficiency**.
(http://en.wikipedia.org/wiki/Chester_Barnard)

He give us a much more "realistic" view of what really goes on in formal organization. According to Barnard individual have only a limited amount of power. A person can do only so much when acting alone.
http://www.wowessays.com/dbase/aa4/dli62.shtml

Barnard's key concepts:

- **Importance of an Individual's behaviour**

- **Compliance**
  Concept of "zone of indifference".

- **Communication**
  Focused on importance of communication in informal organization.

Barnard's key concepts: (cont.)

- **Other points**

  Organizations made up of individual humans with individual motivations

  Every large organization includes smaller, less formal groupings whose goals need to be harnessed to those of the whole - this is managements responsibility

  Management efficiency vs. effectiveness

  Authority only exists in so far as the people are willing to accept it

What else in Barnard's theory in the Classics of P.A.

(page: 104 – 108)

Civil society organizations

"Learning the organization ropes in most organizations is chiefly learning who's who. What's what, why's why of its informal society. (107)

"… it is undeniable that major executives and even entire executive organizations are often unaware of wide-spread influences, attitudes, and agitations within their organizations." (107)

Relevance of Chester Barnard's lessons: Theory of Jay P. Chandran

- Barnard's text is extremely difficult to read due to the undeserved obscurity to his labored and lugubrious style...

- In today's world of mergers and acquisitions, corporate "rightsizing" and rapidly evolving technologies, some of the values and principles espoused by Bernard may seen archaic and even anachronistic. Surprisingly, however, these values and principles find and echo in the hearts of many, and rekindle their faith in the nobility of the human spirit and the basic goodness of human nature"

Herbert Simon

Some of the major contributions of Herbert Simon towards management are as follows: 1. Concept of Organisation 2. Decision-making 3. Bounded Rationality 4. Administrative Man 5. Organizational Communication.

Herbert Simon, a noble prize winner in Economics, has made significant contributions in the field of management particularly administrative behaviour and decision making.

His contributions cover both social systems and decision theory approaches, more particularly the latter. Simon examined the principles of management given by Urwick and Guflick and found them contradictory and ambiguous.

He described these principles as 'myths', 'slogans'; and 'homely proverbs'. Simon looked at organisational problems in totality of socio-psychological context and viewed that decision making takes place in this context.

Herbert Simon

His major contributions to management are summarized below:

1. Concept of Organisation:

Simon has described an organisation as a complex network of decisional processes, all pointed towards their influence upon the behaviour of the operatives. He has viewed the organisation containing distribution and allocation of decision-making functions.

According to him, physiology of the organisation is to be found in the process whereby organisation influences the decisions of its members, supplying these decisions with their devices. Thus, the best way to analyses an organisation is to find out where and by whom decisions are made.

2. Decision-making:

Perhaps the greatest contribution of Simon is in the field of decision-making. Decision-making is the core of management and management is synonymous with decision-making. This is why he has been referred to as decision theorist. According to him, the decision process can be broken into a series of three sequential steps.

Herbert Simon

3. Bounded Rationality:

Simon is of view that man is not completely rational. He has criticized the theories which are based on the assumptions of complete rationality. He has advocated the principle of bounded rationality. Accordingly, managers do not go for maximum satisfaction of a decision but are satisfied with good enough satisfaction from a decision.

Managers cannot maximize on account of various limitations and constraints. A decision is a rational for achieving the desired ends, appropriate means are adopted. However, it is not easy to separate the ends from the means because of ends-means chain. This ends-means chain is seldom an integrated or completely integrated one.

The relationship between organisational activities and ultimate objectives is also not dear. Moreover, a simple ends-means chain analysis may not help in reaching accurate conclusion because what is an end at one point of time or at one level of organisation might be a means at the other time or at other level of organisation.

Herbert Simon

4. Administrative Man:

- Simon has given the concept of administrative man as the model of decision-making. The model is based on the following assumptions:
- (i) Administrative man adopts satisfaction approach in decision-making rather than the maximizing approach of economic man.
- (ii) He perceives the word as a simplified model of real world. Thus, he remains content with simplification,
- (iii) He can make his choice without first determining all possible alternatives and without screening that these are in-fact all the alternatives,
- (iv) He is able to make decisions with relatively simple rule of thumb, or tricks of trade, or force of habit. The administrative man model describes the decision-making process of mangers tarty then alternative thereby of economic man.

5. Organizational Communication:

- Simon has emphasised the role of communication in organisation. According to him, there are three stage in the communication process; initiation, transmittal, and receipt of information. There may be blockade of communication and any of these three stages. In order to overcome the problem of communication, he has emphasised the role of informal communication and has attached less importance to the formal network of authority.

Peter Drucker

Peter Drucker

Drucker and Marketing

- His most famous book is "The Practice of Management," published in 1954.
- Three questions that every company seeking to establish a brand must ask itself:
- "What is our business?"
- "Who is our customer?"
- "What does our customer consider valuable?"

Management thoughts

- The origin of management as a discipline was developed in the late 19thcentury.
- a) Classical approach,
- b) Behavioral approach,
- c) Quantitative approach,
- d) Systems approach,
- e) Contingency approach.

- THE CLASSICAL APPROACH:
  The classical approach is the oldest formal approach of management thought.

Management Thought

STAGES IN MANAGEMENT THOUGHT

I. **The Classical Theory of Management**

    1. Bureaucratic Model

    2. Scientific Management

    3. Process Management
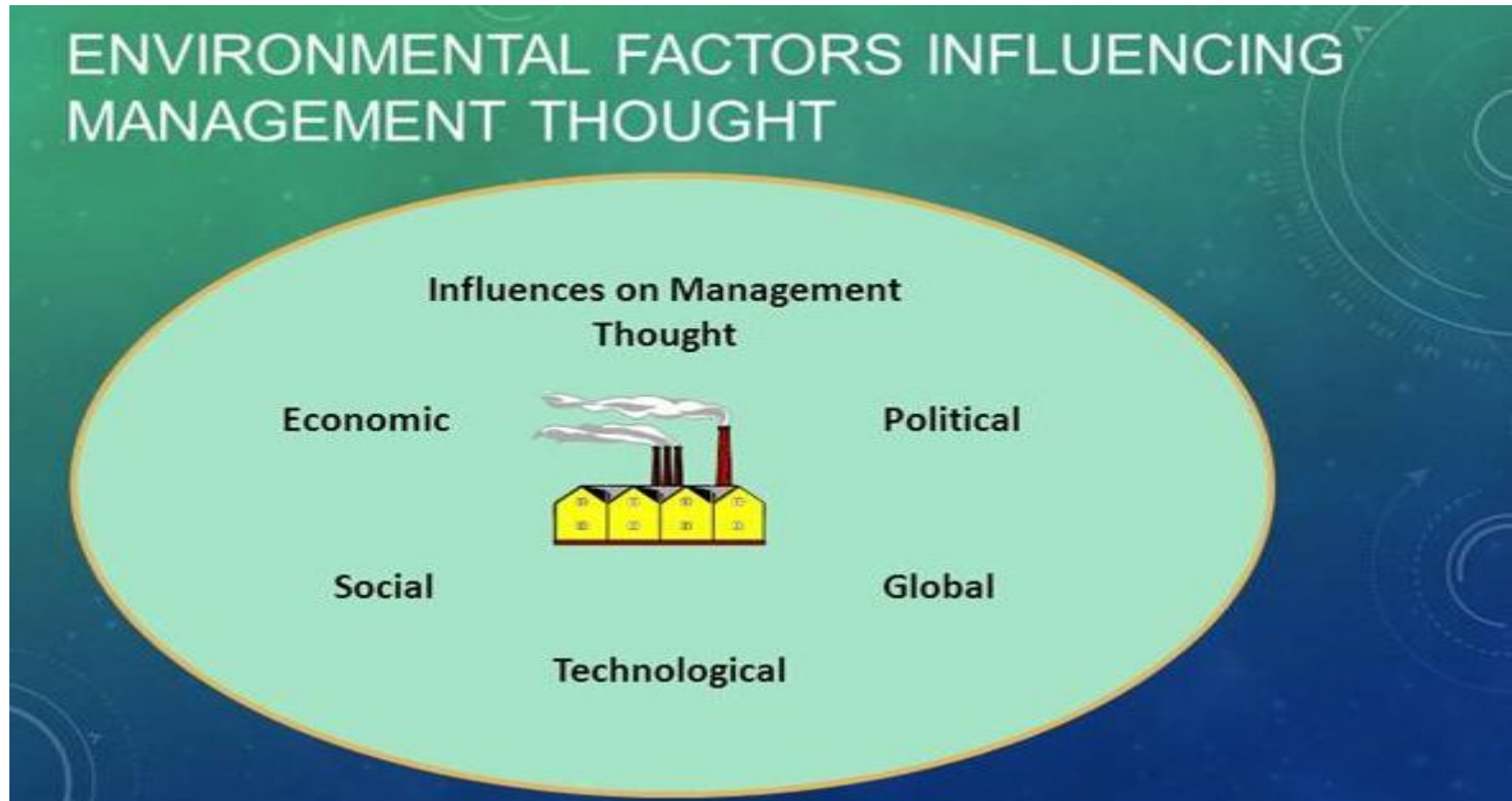
II. **The Neo-Classical Theory**

    1. Human Relations Movement

    2. Behavioural Sciences Movement

III. **The Modern Management Theories**

    1. Quantitative Approach

    2. Systems Approach

    3. Contingency Approach

Management Thought

UNIT- II Management process

Co-ordination – Functions of management – Managers and environment – External and internal Business Ethics – Planning – Fundamentals – Definitions & Features – Steps in planning – types of planning – Objectives – Concepts and features – Hierarchy of objectives – role – Process of MBO – Policy & Strategy – Decision making process – Individual Vs Group Decisions.

Co-ordination

> **Meaning:**

- 1. The act of state of coordinating or of being coordinate.

- 2. Proper order or relationship.

- 3.Harmonious combination or interaction, as function or part.

coordination

Co-ordination

FEATURES OF COORDINATION

- Essence of management.
- Managerial responsibility.
- Deliberate effort.
- Creativity.
- Continue process.
- Required in group activity.
- Different cooperation.
- System concept.

Co-ordination

IMPORTANCE OF COORDINATION

- Coordination encourages team spirit.
- Coordination gives proper direction.
- Coordination facilitates motivation.
- Coordination makes optimum utilization of resources.
- Coordination helps to achieve objectives quickly.
- Coordination improves relations in the organization.
- Coordination leads to higher efficiency.
- Coordination improves goodwill of the organization.

Co-ordination

FRAME WORK OF GOOD COORDINATION

- Leadership commitment
- Ministers' and stakeholders' buy-in
- Defined and agreed joint outcomes

MANDATE

Coordinated
State Agencies

SYSTEMS

BEHAVIOURS

- Appropriate and documented governance and accountability framework
- Sufficient and appropriate resources
- Process to measure performance from established baselines

- Right representation, skills and competencies
- Organisational cultures that support coordination
- Shared culture, language and values

Functions of Management

Planning and Decision Making

Setting the organization's goals and deciding how best to achieve them

Organizing

Determining how best to group activities and resources

Controlling

Monitoring and correcting ongoing activities to facilitate goal attainment

Leading

Motivating members of the organization to work in the best interests of the organization

Managers and environment

❖ **Function:** A classification referring to a group of similar activities in an organization like *marketing or operations.*

❖ **Functional Managers:** A manager responsible for just one organizational activity **such as accounting, human resources, sales, finance, marketing, or production**

- ▪ **Focus on technical areas of expertise**

- ▪ **Use communication, planning and administration, teamwork and self-management competencies to get work done**

Managers and environment

(cont'd)

❖ **General Managers:** responsible for the operations of more complex units—for example, a company or division

- Oversee work of functional managers
- Responsible for all the activities of the unit
- Need to acquire strategic and multicultural competencies to guide organization

❖ **Many Other types of managers**

External and internal Business Ethics

What is Ethics?

Ethics:

- is a branch of philosophy.

- is a normative science because it is concerned with the norms of human conduct.

- as a science, it must follow the same rigours of logical reasoning as other sciences.

- as a science, involves systemising, defending and recommending concepts of right and wrong behaviour.

Principles of Professional Ethics

- Impartiality: Objectivity;

- Trustworthiness and honesty;

- Openness: Full Disclosure;

- Confidentiality: Trust;

- Due Diligence: Duty of care;

- Fidelity to professional responsibilities; and

- Avoiding potential or apparent conflict of interest.

External and internal Business Ethics

What is Business Ethics?

Business ethics is the application of general ethical ideas to business behaviour.

It is based on the principle of integrity and fairness and concentrates on the benefits to the stakeholders, both internal and external. Stakeholder includes those individuals and groups without which the organization does not have an existence. It includes shareholders, creditors, employees, customers, dealers, vendors, government and the society.

What is not Business Ethics?

1. Ethics is different from religion.

2. Ethics is not synonymous to law.

3. Ethical standards are different from cultural traits.

4. Ethics is different from feelings.

5. Ethics is not a science in the strictest sense of the term.

6. Ethics is not just a collection of values.

Planning

Planning is deciding in advance what to do, how to do it, when to do it and who to do it. It involves anticipating the future and conciously

Choosing the future course of action.

"**According to Haimann, Planning is the function that determines in advance what should be done.**"

Planning

- Planning is goal-oriented
- Planning is a primary function
- Planning is all-pervasive
- Planning is a continuous process
- Planning is forward-looking
- Planning involves choice
- Planning is directed toword efficiency

Planning

The main step in planning proccess are as follow:-

Step 1- DEFINE THE TASK-

Step 2- IDENTIFY RESOURCES-

Step 3- CONSIDER ALTERNATIVE-

step 4- CREATE THE PLANNING-

Step 5- WORK THE PLAN-

Step 6- EVALUATE-

types of planning
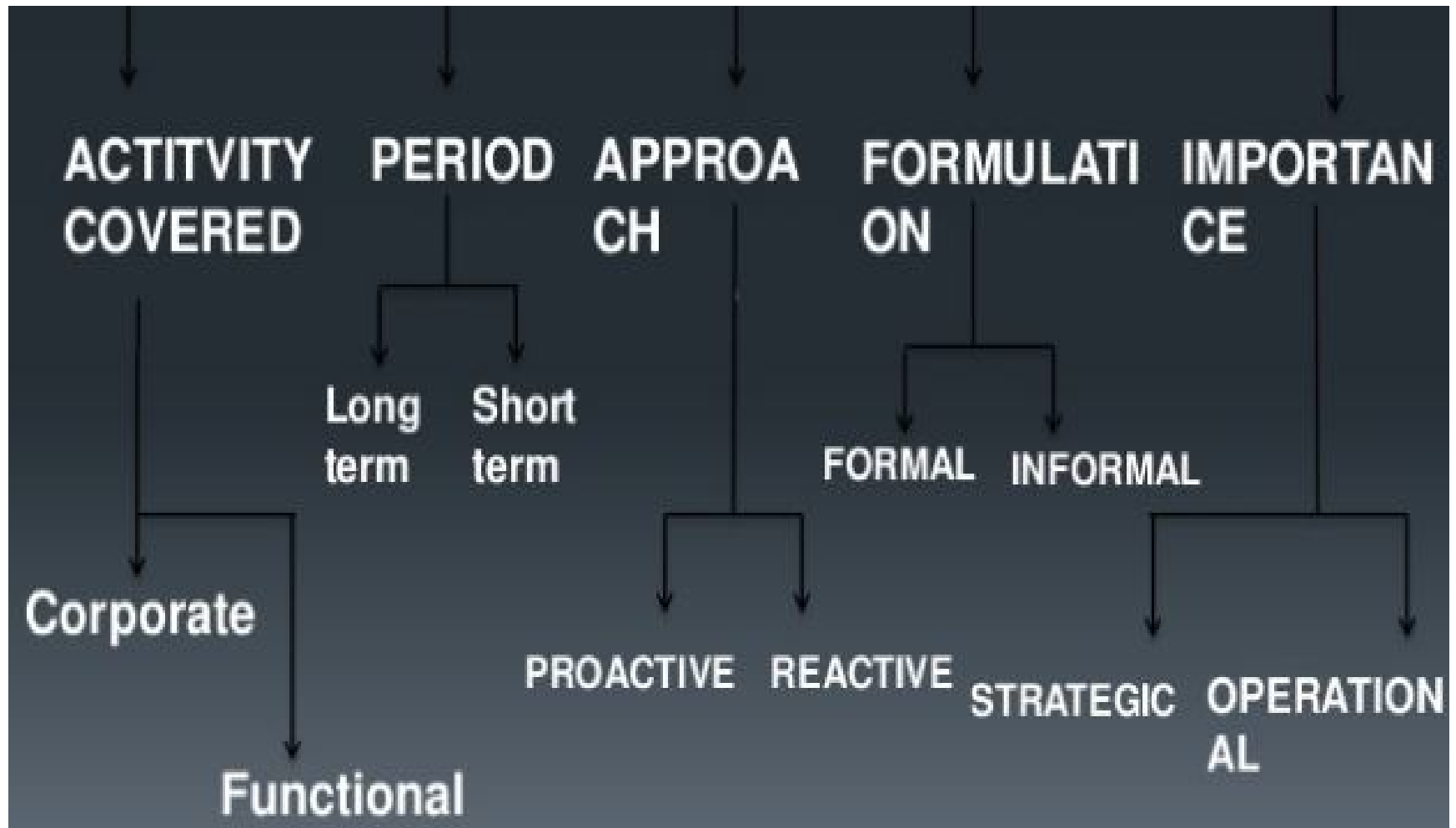
Objectives

- In Management by Objectives (MBO) systems, objectives are written down for each level of the organization, and individuals are given specific aims and targets. "The principle behind this is to ensure that people know what the organization is trying to achieve, what their part of the organization must do to meet those aims, and how, as individuals, they are expected to help. This presupposes that organization's programs and methods have been fully considered. If they have not, start by constructing team objectives and ask team members to share in the process."

- "The one thing an MBO system should provide is focus", says Andy Grove who ardently practiced MBO at Intel. So, have your objectives precise and keep their number small. Most people disobey this rule, try to focus on everything, and end up with no focus at all.

Objectives

- For Management by Objectives (MBO) to be effective, individual managers must understand the specific objectives of their job and how those objectives fit in with the overall company objectives set by the board of directors. "A manager's job should be based on a task to be performed in order to attain the company's objectives... the manager should be directed and controlled by the objectives of performance rather than by his boss."

- The review mechanism enables leaders to measure the performance of their managers, especially in the key result areas: marketing; [innovation](#); human organization; financial resources; physical resources; productivity; social responsibility; and profit requirements.

Objectives

The objectives of management are narrated as under.

(i) *Organisational objectives*: Management is expected to work for the achievement of the objectives of the particular organisation in which it exists. Organisational objectives include:
  (a) Reasonable profits so as to give a fair return on the capital invested in business
  (b) Survival and solvency of the business, i.e., continuity.
  (c) Growth and expansion of the enterprise
  (d) Improving the goodwill or reputation of the enterprise.

(ii) *Personal objectives*: An organisation consists of several persons who have their own objectives. These objectives are as follows:
  (a) Fair remuneration for work performed
  (b) Reasonable working conditions
  (c) Opportunities for training and development
  (d) Participation in management and prosperity of the enterprise
  (e) Reasonable security of service.

(iii) *Social objectives*: Management is not only a representative of the owners and workers, but is also responsible to the various groups outside the organisation. It is expected to fulfil the objectives of the society which are given below:
  (a) Quality of goods and services at fair price to consumers.
  (b) Honest and prompt payment of taxes to the Government.
  (c) Conservation of environment and natural resources.
  (d) Fair dealings with suppliers, dealers and competitors.
  (e) Preservation of ethical values of the society.

1.2 CONCEPTS OF MANAGEMENT

The term management has been interpreted in several ways; some of which are given below:

Management as an Activity

Management is an activity just like playing, studying, teaching etc. As an activity management has been defined as the art of getting things done through the efforts of other people. Management is a group activity wherein managers do to achieve the objectives of the group. The activities of management are:

- Interpersonal activities
- Decisional activities
- Informative activities

Management as a Process

Management is considered a process because it involves a series of interrelated functions. It consists of getting the objectives of an organisation and taking steps to achieve objectives. The management process includes planning, organising, staffing, directing and controlling functions.

What is MBO?

- Management by objectives (MBO) is a systematic and organized approach that allows management to focus on achievable goals and to attain the best possible results from available resources. It aims to increase organizational performance by aligning goals and subordinate objectives throughout the organization. Ideally, employees get strong input to identify their objectives, time lines for completion, etc. MBO includes ongoing tracking and [feedback](#) in the process to reach objectives.

- Management by Objectives (MBO) was first outlined by Peter Drucker in 1954 in his book 'The Practice of Management'. In the 90s, Peter Drucker himself decreased the significance of this organization management method, when he said: "It's just another tool. It is not the great cure for management inefficiency... Management by Objectives works if you know [the objectives](#), 90% of the time you don't."

Core Concepts of MBO

- According to Drucker managers should "avoid the activity trap", getting so involved in their day to day activities that they forget their main purpose or objective. Instead of just a few [top-managers](#), all managers should:

- participate in the [strategic planning](#) process, in order to improve the implementability of the plan, and

- implement a range of performance systems, designed to help the organization stay on the right track.

Main Principle of MBO

- The principle behind Management by Objectives (MBO) is to make sure that everybody within the organization has a clear understanding of the aims, or objectives, of that organization, as well as awareness of their own roles and responsibilities in achieving those aims. The complete MBO system is to get managers and [empowered employees](#) acting to implement and achieve their plans, which automatically achieve those of the organization.

Where to Use MBO

- The MBO style is appropriate for [knowledge-based enterprises](#) when your staff is competent. It is appropriate in situations where you wish to build employees' management and [self-leadership](#) skills and tap their [creativity](#), [tacit knowledge](#) and initiative. Management by Objectives (MBO) is also used by chief executives of multinational corporations (MNCs) for their country managers abroad.

Decision making process

- There are eight steps of decision making:
- Identification of problem
- Identification of decision Criteria
- Allocating weight to criteria
- Develop alternatives
- Analysis of Alternatives
- Selection of alternatives
- Implementation of the best alternatives
- Evaluation of decision effectiveness

Individual Vs Group Decisions

➤ **Problem Analysis vs. Decision Making**

It is important to differentiate between problem analysis and decision making. The concepts are completely separate from one another. Problem analysis must be done first, then the information gathered in that process may be used towards decision making.

➤ **Decision Making Process:**

<u>In general:</u>
"Decision making is the process of making a choice between a numbers of options and committing to a future course of actions.

UNIT- III   Organization Structure

Organizing – Theory & Approach –Authority & Responsibility – Delegation – Centralization & Decentralization – Line & Staff Relationship – Staffing – Fundamentals – System approach – Manpower Planning – Recruitment & Selection – Training and development – Performance appraisal – Direction – Fundamentals Motivation – Theories of Motivation-Maslow's Hersberg's MaClelland's theory X,Y & Z leadership – Theories and Styles – Communication – Type – Controlling – System and Process.

What is an Organization ?

A social unit of people, systematically structured and managed to meet a need or to pursue collective goals on a continuing basis.

Why do we need an Organizational Structure ?

All Organizations have a management structure that determines the relationships b/w functions and positions and subdivides and delegates roles, responsibilities and authority to carry out defined tasks.

Organizational Structure

It is a framework within which an Organization arranges it's lines of authorities and communications and allocates rights and duties.
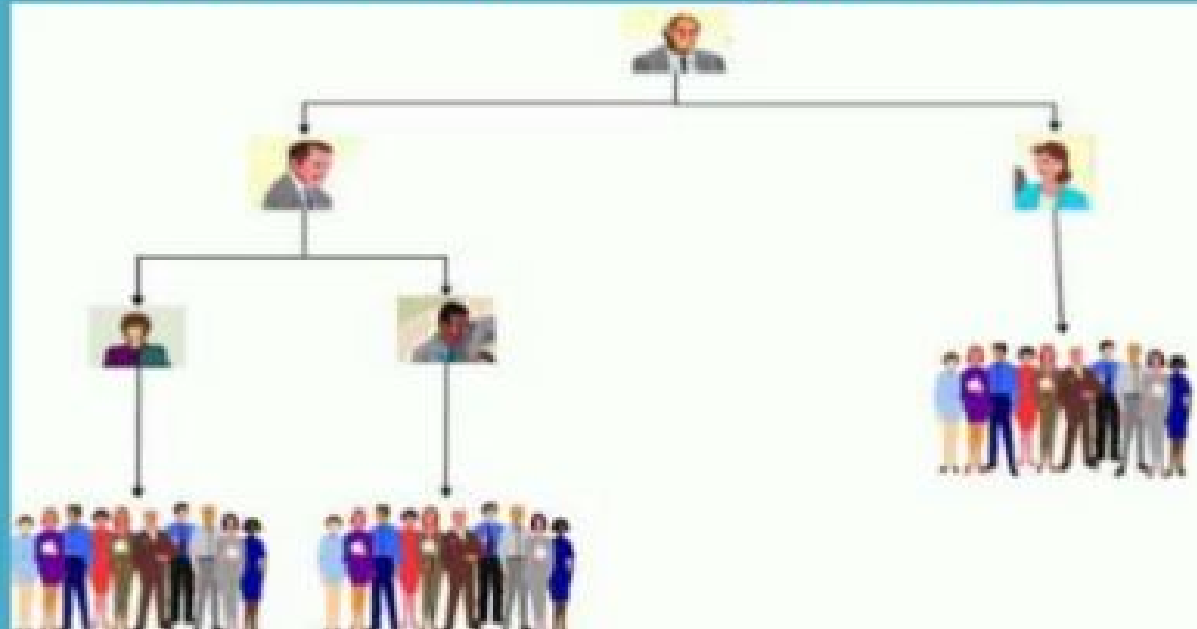
Importance of Organizational Structure

- Impacts effectiveness and efficiency.

- Reduces redundant actions.

- Promotes teamwork.

- Improves communication.

- Contributes to success or failure.

Purpose of Organizing

- Divides work to be done in specific jobs & dept.
- Assigns tasks and responsibilities associated with individual jobs.
- Coordinates diverse organizational tasks.
- Establishes relationship b/w individuals, groups and departments.
- Establishes formal lines of authority.
- Allocates organizational resources.
- Clusters jobs into units.

Organization Structure

Although there are a number of variations of organizational structure, we shall discuss line and staff organizations and committee organization here.

- **_LINE ORGANIZATION_**

The line organization is the simplest organizational structure. It is the "doing" organization, in that the work of all organizational units is directly involved in producing and marketing the organization's goods and services. There are direct vertical links between the different levels of the scalar chain. Since there is a clear authority structure, this form of organization promotes greater decisionmaking and is simple in form to understand.

On the other hand, managers may be overburdened when they have too many duties. Figure 11-11 below illustrates a simple line organization.

```
                              President
                 ┌───────────────┴───────────────┐
         Vice President                    Vice President
          Operations                         Marketing
      ┌───────┼───────┐                 ┌───────┼───────┐
 Purchasing Assembly Quality       Promotion  Sales   Marketing
                     Control                           Research
```
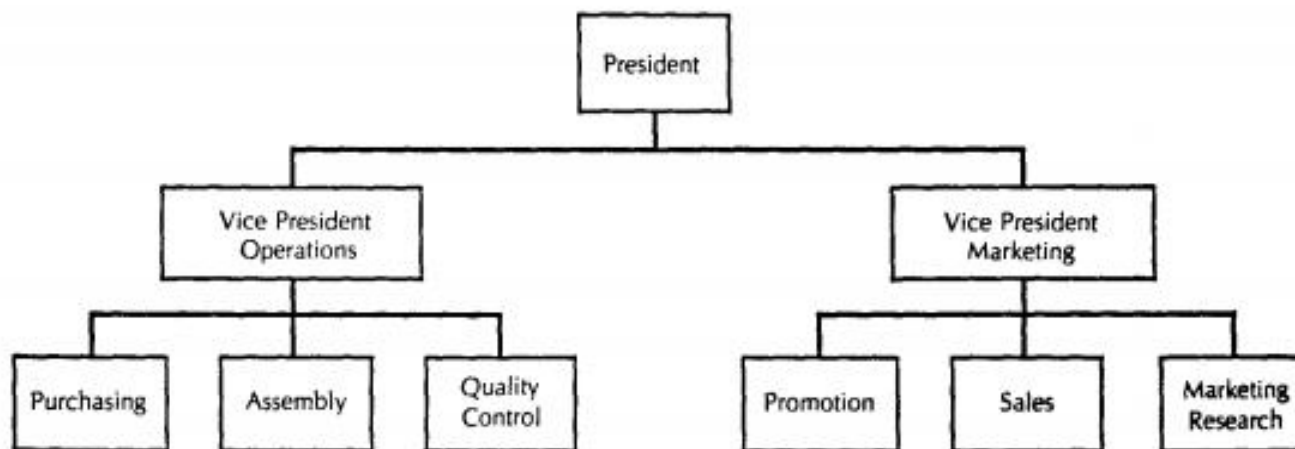
Delegation

The delegation process works as follows. The manager has certain defined objectives (i.e., results) to accomplish at the end of the budget period. He or she assigns the responsibilities (i.e., duties to be performed) to key employees, along with the commensurate authority to go with those responsibilities. Thus, the accomplishment of the assigned responsibilities should equal the defined objectives.

The manager then develops standards of performance with each key employee (i.e., the conditions that should exist when a job is done well). These standards should be developed mutually to be effective. In essence, these standards of performance become the accountability of each employee for the budget period. The successful accomplishment of the standards of performance should equal the assigned responsibilities. The process continues with the appraisal of key subordinates rated against the agreed-upon standards of performance and closes with evaluation and feedback to the beginning of the next budget cycle, when the process begins all over again. See Figure 11-9 below.

Defining Objectives

Appraising Performance

Assigning Responsibilities

The Key Links
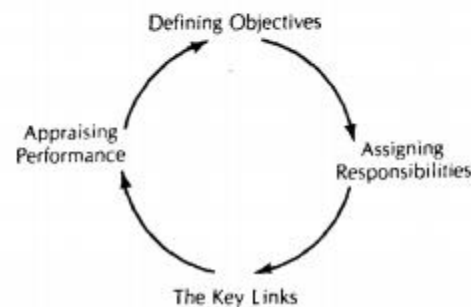
Reverse Delegation

An important consideration for the manager who tries to do everybody's job is that he or she does so at the expense of the job for which he was hired--managing. An interesting analogy that underscores the value of delegation for management's sake is the "monkey-on-the-back" analogy, which claims that managers spend far more time with their employees than they even faintly realize. This habit occurs especially when a problem is brought to the manager's attention. In encounters with employees, the manager's use of simple phrases, such as "send me a memo on that," or "let me think about that and I'll let you know," or "just let me know what I can do," causes the "monkey" (problem) to jump onto the manager's back.

The manager assumes the responsibility for handling the task that was delegated to the employee in the first place, and when the employee reaches an impasse, the manager takes the next step. This is reverse delegation, and many employees are adept at it. Naturally, there will be situations in which the next step is justified, but unless the manager wants endless lines at the office door, he or she should avoid the casual and repeated use of those phrases that permit employee problems to ride on the manager's back. in fact, this principle of delegation is that accountability to a superior cannot be delegated.

A solution to this problem is to encourage initiative in employees. Employees should not have to wait until told to do something; nor should they have to ask. They should practice the completion of assigned tasks. By keeping the responsibility where it belongs, the manager will increase discretionary time to manage and can still handle system-imposed tasks. To develop initiative in employees early is one of the ways to develop a new generation of capable managers.

Authority & Responsibility

A clear definition of responsibilities and the authority to accomplish them constitute the foundation of the art of delegation. Whenever possible, these responsibilities should be stated in writing. The employee should also have a good idea of how the job fits into the total picture and why it is important. The manager should also encourage questions and be completely approachable. This practice, in combination with exhibiting confidence and trust by allowing subordinates to pursue goals without undue reporting, constant checking, and other exaggerated forms of control, will create a supportive climate and help to build an effective working relationship.

- ***PERFORMANCE RATING***

Once the employee understands the job, that person should be made aware of how performance will be measured. This step in the management process has already been mentioned.

By and large, and within reason, managers receive the type and level of job performance they expect or informally accept over a period of time. In fact, low expectations tend to breed low performance and the opposite is true of high expectations. The failure to confront lower than desired levels of performance is tantamount to acknowledging them as acceptable; high expectations mean setting challenging but achievable goals. The focus should be on results that are motivating and attainable.

The manager should establish a system for setting objectives and set up a procedure for periodically reporting progress toward these objectives. Consideration of less-experienced employees demands more frequent consultation and, possibly, reporting. The manager who is committed to delegating authority should avoid switching back and forth in delegation, thereby causing only confusion and stagnation among employees

Centralization and Decentralization

The issues of centralization and decentralization involve the principle of delegation of authority. When a limited amount of authority is delegated in an organization, it is usually characterized as *centralized*. When a significant amount of authority is delegated to lower levels in the organization, the business is characterized as *decentralized*. Centralization and decentralization are opposites, and there are different degrees of each. In a highly centralized organization, employees at lower levels have a limited range of decision-making authority. The scope of authority to make decisions in decentralized organizations, by way of contrast, is very broad for lower level employees (see Figure 11-10 below).

Top Level of Management

Scope of Authority

Scope of Authority

Middle Management

Centralized

First Level
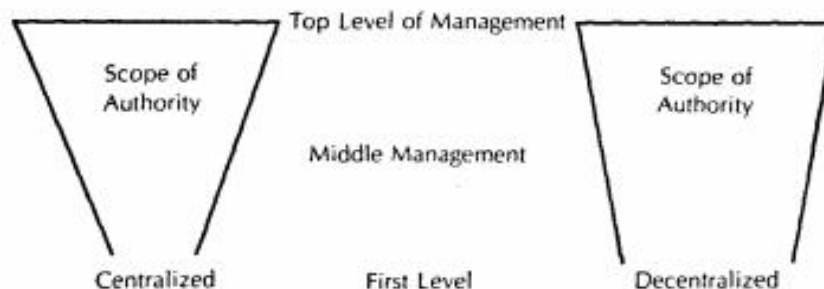
Decentralized

One cannot classify all forms of centralization as effective or ineffective. The same applies to decentralization. Each form has its advantages and disadvantages and is affected by a number of factors. For example, the size and complexity of the enterprise can affect the delegation of authority. If an organization is very large and diversified, the limitations of expertise will generally lead to decentralization of authority to the heads of these different businesses. if speed and adaptability to change are characteristic of the business, it tends toward decentralization. Geographic dispersion also favors decentralization of authority. On the other hand, some organizations have excellent and speedy communications systems that tend to favor the centralization of authority. In situations in which adequate personnel are unavailable, the organization tends to centralized authority.

Centralization and Decentralization

ADVANTAGES OF CENTRALIZATION
1. Closer control of operations
2. Uniformity of policies, practices, and procedures
3. Better use of centralized, specialized experts

ADVANTAGES OF DECENTRALIZATION
1. Faster decision-making without resort to higher level consultation
2. Excellent training experience for promotion to higher level management
3. Decisions better adapted to local conditions

The issues of centralization and decentralization involve the principle of delegation of authority. In **centralization,** a limited amount of authority is delegated; in **decentralization,** a significant amount of authority is delegated to lower levels. Each form has its advantages and disadvantages and is affected by a number of factors, such as size of organization and the amount of geographic dispersion.

Decentralization

Decentralisation refers to the systematic effort to delegate to the lowest levels all authority except that which can only be exercised at central points. Decentralisation is concerned with the placement of authority with reference to responsibility

Advantages:

- Quick decision
- Improve effectiveness of managers
- Democratization
- Improved morale of personnel

Disadvantages:

- Violating Unity of command
- Misuse of power

Line & Staff Relationship

Line & Staff Relationships in Organizations

Relationship which the managers in an organization deal with one another are classified into two categories

Line and staff

Line Relationship - authority and responsibility

Receiving and giving instructions or orders. Important as one gets work done through people.

Staff Relationship –giving and taking of advice

Line & Staff Relationship
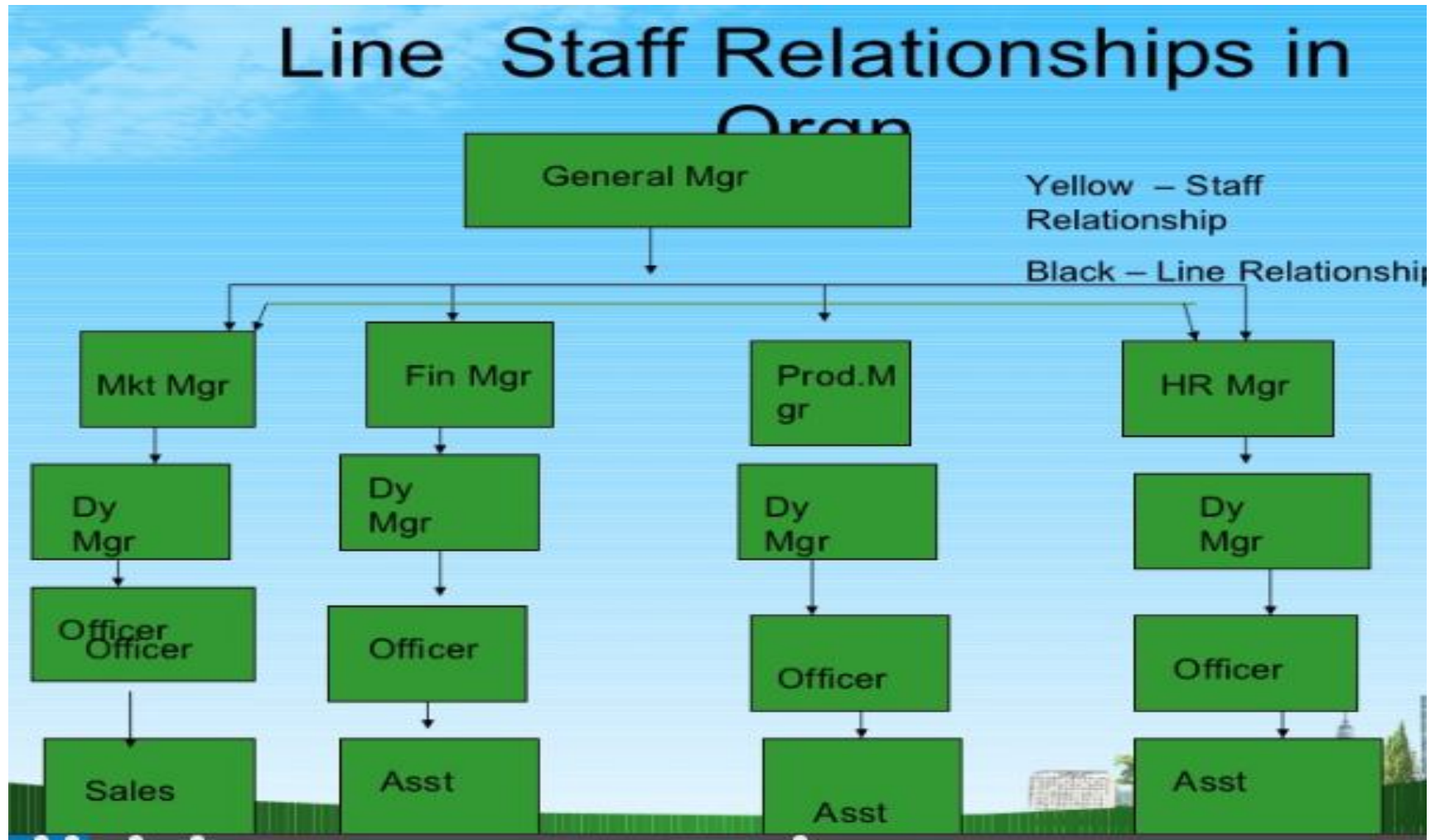
Line & Staff Relationship

Line and Staff are names given to different types of functions in organizations. A "line function" is one that directly advances an organization in its core work. This always production and sales, and sometimes also marketing. A "staff function" supports the organization with specialized advisory and support functions. For example, human resources, accounting, public relations and the legal department are generally considered to be staff functions.

Staffing

Staffing is the process of filling positions/posts in the organization with adequate and qualified personnel .

Staffing is the process of acquiring, deploying, and retaining a workforce of sufficient quantity and quality to create positive impacts on the organization's effectiveness

➢ According to McFarland,

"Staffing is the function by which managers build an organization through the recruitment, selection, and development of individuals as capable employees."

➢ According to Koontz, O'Donnell and Heinz Weihrich,
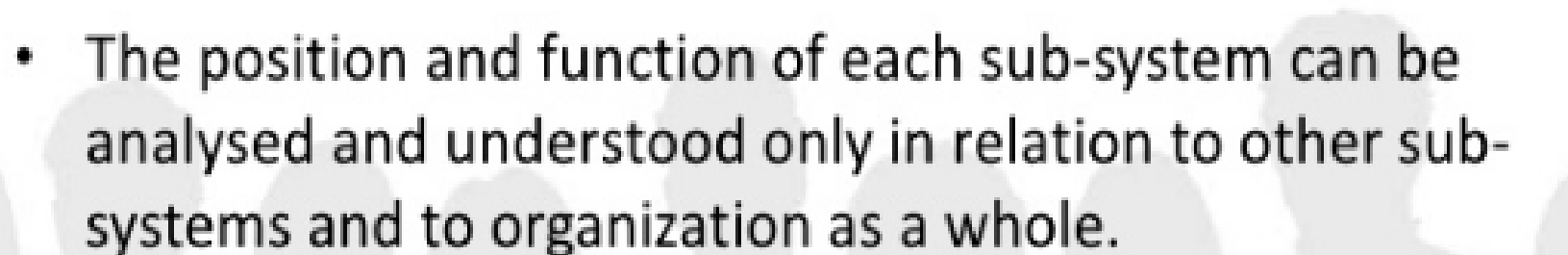
"The management function of staffing is defined as filling position in the organization structure through identifying workforce requirements, inventorying the people available, recruitment, selection, placement, promotion, appraisal, compensation, and training of needed people."

Systems approach to Management

- It is a collection of interrelated parts acting together to achieve some goal which exists in the environment. Also, system is defined as a set of objects working together with relationships between the objects and their attributes related to each other and to the environment.

- Therefore, system in simple terms in respect to management, it is a set of different independent parts working together in interrelated manner to accomplish a set of objectives.

Elements of Systems Approach

- An organization is a unified and purposeful system consisting of several interconnected, interacting and interdependent parts.

- The parts of a system are called sub-systems. Each sub-system influences the other sub-systems and the system as a whole.

- The position and function of each sub-system can be analysed and understood only in relation to other sub-systems and to organization as a whole.

Manpower Planning

A regional personnel manager responsible for food retail stores in growing economy. you have got 28 stores in your area . ranging from small glossary style stores in which only 7 people are employed .

In large super stores u have a got 1 store manager , 2 assist managers,12 line supervisors , 24 full time employees as check out specialists ,45 full time ware house and store staff and 35 floor asst

now the problem is over the last 6 months steadily increasing demands of your products which in a region as whole , but the problem is wages are still stable in organization .

Carefully draw a manpower plan for the organisation.

Indicating where and when staff are currently employed within the organisation .(keep the information u have to draw a structure)how long they r likely to stay in that position and future projects of staff requirments. You can assume that within you region these r 6 city centers in which u have 2 stores each (focus on large structures)

the remaining 16 stores r located in small to medium peripheral towns

draw a manpower chart for 12 large stores .

Recruitment

Recruitment forms the first stage in the process, which continues with selection and cease with placement of the candidate. Recruitment makes it possible to acquire the number and type of people necessary to ensure the continued operation of the organization.

Meaning and Definition:

In simple terms Recruitment is understood as a process for searching and obtaining applicants for jobs, from among the available recruits. A formal definition of Recruitment is:

Recruitment

RECRUITMENT PROCESS

1. Planning
2. Strategy Development
3. Searching
4. Screening
5. Evaluation and Control

Recruitment

1. RECRUITMENT PLANNING

The first stage in the Recruitment Process is planning. Planning involves the translation of likely job vacancies and information about the nature of these jobs into a set of objectives is targets that specify the number and type of applicants to be planned.
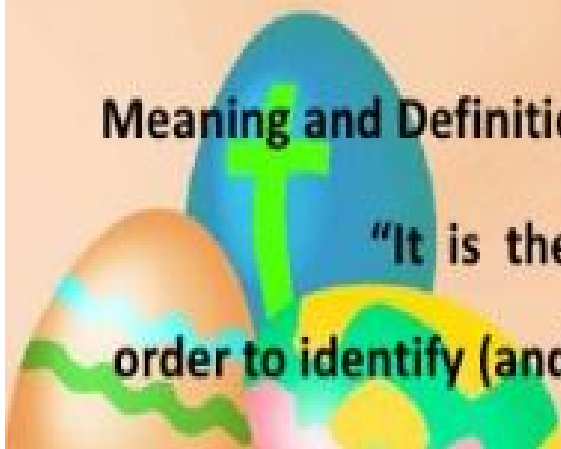
SELECTION

Selection has been regarded as the most important function of HR department. It ensures the organization that; it has right number, right kind of people at the right place and at the right time.

Meaning and Definitions:

"It is the process of differentiating between applicants in order to identify (and hire) those with the greater likelihood of success."

SELECTION PROCESS

1. Preliminary Interview
2. Selection Tests
3. Employment Interview
4. Reference and Background Checks
5. Selection Decision:
6. Physical Examinations
7. Job Offer
8. Contract Of Employment
9. Evaluation of Selection program
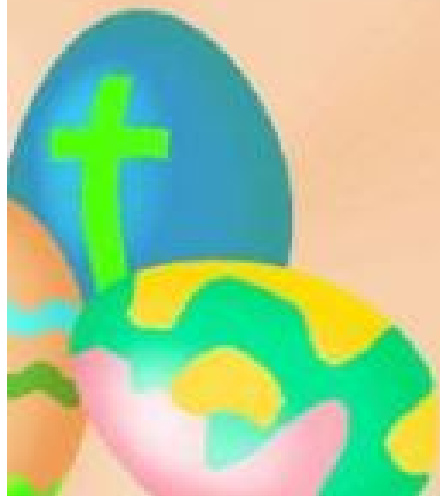
Training

- Training is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, or changing of attitudes and behaviours to enhance the performance of employees.
- Training is an activity which deliberately attempts to improve a person's skill at task (Oately)
- Training is a systematic procedure for transferring technical know-how of employees so as to increase their skills for doing particular job

Objectives of Training

- Enhancing skills and knowledge of employees
- Increase in Communication Skills
- Personality Development
- Enhancement of Efficiency and Effectiveness of work performed
- Minimizing Faults in Operation
- Lower Turnover Rate and reduce Absenteeism
- Enhancing Quantum of Work Done by Employees
- Reducing the Stress Level of employees

TRAINING CYCLE

EVALUATION

PRE PLANNING

IDENTIFY LEARNING REQUIREMENTS

ASSESS RESULTS

SET LEARNING OBJECTIVES

MONITOR AND REVIEW

TRAIN

DESIGN AND PLAN STRATEGY

PLANNING

IMPLEMENTATION

Development

- Development refers to those activities and programs which have substantial influence in changing the capacity of an individual to perform better and increase his potential
- Long term effect of training is development, training is subset of development

Difference

	TRAINING	DEVELOPMENT
1.	Focus on technical, mechanical and operative functions.	Focus on theoretical skills and conceptual ideas
2.	Focuses on current job	Prepares for future job
3.	Concerned with specific job skills and behavior	Concerned with enhancement of general knowledge and understanding of non-technical organization functions.
4.	Mostly for non-managerial posts	Usually meant for managers and executives
5.	Focus on short term gains	Focus on long term benefits
6.	It is job oriented process and vocational in nature	It is general in nature and strives to inculcate enterprise creativity, dedication and loyalty among employees
7.	It is one shot deal	It is continuous ongoing process

Difference

	TRAINING	DEVELOPMENT
8.	Results in enhancement of a particular job skill.	Results in personal growth and overall personality development
9.	It can be divided into mainly on the job and off the job	No such classification is possible
10.	It is a result of extrinsic motivation	It is a result of intrinsic motivation
11.	Training programs are usually compulsory	Development activities are usually voluntary
12.	Staff members do not have a clear idea regarding the relationship b/w training and career development	Staff members are experienced and know about relationship b/w development and career success
13.	Evaluation for training is usually conducted	Evaluation of development is usually not possible

Performance Appraisal

Performance management is the process of identifying, measuring, managing, and developing the performance of the human resources in an organization.

Performance appraisal, is the ongoing process of evaluating employee performance.

Performance appraisal deals with how organizations evaluate and measures its employees achievements and behaviors. It is an employee review by his manager where his work performance is evaluated and strengths and weaknesses are identified so that the employee knows his improvement areas.

Study Question 1: What is motivation?

➢ Basic motivational concepts
  – Motivation—the forces within the individual that account for the level, direction, and persistence of effort expended at work.

  – Reward—a work outcome of positive value to the individual

  – Extrinsic rewards—valued outcomes given to someone by another person.

  – Intrinsic rewards—valued outcomes that occur naturally as a person works on a task.

Study Question 1: What is motivation?

➢ To achieve maximum motivational potential in linking rewards to performance ...

– Respect diversity and individual differences to best understand what people want from work.

– Allocate rewards to satisfy the interests of both individuals and the organization.

Management - Chapter 14

Study Question 1: What is motivation?

➢ **Types of motivation theories**

  – Content theories

  • Human needs and how people with different needs may respond to different work situations.

  – Process theories

  • How people give meaning to rewards and make decisions on various work-related behaviors.

  – Reinforcement theory

  • How people's behavior is influenced by environmental consequences.

Maslow's Theory

MASLOW'S THEORY

* We each have a hierarchy of needs that ranges from "lower" to "higher." As lower needs are fulfilled there is a tendency for other, higher needs to emerge."

* Maslow's theory maintains that a person does not feel a higher need until the needs of the current level have been satisfied.

Hersberg's Theory

× Frederick Herzberg performed studies to determine which factors in an employee's work environment caused satisfaction or dissatisfaction. He published his findings in the 1959 book The Motivation to Work.

× According to Herzberg: The job should have sufficient challenge to utilize the full ability of the employee.

× Employees who demonstrate increasing levels of ability should be given increasing levels of responsibility.

× If a job cannot be designed to use an employee's full abilities, then the firm should consider automating the task or replacing the employee with one who has a lower level of skill. If a person cannot be fully utilized, then there will be a motivation problem

McGregor's Theory X and Theory Y

- Taught psychology at MIT.
- At Antioch College, McGregor found that his classroom teaching of human relations did not always work in practice.
- From these experiences, his ideas evolve and lead him to recognize the influence of assumptions we make about people and our managerial style.

McGregor's Theory X and Theory Y

- Theory X
  - Assumes that workers have little ambition, dislike work, avoid responsibility, and require close supervision.
- Theory Y
  - Assumes that workers can exercise self-direction, desire responsibility, and like to work.
- Motivation is maximized by participative decision making, interesting jobs, and good group relations.

McGregor's Theory X and Theory Y

THEORY X

- Work is inherently distasteful to most people.
- Most people are not ambitious, have little desire for responsibility, and prefer to be directed.
- Most people have little capacity for creativity in solving organizational problems.
- Motivation occurs only at the physiological and safety levels.
- Most people must be closely controlled and often coerced to achieve organizational objectives.

THEORY Y

- Work is as natural as play, if the conditions are favorable.
- Self-control is often indispensable in achieving organizational goals.
- The capacity for creativity in solving organizational problems is widely distributed in the population.
- Motivation occurs at the social, esteem, and self-actualization levels, as well as physiological and security levels.
- People can be self-directed and creative at work if properly motivated.

David McClelland's Learned Needs Theory

Three-Needs Theory

There are three major acquired needs that are major motives in work:

- **Need for achievement (nAch)**
  - The drive to excel and succeed
- **Need for power (nPow)**
  - The need to influence the behavior of others
- **Need of affiliation (nAff)**
  - The desire for interpersonal relationships

Need for Achievement (nAch)

• they want to accomplish reasonably challenging but attainable goals through their own effort.

• they prefer working alone rather than in teams

• they choose tasks with a moderate degree of difficulty

ACHIEVEMENT

Theories and Styles

Theories and Styles

➤ **Contingency Theories:**
- Leadership as being more flexible –
- Different leadership styles being used at different times depending upon the circumstances.
- Suggest leadership is not a fixed series of characteristics that can be transposed into different contexts.
- May depend on:

vi.   Type of staff

vii. History of business

viii. Culture of the business

ix. Quality of relationship

x. Nature of the change needed

June 27, 2012

Controlling – system and process

- Setting plan, establishing the structure and directing the people do not guarantee that every thing in the organization is going on well.
- Thus, control process is very important for all types of organizations.
- Before that what is CONTROL?
  - Control to define is making sure that something happens the way it was planned to happen. As implied in this definition, planning and controlling are inseparable functions.
  - Controlling is also the task of ensuring that the activities are providing the desired results.

Controlling – system and process

1. Set standards by which performance will be measured.

2. Measure performance.

3. Compare actual performance with standards and identify any deviations.

4. Determine the reasons for the deviations.

5. Take corrective action if needed.

○ A basic control process involves mainly these steps :

1. Establishment of Standards

2. Measurement of Performance

3. Compare Performances

4. Taking Corrective Actions

UNIT- IV   Organizational Behaviour

Definition – Organization – Managerial Role and Functions – Organizational Approaches, Individual behaviour – Causes – Environmental effect – Behaviour and performance, perception – Organizational implications, Personality – Contributing factors – Dimension, Motivation – Need Theories – Process Theories – Job satisfaction, Learning and Behaviour – Learning Curves, Work Design and Approaches.

Definition- Organizational Behaviour
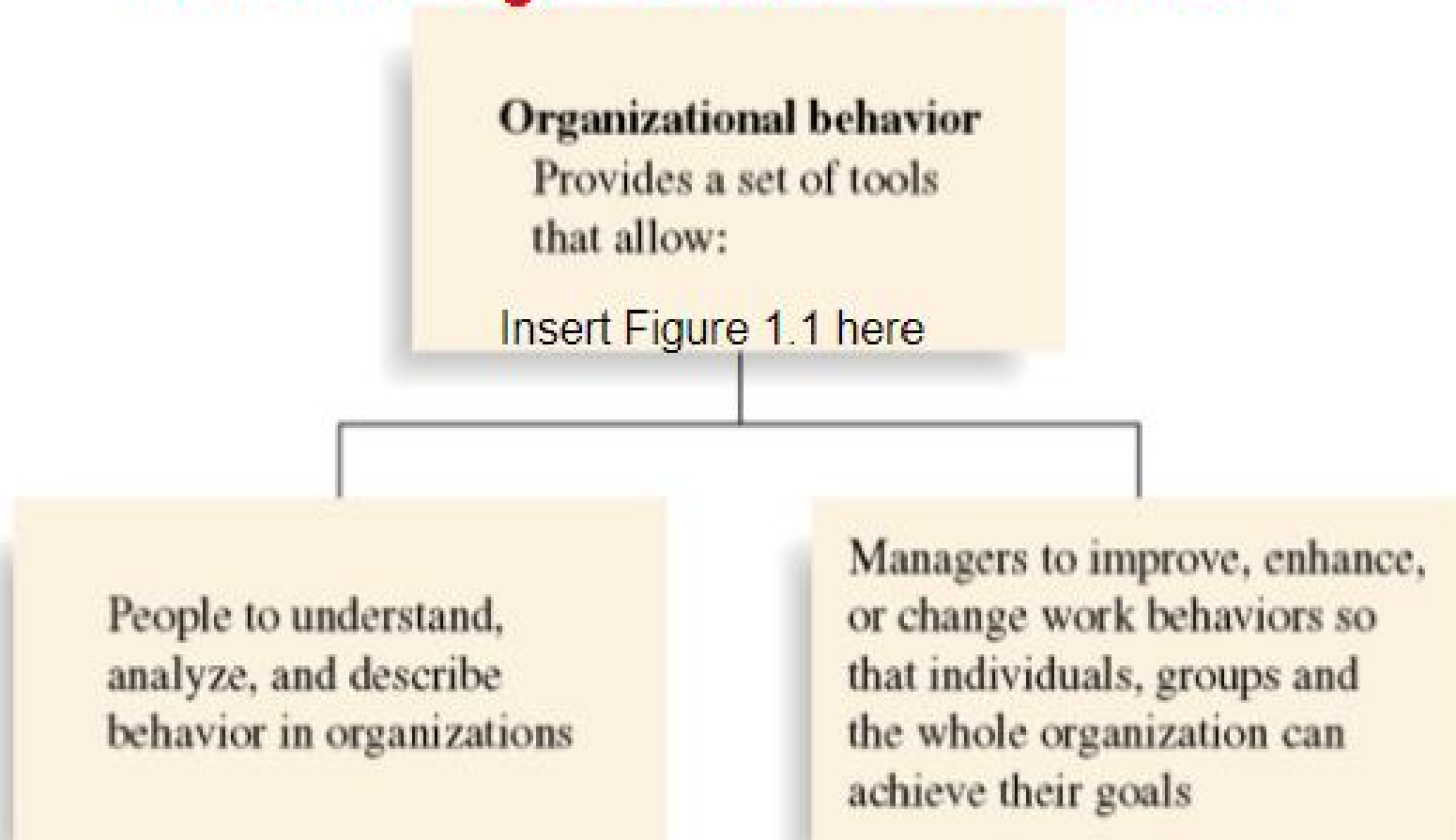
- **Definition**
- OB
  - systematic study and careful application of knowledge about how people – as individuals and as groups – act within organizations.
  - Strive to identify ways in which people can act more efficiently
  - A large number of research studies and conceptual developments constantly adds up to its knowledge base.
  - An applied science
  - Provides useful set of tools at many levels of analysis from individual, interpersonal relations, intergroup,and whole system

Organizational behaviour

- **Organizational behaviour**, is *"… a study and application of knowledge about human behaviour – as individuals and in groups – in orgns – strives to identify ways in which people can act more effectively."*

- *"The understanding, prediction and management of human behaviour in organisations."*

- Is an applied science- best practices in one orgn can be communicated to others

Organizational Behaviour

What is Organizational Behavior?

Organizational behavior
Provides a set of tools
that allow:

Insert Figure 1.1 here

People to understand,
analyze, and describe
behavior in organizations

Managers to improve, enhance,
or change work behaviors so
that individuals, groups and
the whole organization can
achieve their goals

Organizational Behaviour

Why Study Organizational Behavior

Organizational Behaviour

Organizing- The process by which managers establish working relationships among employees to achieve goals.

According To Chester Barnard Organization Is Defined As

- "A system of consciously co-ordinated activities or efforts of two or more persons".

An Organization Defined

- A deliberate arrangement of people to accomplish some specific purpose

Organizational Behaviour

Organize
/or-ga-nize/

def: To put things into and ordered and structured way or to make a system for easy access to them.

- "Organization is the process of identifying and grouping of the works to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most efficiently".

  - Louis A. Allen

Managerial Roles

Roles of Manager

A manager wears many hats. Not only is a manager a team leader, but he or she is also a planner, organizer, cheerleader, coach, problem solver, and decision maker — all rolled into one. And these are just a few of a manager's roles.

Figure: The Managerial Role

Managerial Roles

4.2 Informational Roles

Not only do managers spend most of their time in face-to-face contact with others, but they spend much of it obtaining and sharing information. Indeed, Mintzberg found that the managers in his study spent 40 percent of their time giving and getting information from others. In this regard, management can be viewed as processing information, gathering information by scanning the business environment and listening to others in face-to-face conversations, and then sharing that information with people inside and outside the company. Mintzberg described three informational subroles: monitor, dis-

In the **monitor role,** managers scan their environment for information, actively contact others for information, and, because of their personal contacts, receive a great deal of unsolicited information. Besides receiving firsthand information, managers monitor their environment by reading local newspapers and *The Wall Street Journal* to keep track of customers, competitors, and technological changes that may affect their businesses. Now, managers can also take advantage of electronic monitoring and distribution services that track the news wires (Associated Press, Reuters, etc.) for stories related to their businesses.

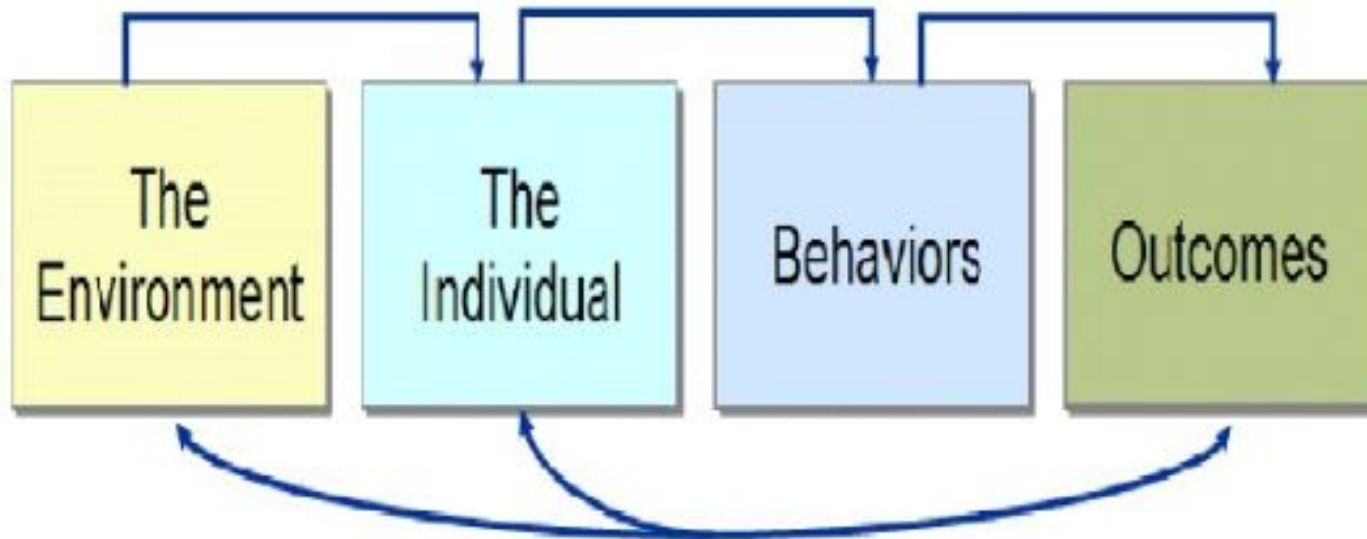# Managerial functions

Functions of Manager

There are basically five management concepts that allow any organization's manager to handle the tactical, planned and set decisions. The five basic functions of the manager are just to have a controlled plan over the preventive measure.
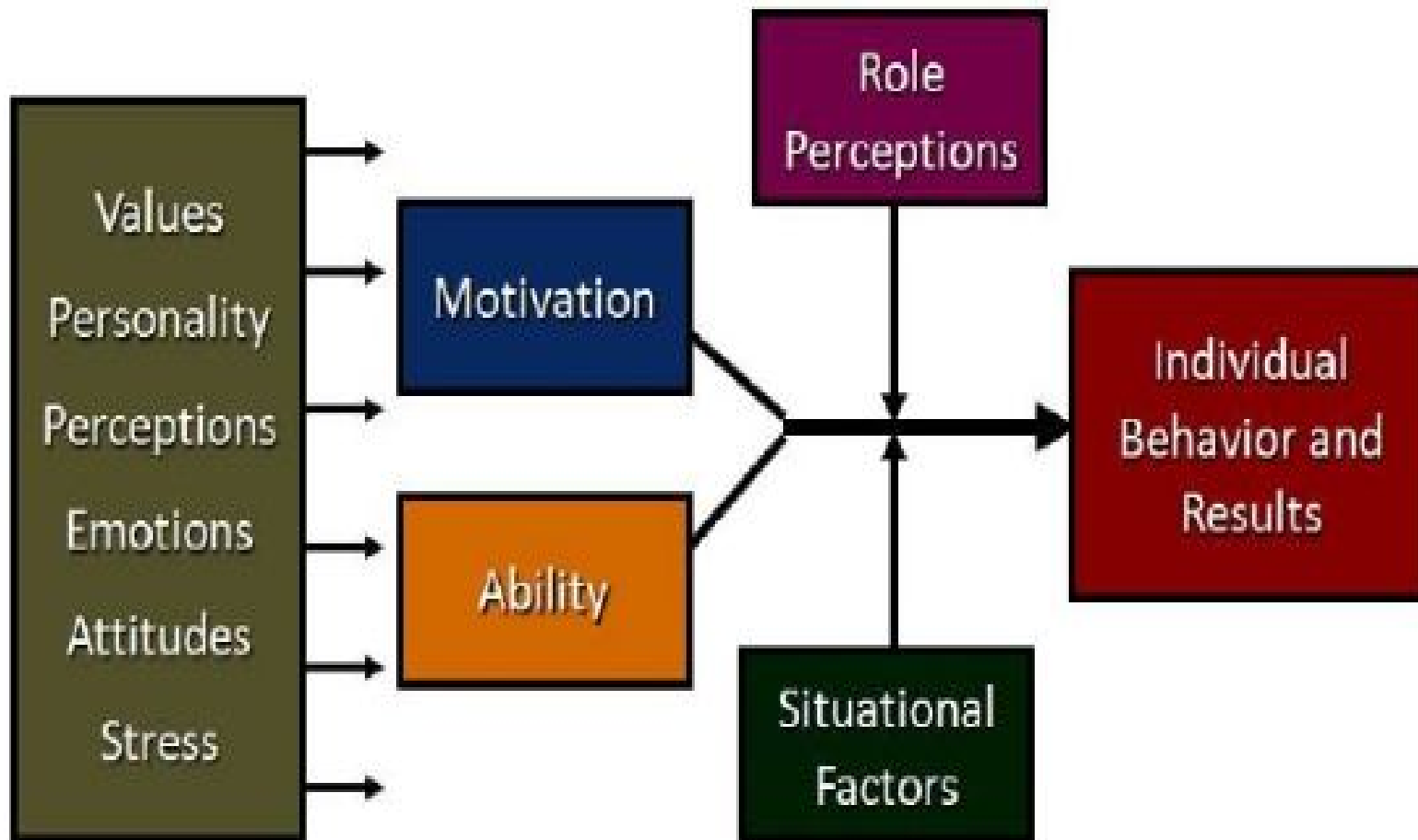

Figure: Functions of Manager

Individual behaviour

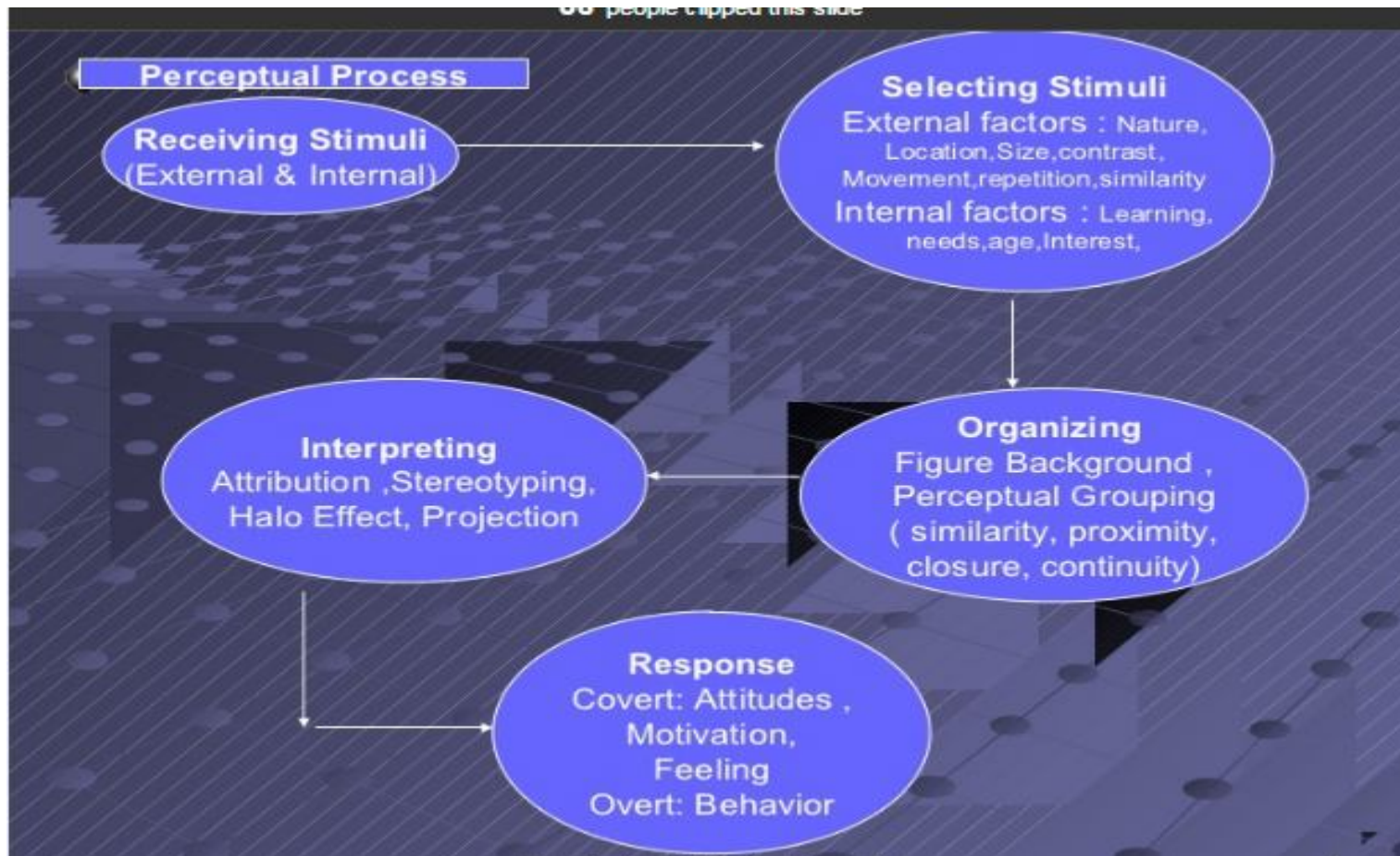# Individual behaviour

Performance

> Job performance.

> > The quantity and quality of task accomplishments by an individual or group at work.

> Individual performance equation:

- – Performance begins with ability.
- – Performance requires support.
- – Performance involves effort.
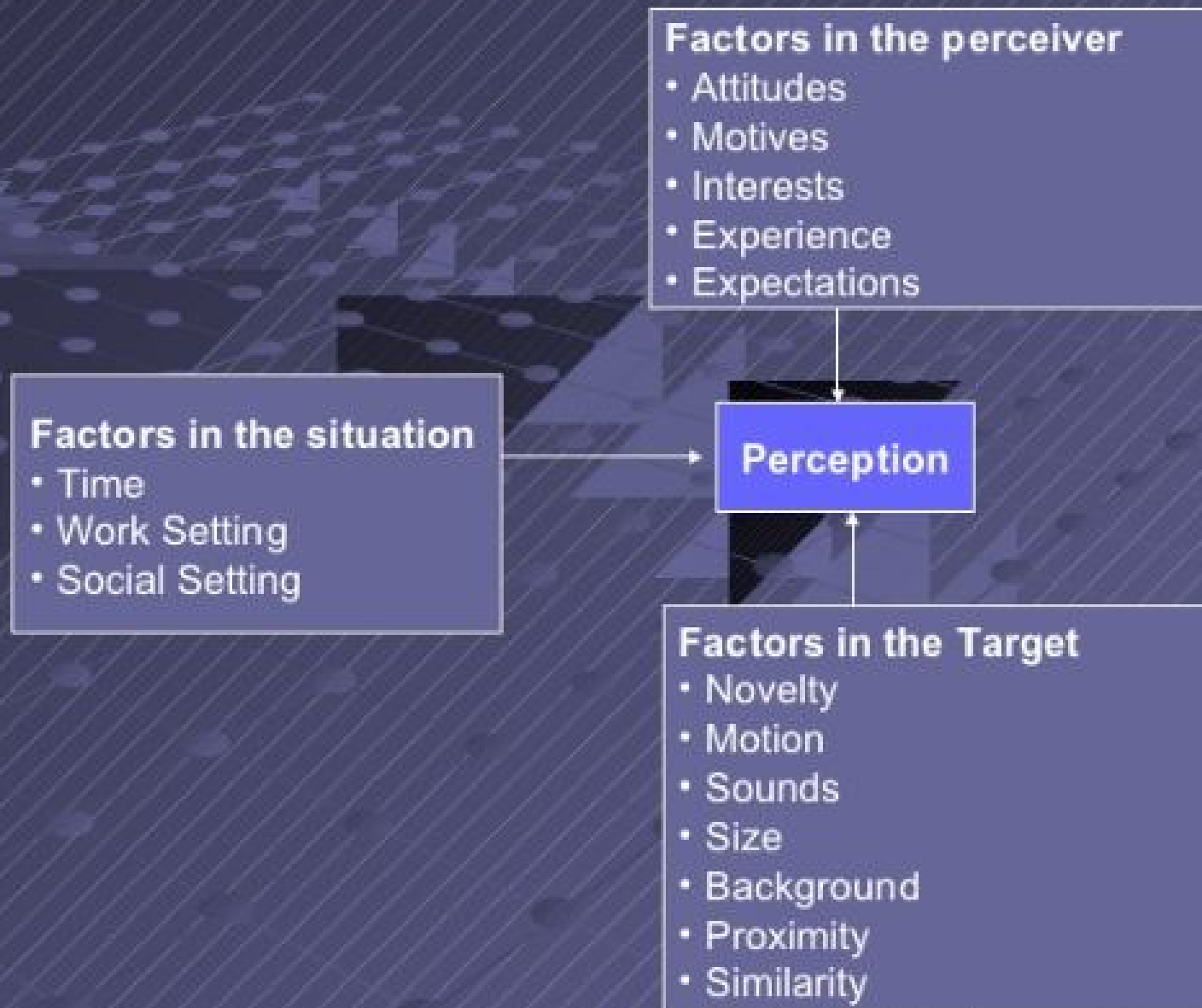
Performance = Ability x Support x Effort

Perception

" The study of perception is concerned with identifying the process through which we interpret and organize sensory information to produce our conscious experience of objects and object relationship."

" Perception is the process of receiving information about and making sense of the world around us. It involves deciding which information to notice, how to categorize this information and how to interpret it within the framework of existing knowledge.

" A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.
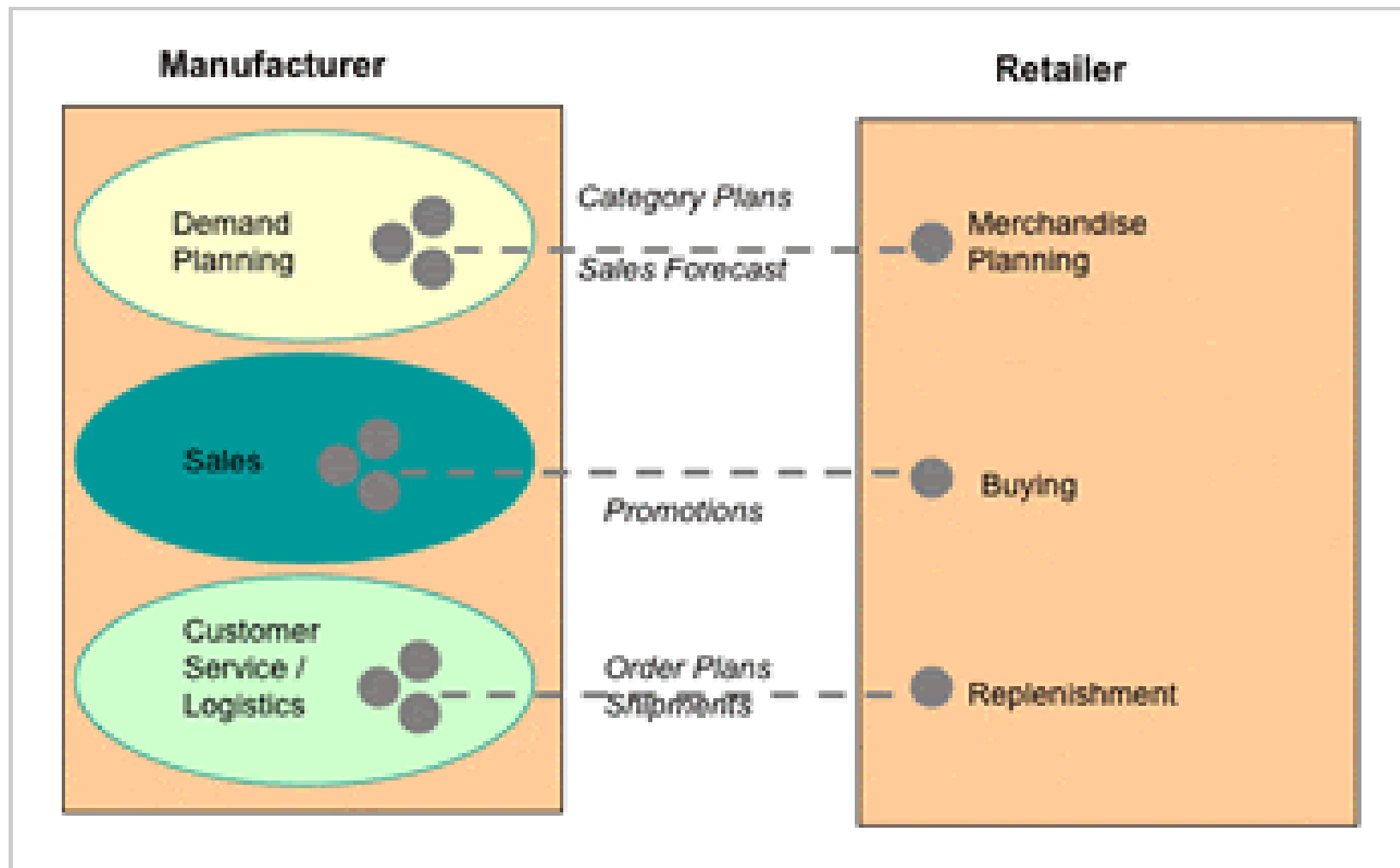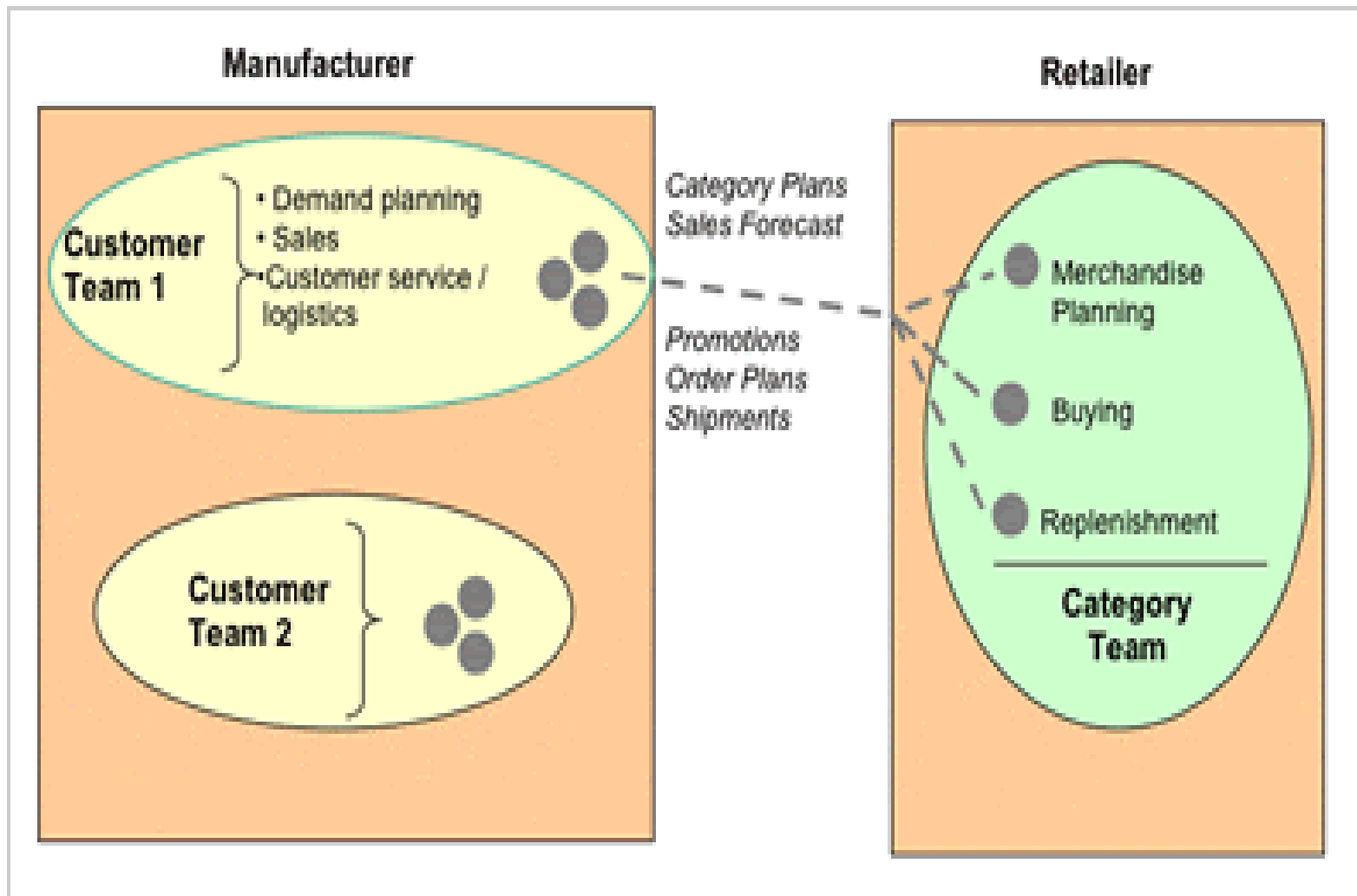
Perception

Factors influencing Perception

Factors in the perceiver
- Attitudes
- Motives
- Interests
- Experience
- Expectations

Factors in the situation
- Time
- Work Setting
- Social Setting

Perception

Factors in the Target
- Novelty
- Motion
- Sounds
- Size
- Background
- Proximity
- Similarity

Organizational implications

Organizational implications

Personality

What is Personality?

When we talk of personality, we don't mean that a person has charm, a positive attitude toward life, a smiling face, or is a finalist for " Happiest and Friendliest" in this year's Miss America contest.

When psychologists talk of personality, they mean a dynamic concept describing the growth and development of a person's whole psychological system.

Rather than looking at parts of the person, personality looks at some aggregate whole that is greater than the sum of the parts.

PERSONALITY TRAITS

- A *personality trait* is a personality characteristic that endures (lasts) over time and across different situations
- *Trait theories* of personality focus **on measuring, identifying and describing individual differences in personality in terms of traits**
- Focus is on what is different- not what is the same
- Can be used to predict behaviour based on traits

Personality Types

TYPE A

1. are always moving, walking, and eating rapidly;
2. feel impatient with the rate at which most events take place;
3. strive to think or do two or more things at once;
4. cannot cope with leisure time;
5. are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire.

TYPE B

1. never suffer from a sense of time urgency with its accompanying impatience;
2. feel no need to display or discuss either their achievements or accomplishments;
3. play for fun and relaxation, rather than to exhibit their superiority at any cost;
4. can relax without guilt.

Personality

Personality Traits

personality traits

Enduring characteristics that describe an individual's behavior.

Sixteen Primary Traits

		vs.	
1.	Reserved	vs.	Outgoing
2.	Less intelligent	vs.	More intelligent
3.	Affected by feelings	vs.	Emotionally stable
4.	Submissive	vs.	Dominant
5.	Serious	vs.	Happy-go-lucky
6.	Expedient	vs.	Conscientious
7.	Timid	vs.	Venturesome
8.	Tough-minded	vs.	Sensitive
9.	Trusting	vs.	Suspicious
10.	Practical	vs.	Imaginative
11.	Forthright	vs.	Shrewd
12.	Self-assured	vs.	Apprehensive
13.	Conservative	vs.	Experimenting
14.	Group dependent	vs.	Self-sufficient
15.	Uncontrolled	vs.	Controlled
16.	Relaxed	vs.	Tense

Motivation

Motivation is the process of arousing the action, sustaining the activity in process and regulating the pattern of activity.

- YOUNG

Motivation refers to the states within a person or animal that drives behavior toward some goals.

- MORGAN AND KING

Motivation means the classes of operations used to produce and measure changes in performance and changes in energy output.

- UNDERWOOD

Motivation refers to all the internal conditions that stir up activity and sustain activity of an individual.
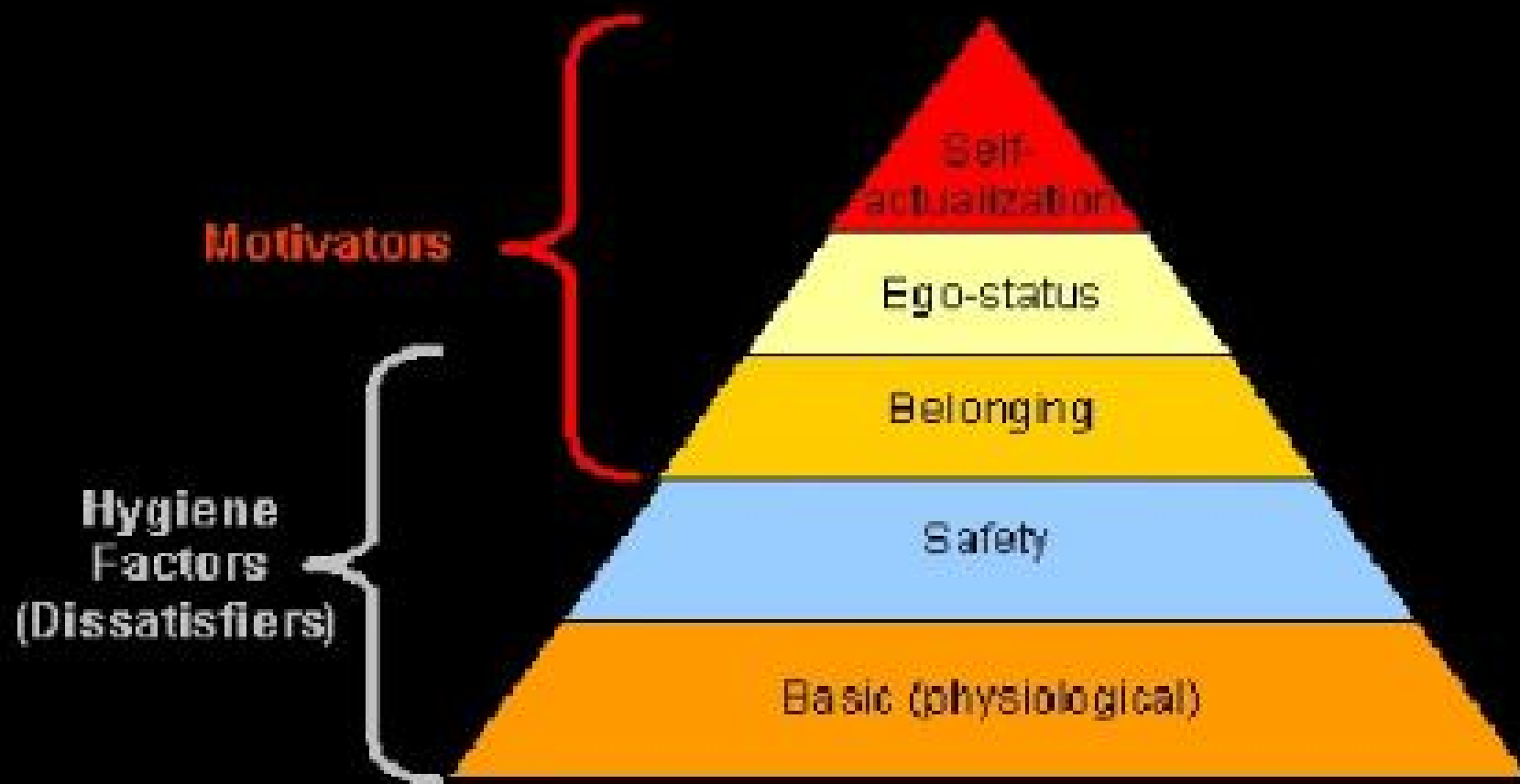
- GUILFORD

Motivation

Motivation consists of

➢ a driving state

➢ the goal directed behavior initiated by the driving state

➢ the attainment of an appropriate goal

➢ the reduction of the driving state and subjective satisfaction and relief when goal is reached.

Study Question 1: What is motivation?

➢ **Types of motivation theories**

- – Content theories
  - Human needs and how people with different needs may respond to different work situations.

- – Process theories
  - How people give meaning to rewards and make decisions on various work-related behaviors.

- – Reinforcement theory
  - How people's behavior is influenced by environmental consequences.

Study Question 2: What are the different types of individual needs?

➢ Needs

- Unfulfilled physiological and psychological desires of an individual.

- Explain workplace behavior and attitudes.

- Create tensions that influence attitudes and behavior.

- Good managers and leaders facilitate employee need satisfaction.

Study Question 2: What are the different types of individual needs?

➢Types of content theories:

- Hierarchy of needs theory

- ERG theory

- Two-factor theory

- Acquired needs theory

Study Question 2: What are the different types of individual needs?

➢ Hierarchy of needs theory

- – Developed by Abraham Maslow.
- – Lower-order and higher-order needs affect workplace behavior and attitudes.
- – Lower-order needs:
  - Physiological, safety, and social needs.
  - Desires for physical and social well being.
- – Higher-order needs:
  - Esteem and self-actualization needs.
  - Desire for psychological growth and development.

JOB SATISFACTION...

Job satisfaction is the collection of feelings and beliefs people have about their current jobs.

Job satisfaction is a positive feeling about your job resulting from an evaluation of its characteristics.

- Job satisfaction is an important work attitude in organizational behavior because it affects a wide range of behaviors and contributes to workers' well-being. It is one of the most well researched work attitudes.

Theories of job satisfaction...

- There are numerous theories attempting to explain job satisfaction, but three conceptual frameworks seem to be more prominent
- *Content Theories*
- *Process Theories*
- *Situational Theories*

- **_Content Theories_** suggests that job satisfaction occurs when one's need for growth and self-actualization are met by the individual's job.

- Abraham Maslow "hierarchy of needs"
- Frederick Hertzberg (1974) "two factor theory"

- ***Process Theories:*** Process theories attempt to explain job satisfaction by looking at expectancies and values. These theory of job satisfaction suggests that workers' select their behaviors in order to meet their needs.
- Adams' (1963) and Vroom (1982) "equity theory"

- ***Situational Theories:*** The situational occurrences theory emerged in 1992, when Quarstein, McAfee, and Glassman stated that job satisfaction is determined by two factors: situational characteristics & situational occurrences. Within this theoretical framework, job satisfaction is a product of both situational factors and situational occurrences.

Underlying Principles of Learning Curves

1. Each time you perform a task it takes less time than the last time you performed the same task
2. The extent of task time decreases over time
3. The reduction in time will follow a predictable pattern

Example of a Learning Curve

Suppose you start a term paper typing business. You time yourself on the first paper, then the second, and so on.

Note that only 90 of 100 minutes are used in the second repetition. This is an example of a 90% learning curve.

Term paper	Time (in Minutes)
1	100
2	90
3	84.62
4	81.00
5	78.30
6	76.16

Types of Learning

- **Individual Learning**
  Improvement when individuals gain a skill or efficiency by repetition of a job

- **Organizational Learning**
  Improvement from the groups of individuals from repetition and changes in administration, equipment, and product design

From Learning Curves to Performance Improvement

- Proper selection of workers
- Proper training
- Motivation
- Work specialization
- Provide quick and easy access for help
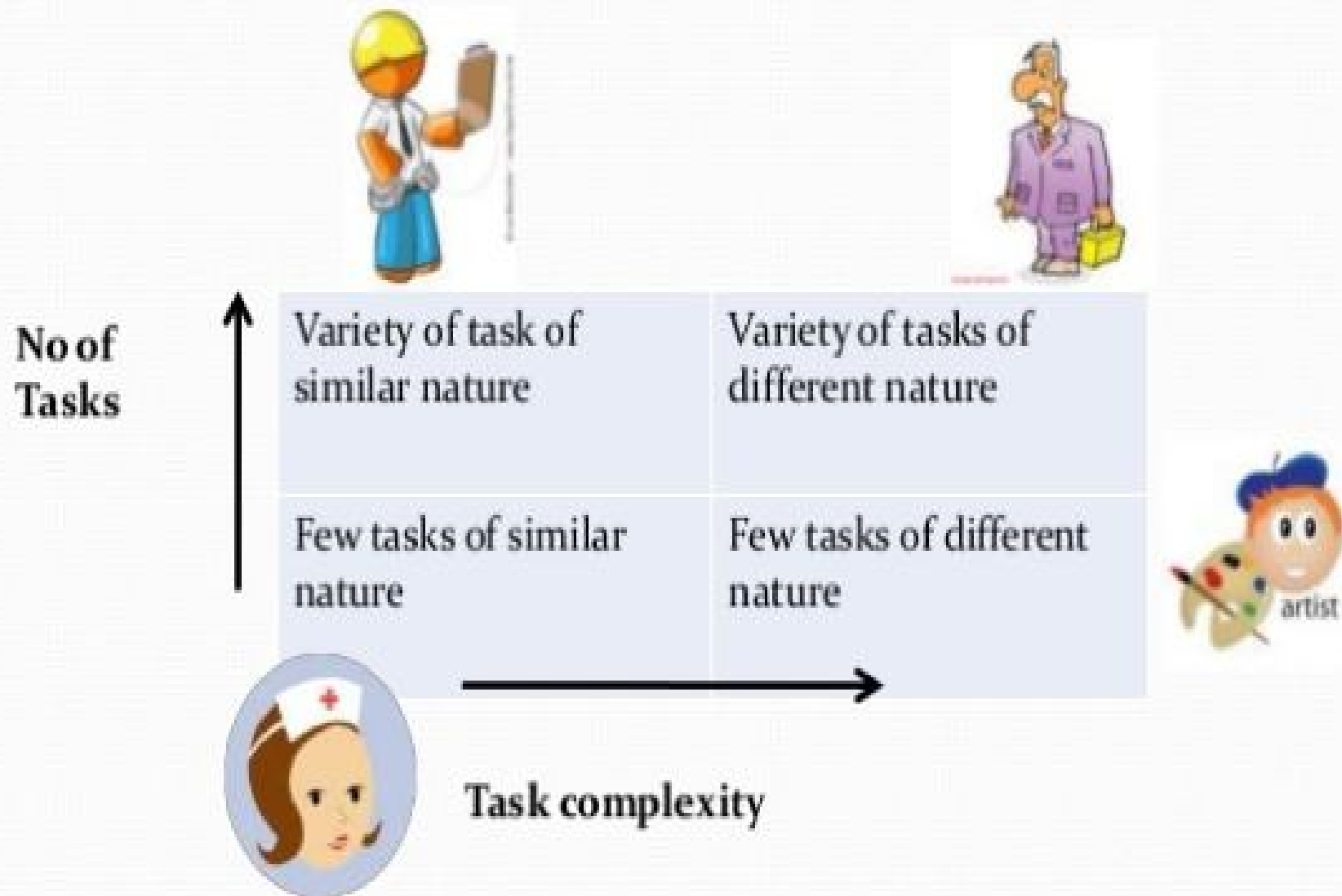- Allow workers to help redesign their tasks

JOB DESIGN

- Job design integrates work content, rewards and the qualifications required for each job in a way that meets the needs of employees and the organization.

Traditional Job design

- Taylors' scientific management
1. Time study
2. Motion study
3. Fatigue study

Mechanism of Job Design

	Task complexity →	
No of Tasks ↑	Variety of task of similar nature	Variety of tasks of different nature
	Few tasks of similar nature	Few tasks of different nature

artist

Task complexity

UNIT -V   Group Behaviour

Groups – Contributing factors –Group Norms, types – Causes – Intergroup relations – Conflict and Resolution – Change Process – Resistance to change.

Defining and Classifying Groups

Group(s)

Two or more individuals interacting and interdependent, who have come together to achieve particular objectives.

Formal Group

A designated work group defined by the organization's structure.

Informal Group

A group that is neither formally structured nor organizationally determined; appears in response to the need for social contact.

Defining and Classifying Groups (cont'd)

Command Group

A group composed of the individuals who report directly to a given manager.

Task Group

Those working together to complete a job or task.

Interest Group

Those working together to attain a specific objective with which each is concerned.

Friendship Group

Those brought together because they share one or more common characteristics.

Features of a Group

1. **Interaction :** A group is an interaction of two or more people.

2. **Influence :** The group members have reciprocal influence on each other. Each member influences and is influenced by others in the group.

3. **Mutuality :** People develop mutual perceptions and emotional ties with one another.

4. **Informal leadership :** Every group has a formal leader elected by the members. However, informal leaders are also elected by them.

5. **Role structure :** Role structure is "the set of defined roles and inter-relationships among those roles that the group or team members define and accept." Every individual performs a specific role which influences and enhances expectations of the group members from each other.

Types of Groups

The various types of groups can be categorised as follows:

1. Formal groups

    (a) Permanent formal groups [Command groups and permanent committees]

    (b) Temporary formal groups [Task forces and project groups]

2. Informal groups

Groups

Formal Groups

1. **Formal Groups :** Groups which are deliberately created by managers for carrying out specific tasks for attainment of organisational goals are called formal groups. Committees, task forces and work teams are different forms of formal groups.

   (a) *Permanent formal groups* are formally represented on the organisation chart. They are also known as command groups and consist of managers and their subordinates.

   (b) *Temporary formal groups* are formed to deal with a specific problem. They dissolve once the problem is solved. Task groups, project groups or *ad hoc* committees are the forms of temporary formal groups.

Informal Groups

These groups are not created by managers but spontaneously grow out of interaction amongst members of the formal groups. They are created by choice for promoting the goals defined by the group, that is, group goals. These groups may oppose or support the formal organisational objectives.

Functions of Informal Groups

(i) Maintain group values and life-style
(ii) Provide social satisfaction
(iii) Operate communication systems
(iv) Maintain social control

Group Norms

- **Group Norms**
  - Shared guidelines or rules for behavior that most group members follow
  - Managers should encourage members to develop norms that contribute to group performance and the attainment of group goals

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Group Dynamics

- **Conformity and Deviance**
  - Members conform to norms to obtain rewards, imitate respected members, and because they feel the behavior is right.
  - When a member deviates, other members will try to make them conform, expel the member, or change the group norms to accommodate them.
  - Conformity and deviance must be balanced for high performance from the group.
  - Deviance allows for new ideas in the group.

Intergroup exercise

- Goal: **"win as much as you can"**
- Two groups (A in one classroom and B in another classroom are making choices: GREEN or RED → write down on coloured cards (3 minutes for each round)
- 4 combinations are possible
  - R/R; G/G; R/G; G/R → combination will be communicated by teacher
- Each (combination of) decisions has a (financial) effect
  → So, the pay-off of a decision depends also on the decision of the other group
- There are 9 decision rounds. Write down payoffs round by round (+ sommon)
- No communication is allowed between the groups, except by a negotiator after round 3, 6 en 8
- The pay-offs are multiplied in rounds 4, 7, 8, 9

conflict

✓ an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources, and interference from the other party in achieving their goals

Or

✓ a process that begins when one party perceives that another party has negatively affected or about to affect something that the first party cares about

❖ Interpersonal conflict requires at least two people. (Conflict within one's self, or interpersonal conflict, generally is studied by psychologists. Communication students and scholars are interested in communication between people.)

❖ Conflict inherently involves some sense of struggle or incompatibility or perceived difference among values, goals, or desires.

Sources of Conflict

▪Conflicts may originate from a number of different sources, including:
  ○Differences in information, beliefs, values, interests, or desires.
  ○A scarcity of some resource.
  ○Rivalries in which one person or group competes with another.

Change Process –Resistance to change

Change is a regular feature of organizational life and indeed, an inseparable aspect of nature while resistance is itself an inseparable aspect of change. This is primarily because people are uncomfortable with the new, the strange and the unknown and they would rather prefer stability even though progress is never attained by being static. Indeed, Lewin (1947), the grand-father of change management studies, believes that change initiatives always encounter strong resistance, even when there is general agreement on the goals of the initiatives; and that organizations are naturally highly resistant to change due to the human nature (behavior, habits, group norms) and organizational inertia. Pryor et al (2008) insist that resistance is a normal reaction to change and should be expected, a view similar to that of Kohles, Baker & Donaho (1995) who aver that transformational organizations should recognize normal resistance and plan strategies to enable people to work through it. But resistance to change (RTC) is a contentious and paradoxical concept. Robinson & Finley (1997) argue that because change outcomes are always disappointing, participants lower their expectations, dig in and stop changing or find better ways to change and no matter which of these three classic responses people make, change always 'wins'. If we don't embrace it, it overtakes us and hurts like; if we do try to embrace it, it still knocks us for a loop and if we try to anticipate it and be ready when it appears, we still end up on our knees. That is why people hate change; it is always painful even when self-administered (Robinson & Finley, 1997:1)