Organizational Behavior

DUR KHAN

durkhan@jbims.edu

2016-17

Readings

Organizational behavior by Stephen Robbins

Understanding Organizational behavior by Udai Pareek

Organizational behavior by Fred Luthans

Organizational Behavior by Aswathappa

What is OB?

DEFINITIONS

"Organizational Behavior studies the impact that individuals, groups and structure have on behavior within organization for the purpose applying such knowledge toward improving an organizations effectiveness. "Stephen P. Robbins

Keith Davis quoted as " Organizational Behavior is the study and application of knowledge about how people act within organization."

Fred Luthans said as "Organization Behavior is directly concerned with the understanding prediction and control of human behavior in organization."

OB is…

Field of study	• Three determinants of behavior • Individual, group, structure
Improves organizational effectiveness	• Focus on interpersonal skills • Concerns like productivity, performance and turnover
Core areas	• Perception, Attitudes, Values • Personality, Motivation, Leadership • Group behavior and group dynamics • Communication, conflict and negotiation • Organizational Design, organizational development

OB can be divided into three levels

OB is the study of :

(a) individuals in organizations (micro-level),

(b) work groups (meso-level),

(c) how organizations behave (macro-level).

Wagner, J. A., & Hollenbeck, J. R. (2010).
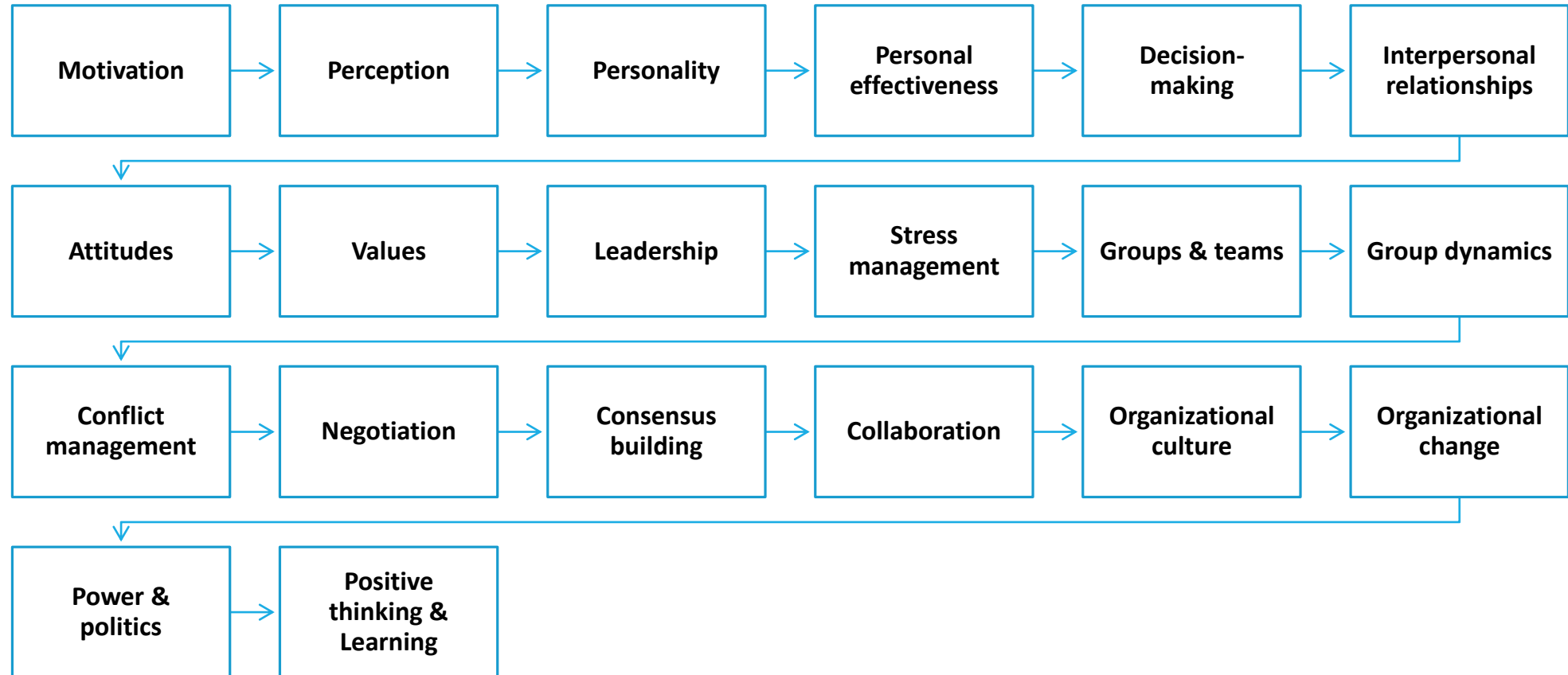
Origin of OB

Individuals behave differently when acting in their organizational role than when acting separately from the organization. (Chester Barnard , 1938)

The Hawthorne studies stimulated OB researchers to study the impact of psychological factors on organizations. The Hawthorne effect (also referred to as the observer effect) is a type of reactivity in which individuals modify or improve an aspect of their behavior in response to their awareness of being observed.
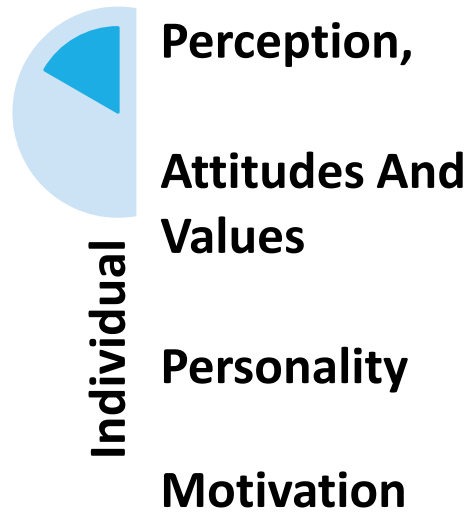
Prominent OB researchers include Chester Barnard, Henri Fayol, Frederick Herzberg, Abraham Maslow, David McClelland, Victor Vroom, Douglas McGregor, Karl Weick and Mary Parker Follett.

OB topics

```
Motivation → Perception → Personality → Personal effectiveness → Decision-making → Interpersonal relationships

Attitudes → Values → Leadership → Stress management → Groups & teams → Group dynamics

Conflict management → Negotiation → Consensus building → Collaboration → Organizational culture → Organizational change

Power & politics → Positive thinking & Learning
```

OB Objective: Increasing managerial effectiveness through understanding of self and others

Individual

Perception, Attitudes And Values

Personality

Motivation

Group

Group Behaviour & Group Dynamics

Leadership

Organization

Organization Design & Structure
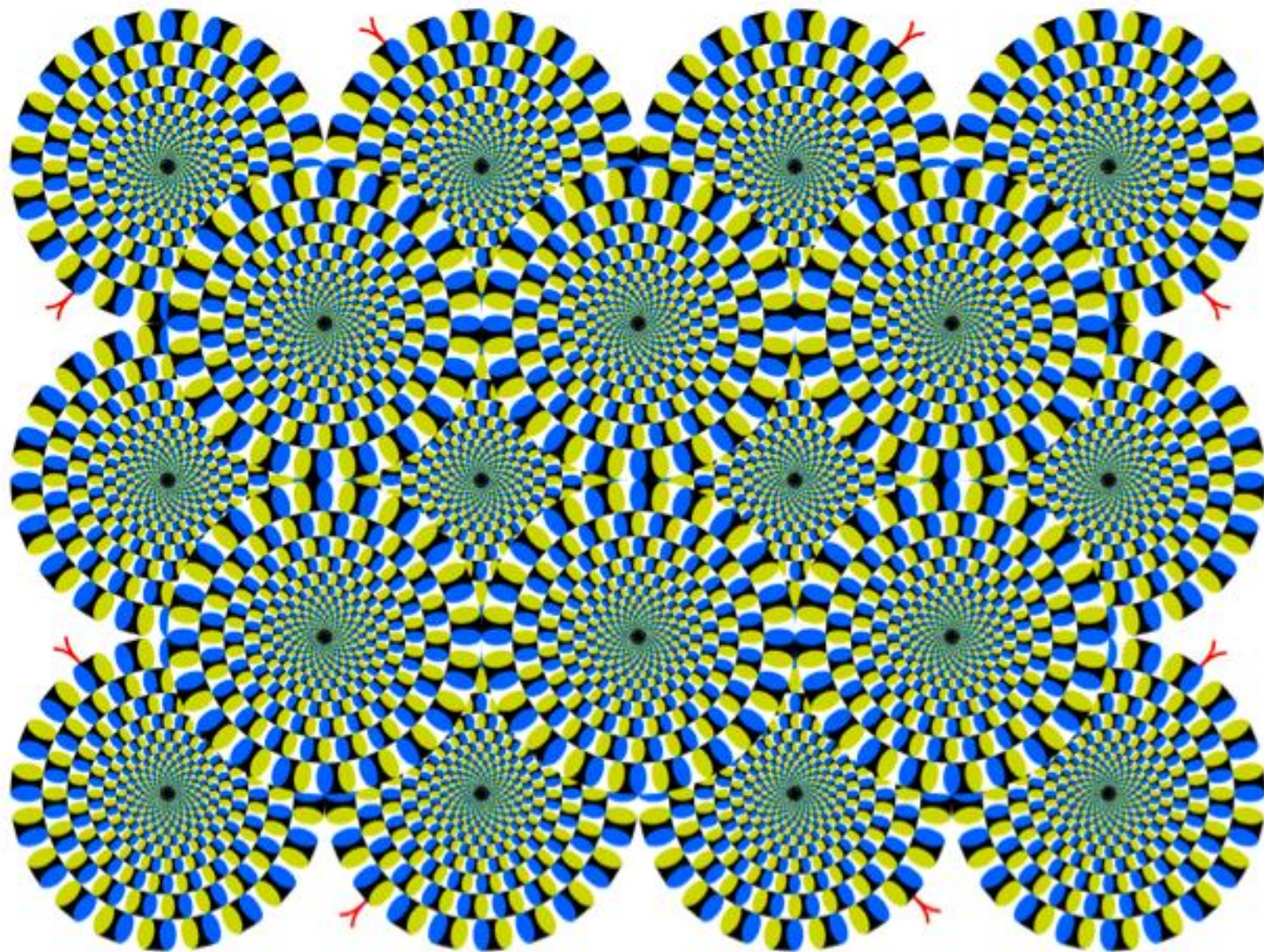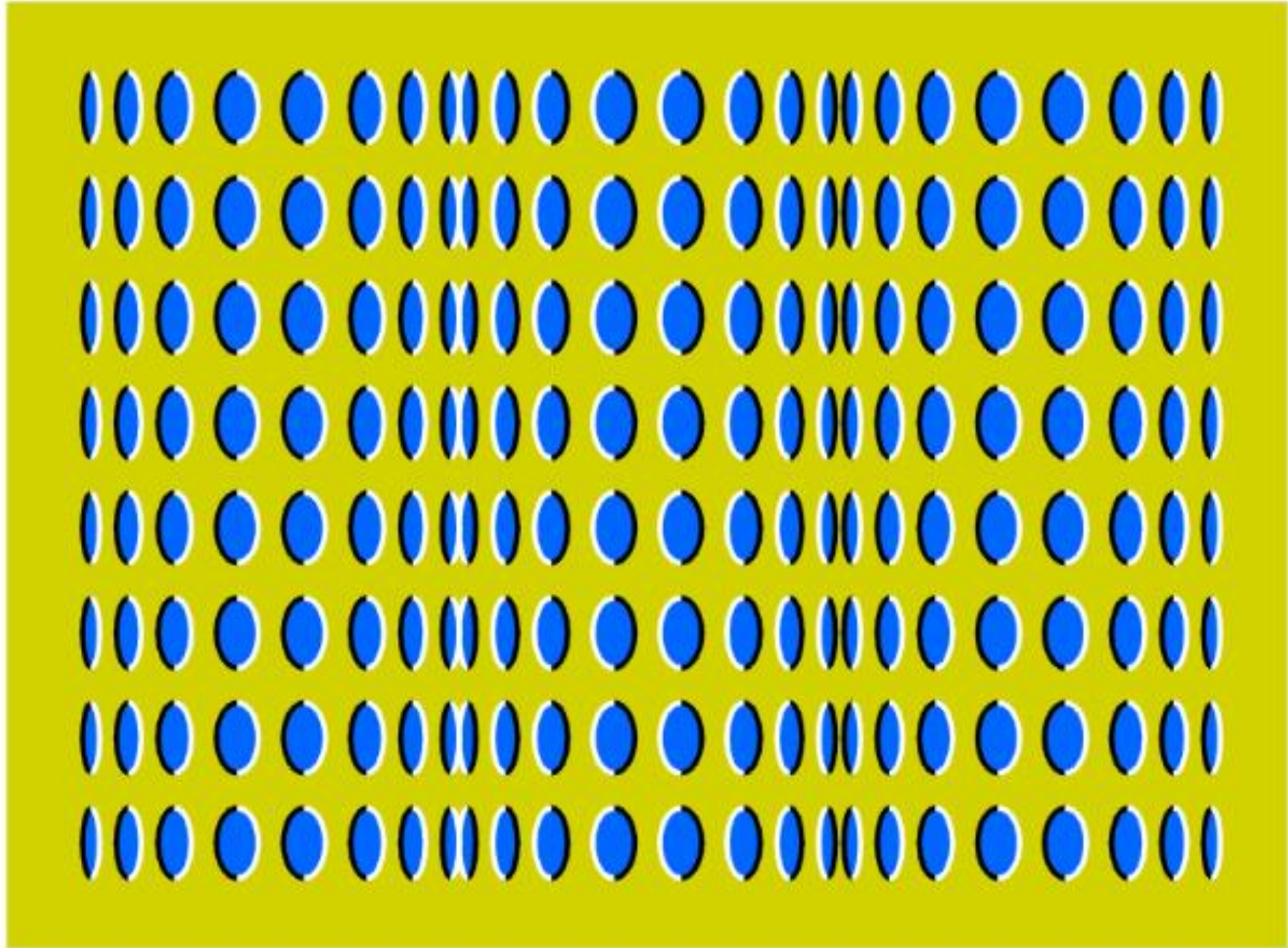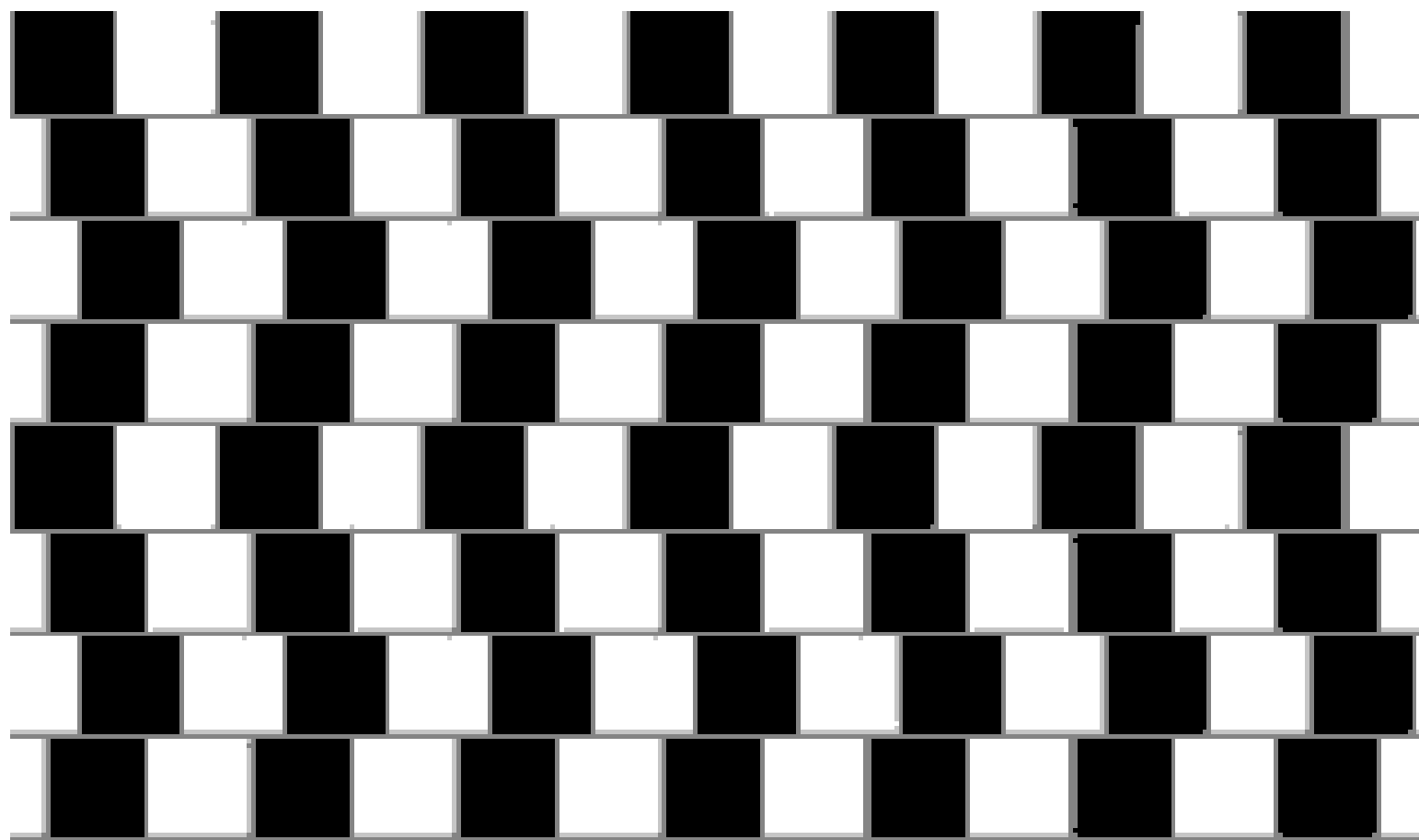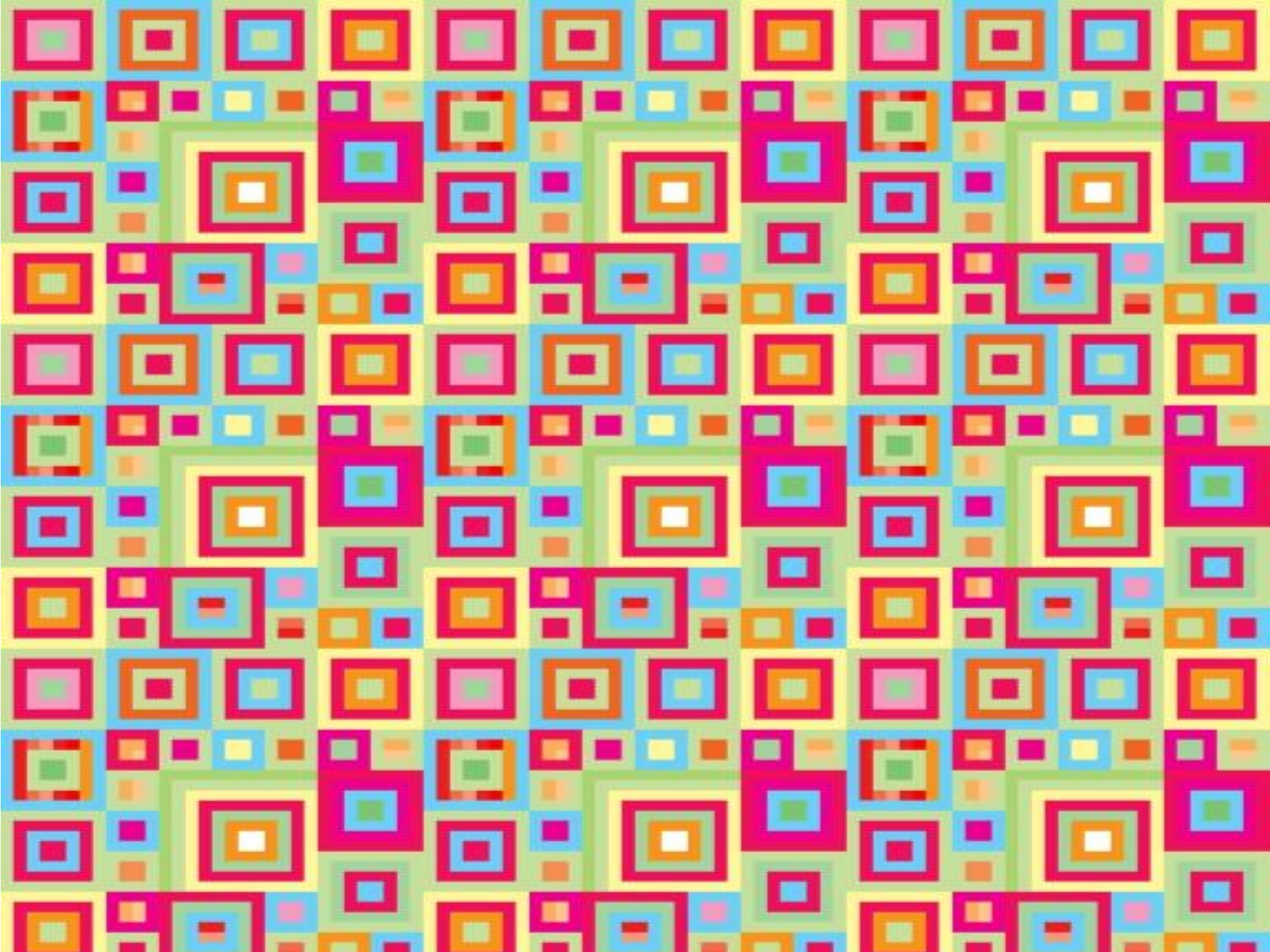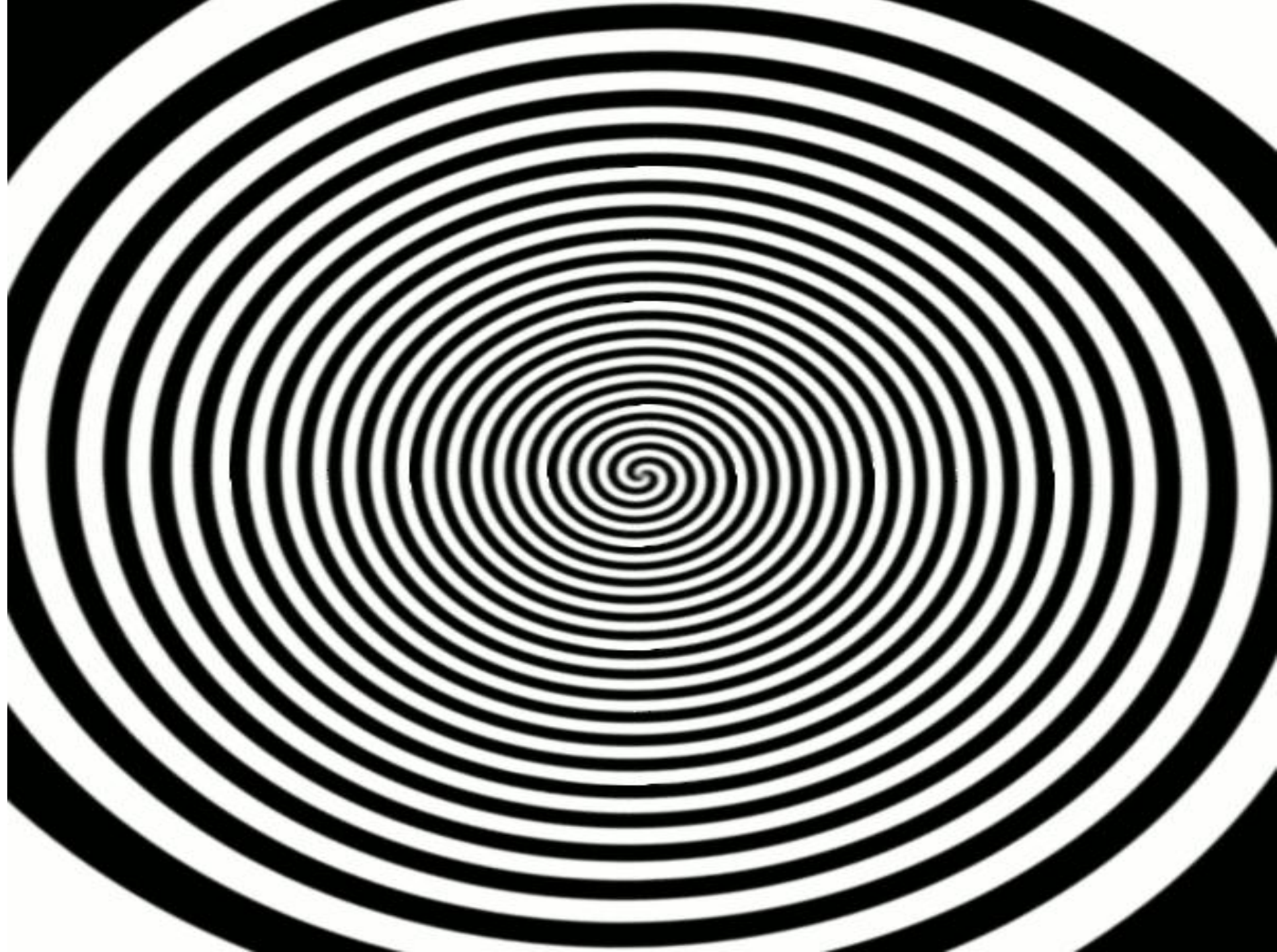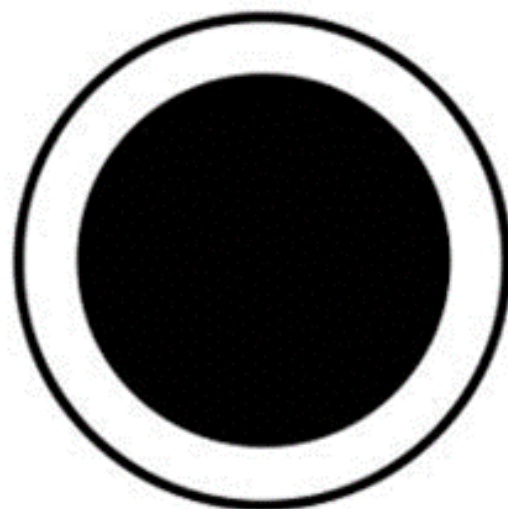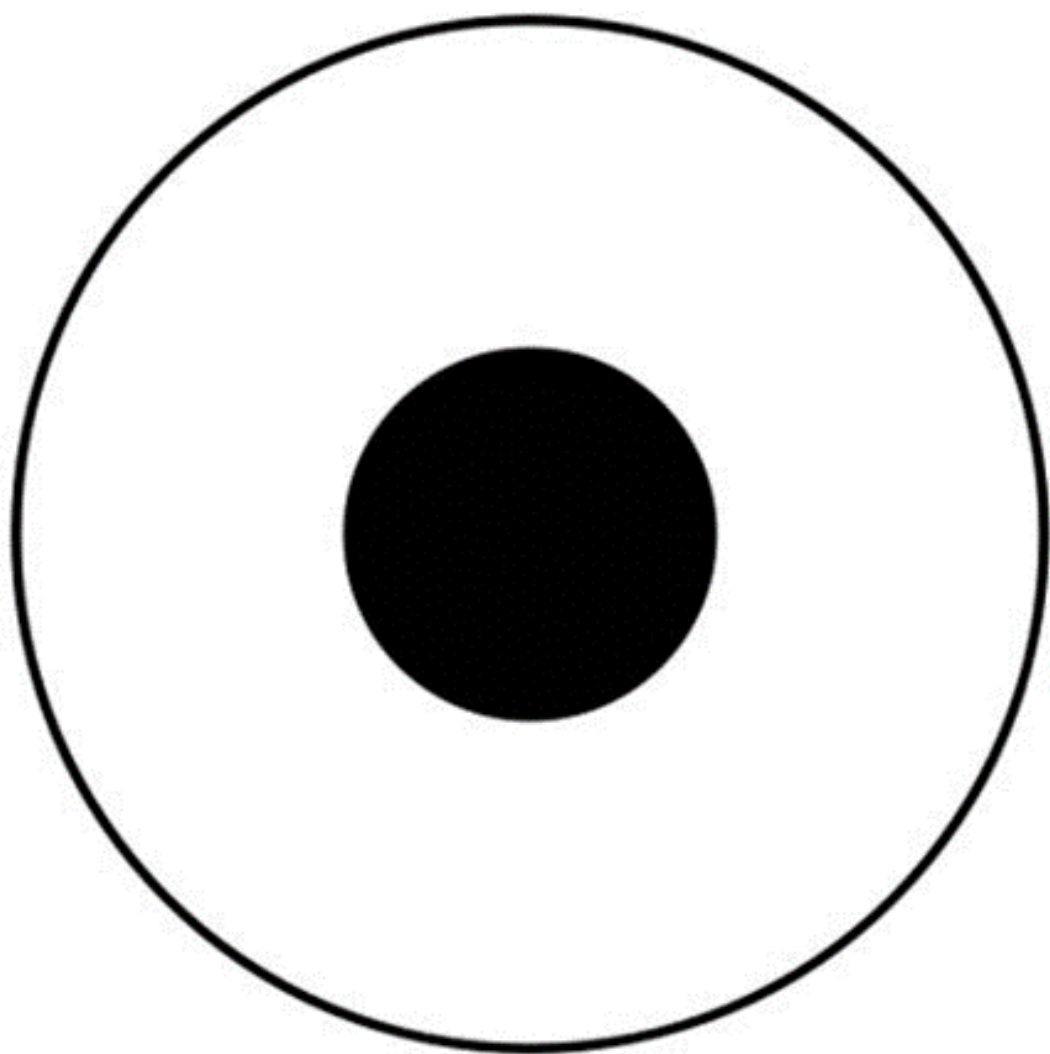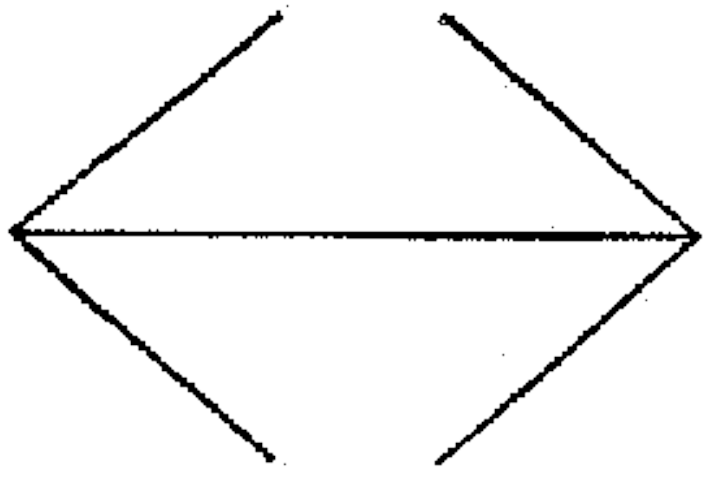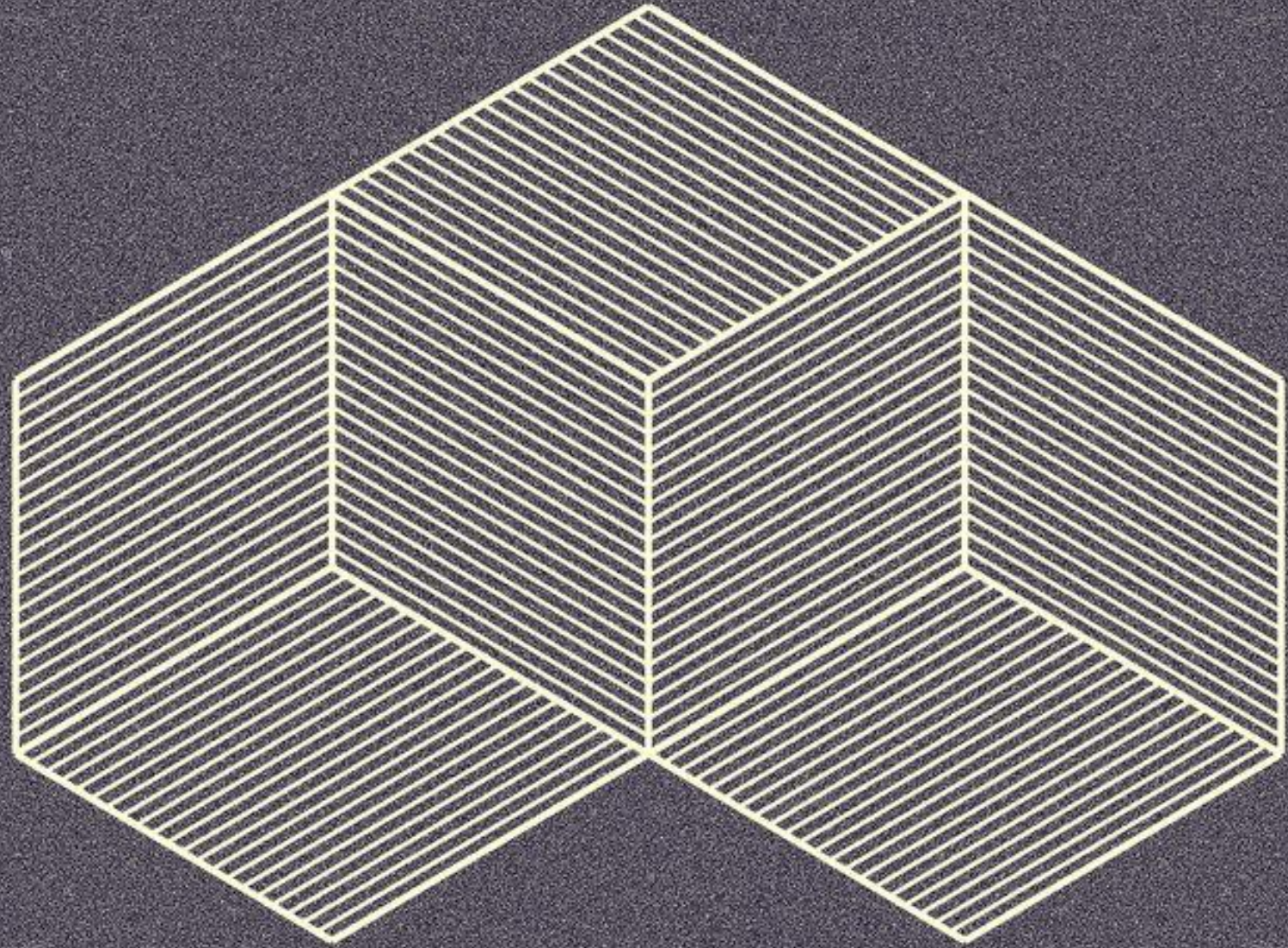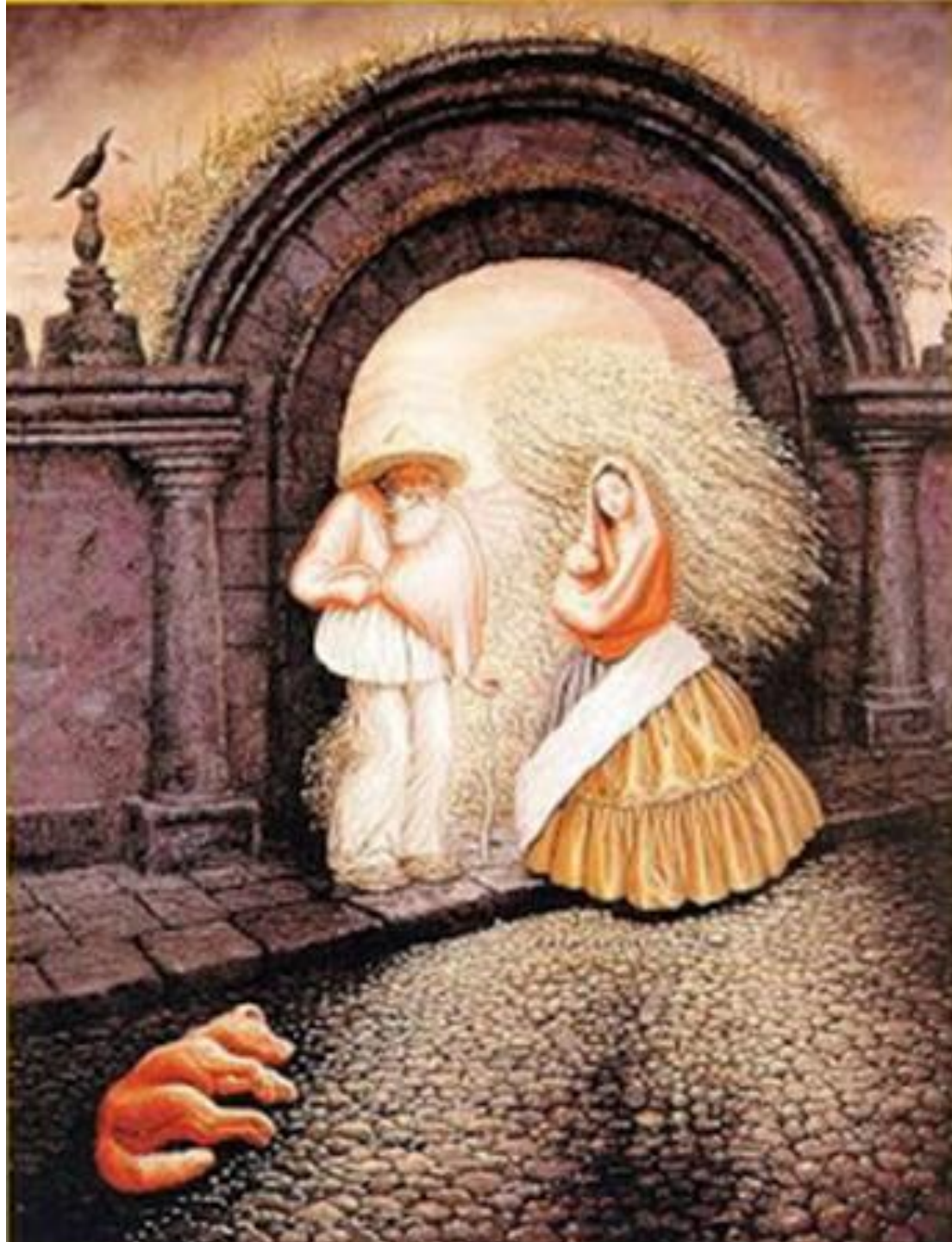
1. PERCEPTION

Perception

Perception is a process of acquiring, interpreting, selecting and organizing sensory information.

The word "perception" comes from the Latin words *perceptio, percipio,* and means "receiving, collecting, action of taking possession, apprehension with the mind or senses."

"The eye sees only what the mind is prepared to comprehend." Henri Bergson

THE CAT

A B C

Z B A

A
BIRD
IN THE
THE BUSH

www.planetperplex.com

Olny srmat poelpe can raed tihs.

cdnuolt blveiee taht I cluod aulaclty uesdnatnrd waht I was
rdanieg. The phaonmneal pweor of the hmuan mnid, aoccdrnig to a
rscheearch
at Cmabrigde Uinervtisy,

it deosn't mttaer in waht oredr the ltteers in a wrod are, the
olny iprmoatnt tihng is taht the frist and lsat ltteer be in
the rghit pclae. The rset can be a taotl mses and you can sitll
raed it wouthit a porbelm.

Tihs is bcuseae the huamn mnid deos not raed ervey lteter by
istlef, but the wrod as a wlohe. Amzanig huh? yaeh and I awlyas
tghuhot slpeling was ipmorantt!

5 senses

Perception is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli.
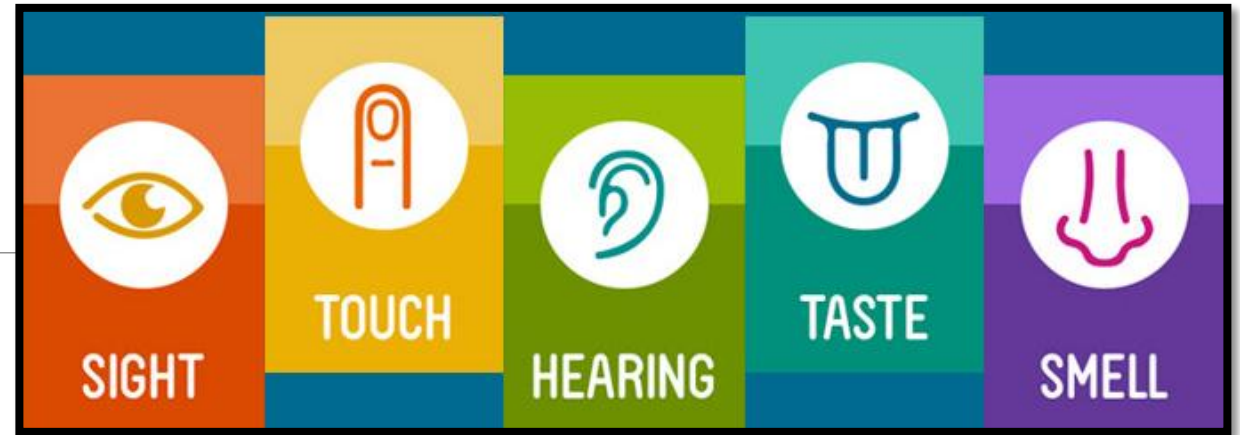
SIGHT

THE ART OF MAKING PEOPLE GIVE AWAY THEIR EYES FOR 30 SECONDS

TASTE

TASTE

SMELL

A partir de R$ 70.730

? Novo FIAT Ducato.

TOUCH

TOUCH

You eat what you touch.

SOUND
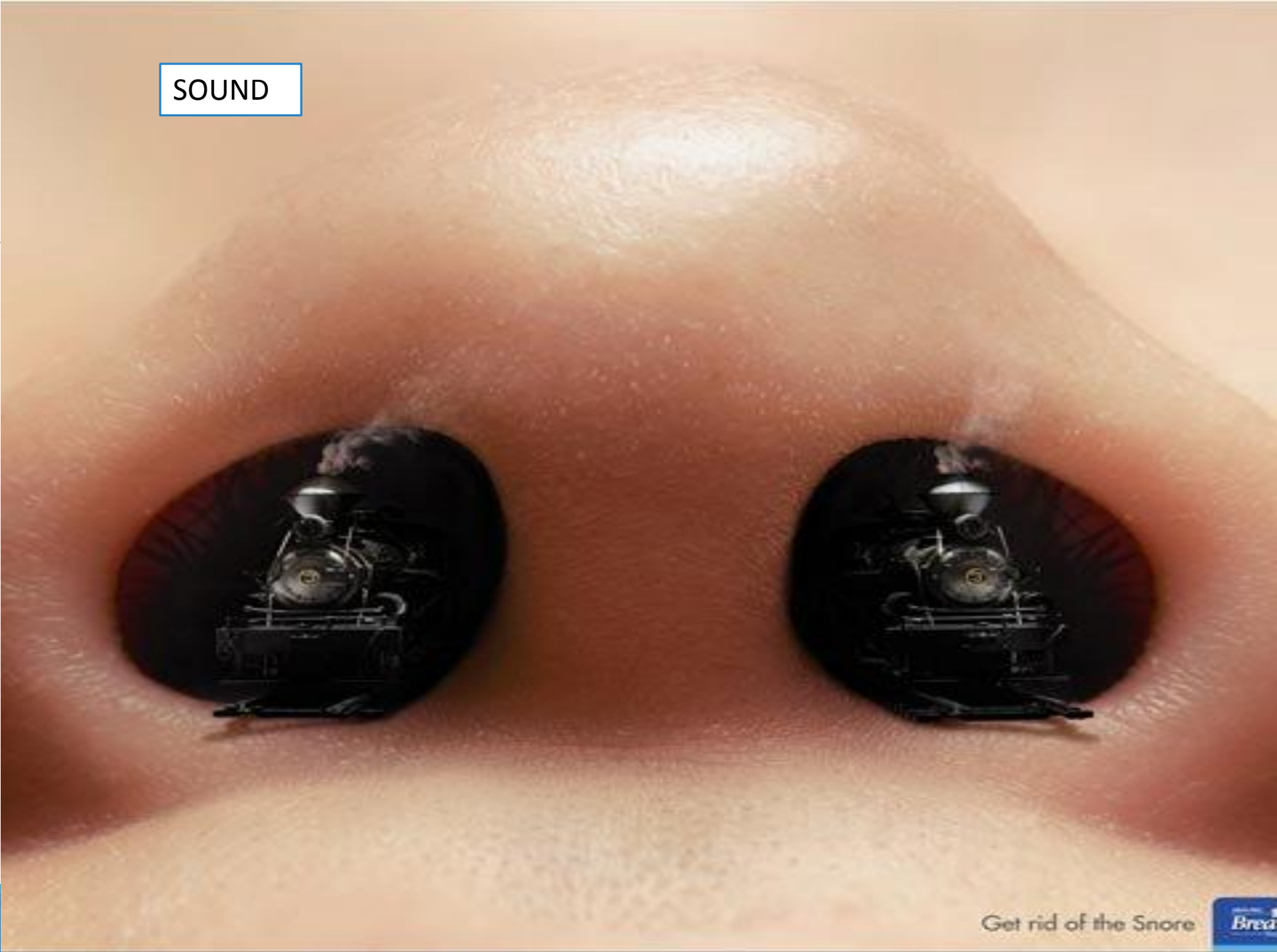
Get rid of the Snore

PERCEPTION VS. REALITY

"Whilst Part Of What We Perceive Comes Through Our Senses From The Object Before Us, Another Part (And It May Be The Larger Part) Always Comes Out Of Our Own Mind"

William James
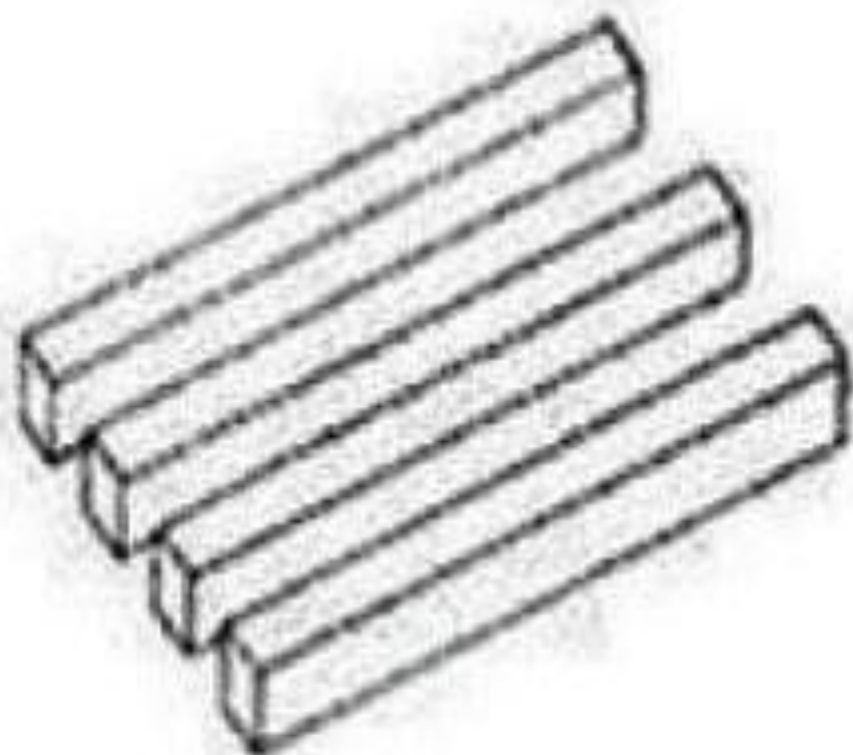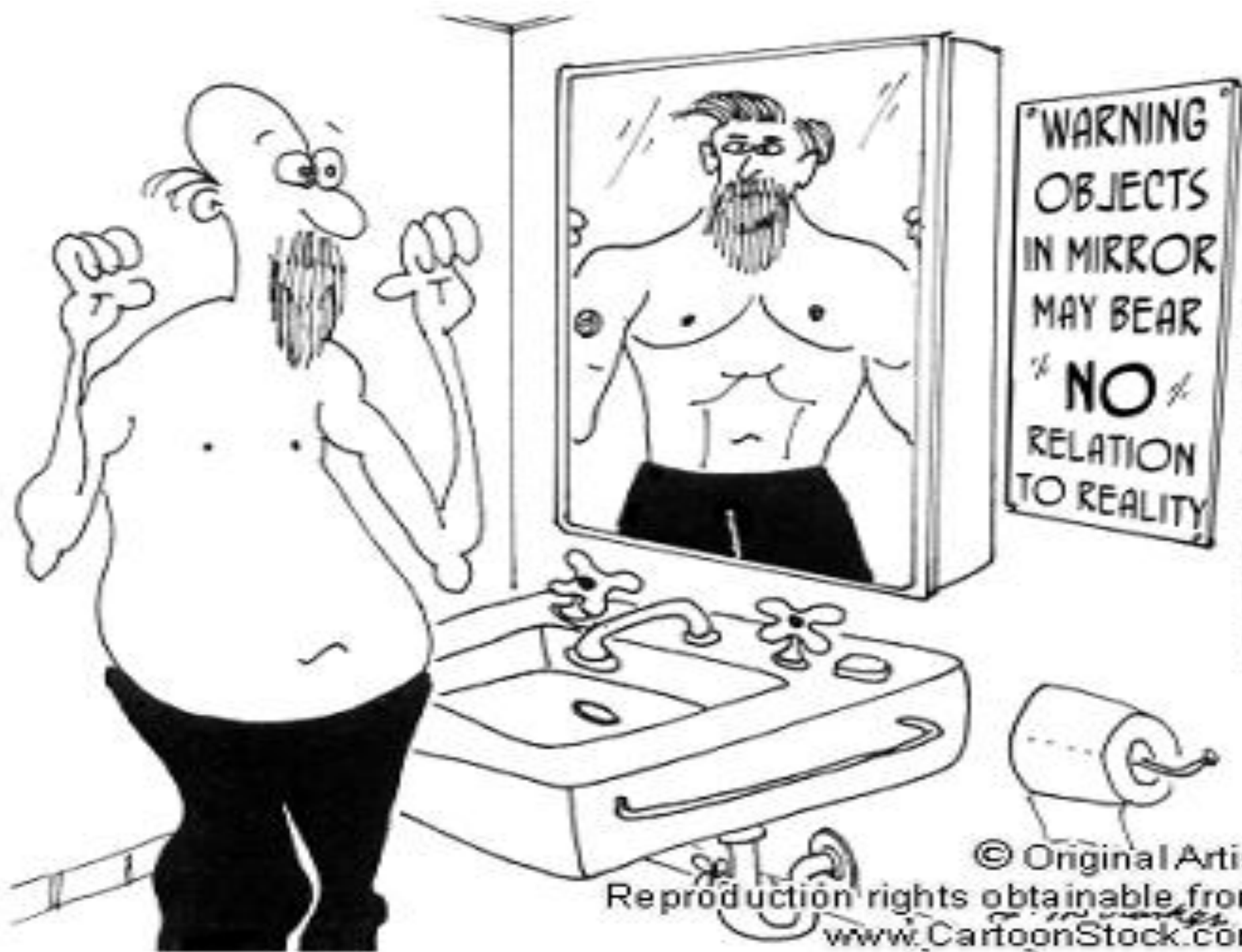
"WARNING OBJECTS IN MIRROR MAY BEAR * NO * RELATION TO REALITY"

Success

What people think it looks like

Success

What it really looks like

Perceptual Process

External environment

Confrontation of specific stimulus → **Registration** → **Interpretation** → **Feedback**

↓

Behavior

↓

Consequences
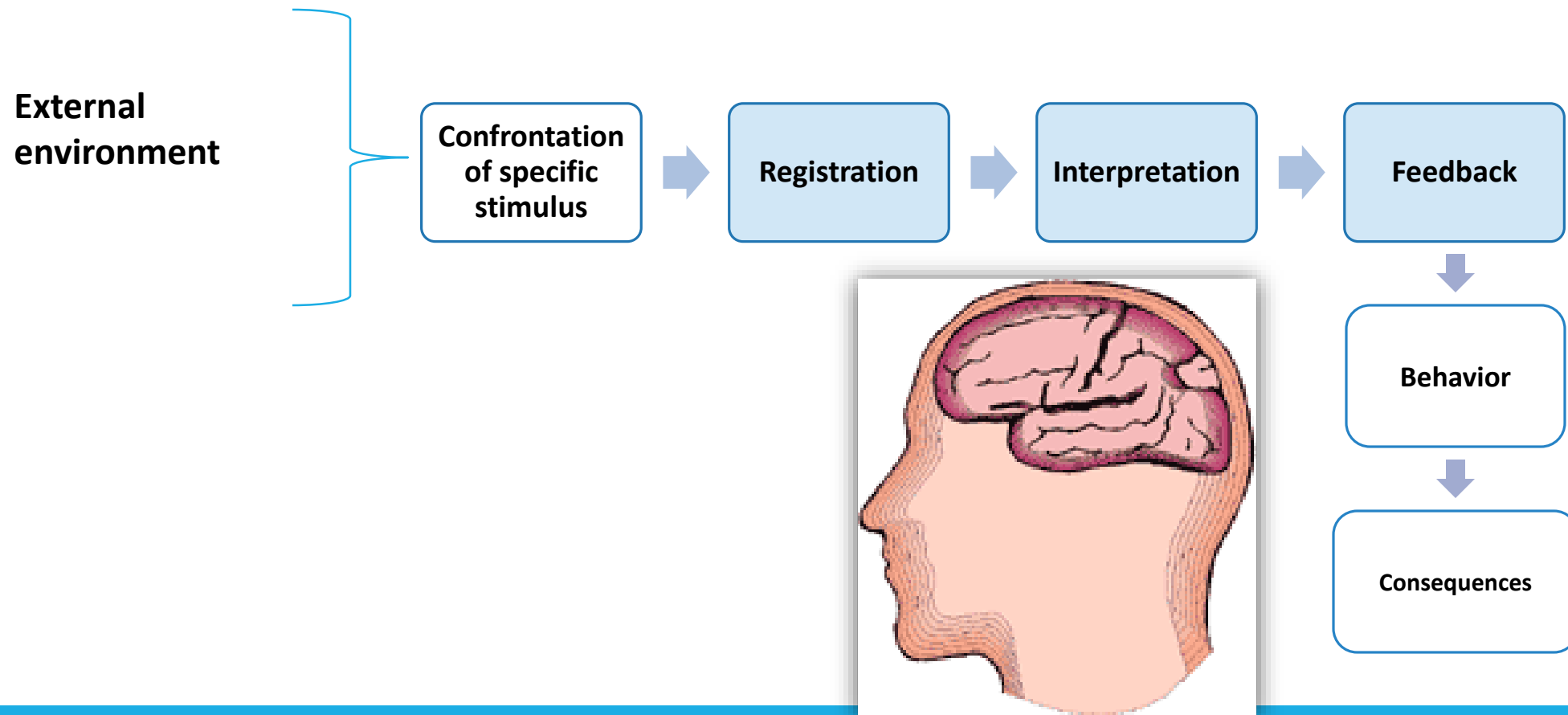
PERCEPTION

IN CLASS EXERCISES

A. WHAT DO YOU SEE IN THIS PICTURE? IF YOU SEE 'NOTHING', KEEP LOOKING.

B. IF YOU SEE 'SOMETHING', THEN TRY TO SEE 'NOTHING'. CAN YOU DO THIS?

A. Steadily fixate on the black light bulb for 30 seconds. Try not to avert your gaze. Then turn your gaze to the white area on the right of the bulb. You should see a glowing light bulb! Why?
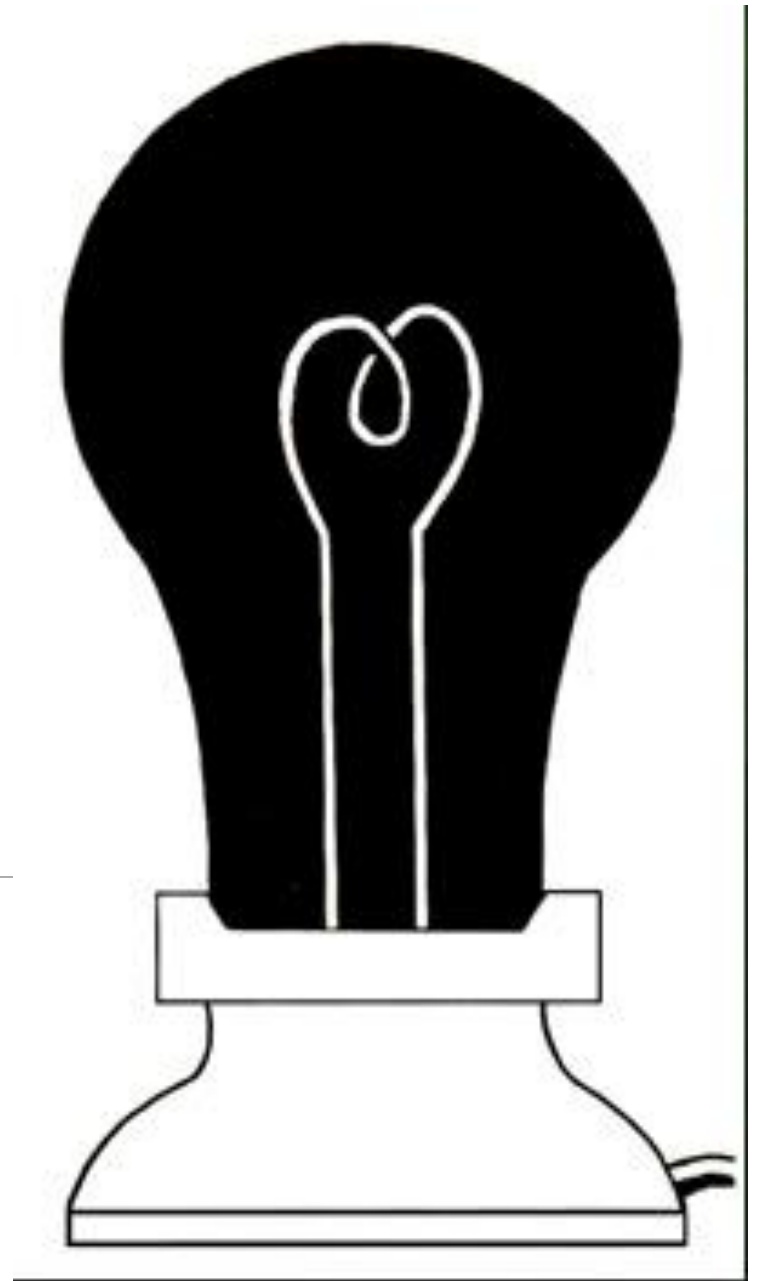
A. What do you see here – crater or mountain?

B. Can you see both?
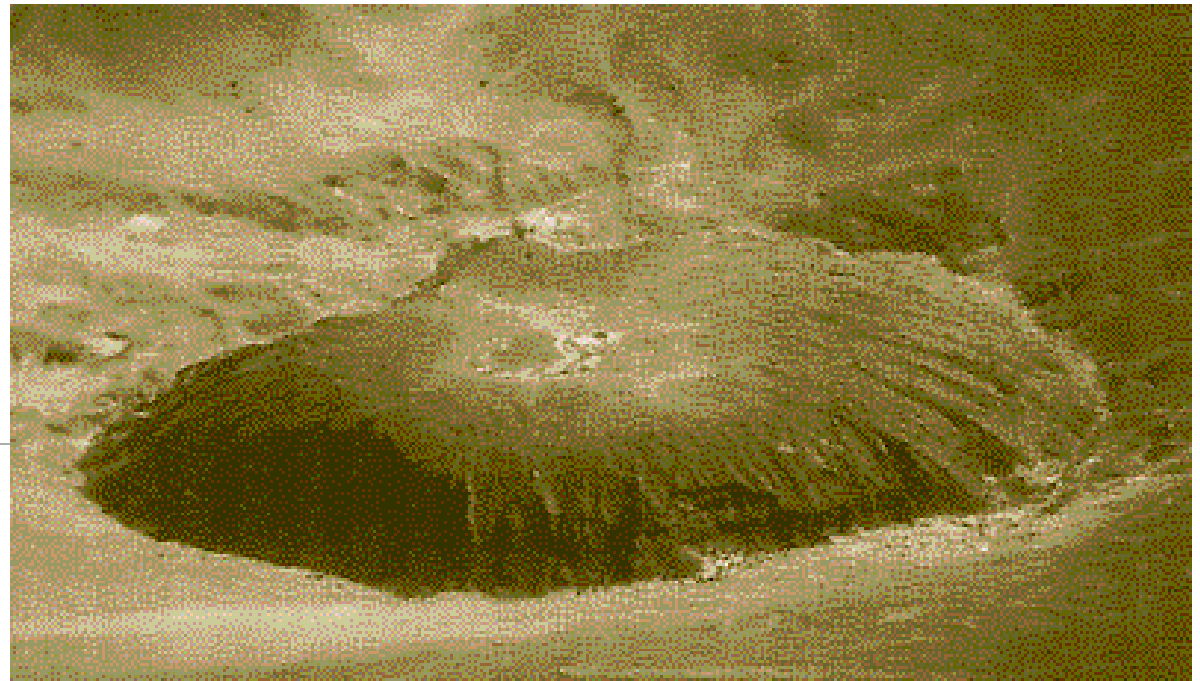
Close your eyes for 30 seconds and try not to imagine a Pink Elephant. Could you do it?

WHY OR WHY NOT?

A. Look at the figure on the right.
Stare at the black dot without moving
your eyes.
The smudge will miraculously disappear!

Try the same experiment again with the
smudge on the left.
This time the smudge does not disappear.

What is going on here? Why does the
smudge disappear in one instance and
not the other?
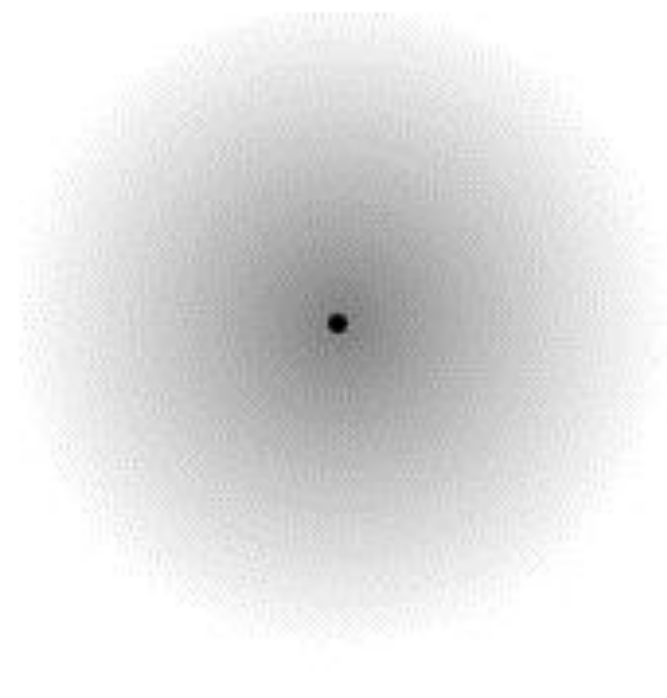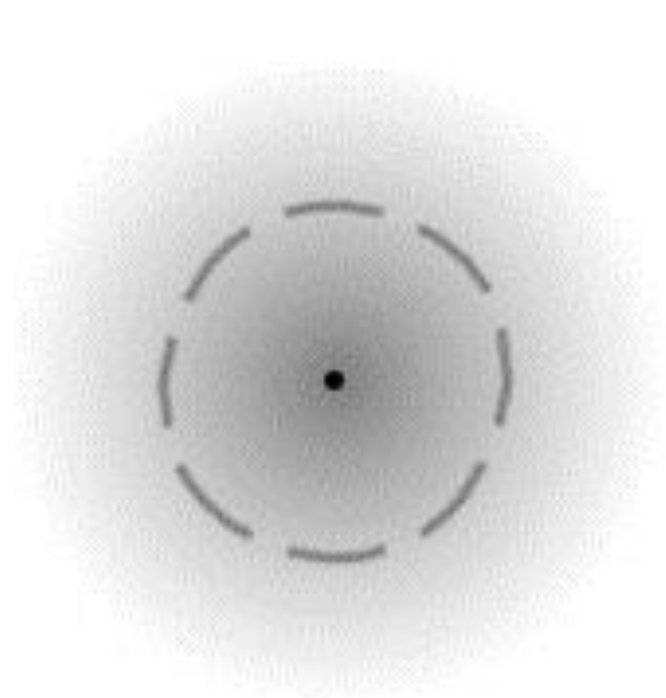
Effect of Perception on Individual Decision Making, Attitudes & Behavior

SOCIAL PERCEPTION

SOCIAL BIASES

Social Perception

- People's behavior is based on their perception of what reality is, not on reality itself.

- Social perception is how an individual "sees" others.

- Social perception allows individuals to make judgments and impressions about other people.

- It allows people to understand the other people in their social world.

Social Biases

1. **Selective Perception**

2. **Halo Effect**

3. **Contrast Effects**

4. **Stereotyping**

1. Selective Perception

Selective perception is the process by which individuals perceive what they want to while ignoring opposing viewpoints.
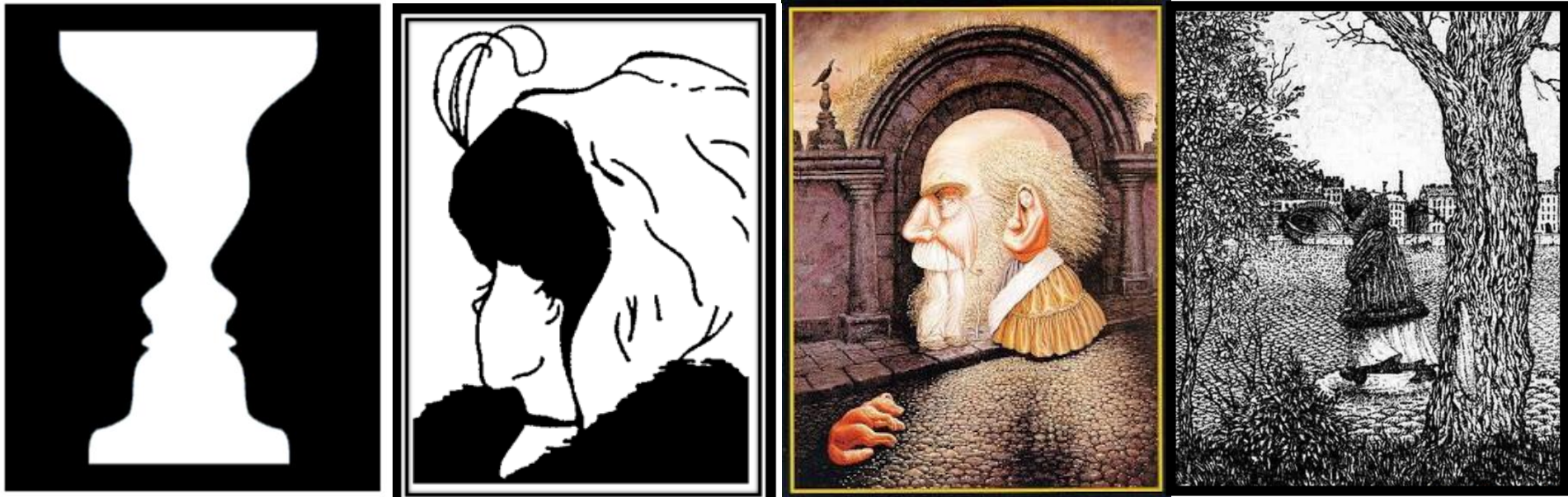
2. Halo Effect

Drawing a general impression about an individual on the basis of a single characteristic.

Traits like intelligent, skillful, determined, warm.

Exercise: Social Perception

3. Contrast Effects

Evaluation of a person's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.
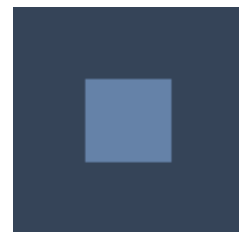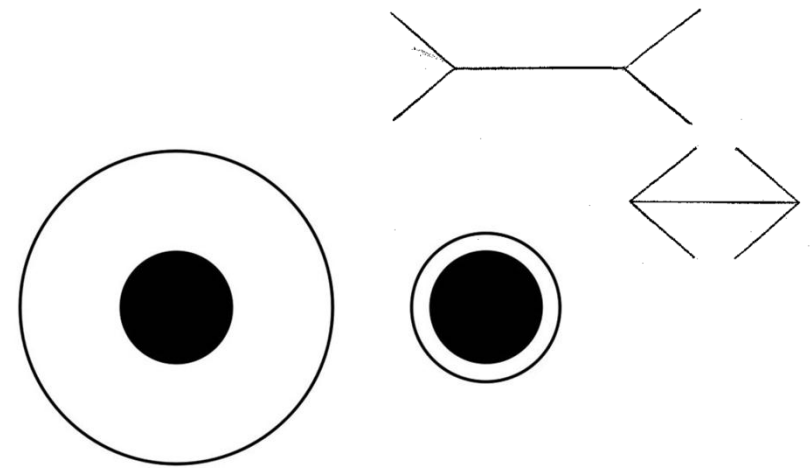
4. Stereotyping

Judging someone on the basis of one's perception of the group to which that person belongs.
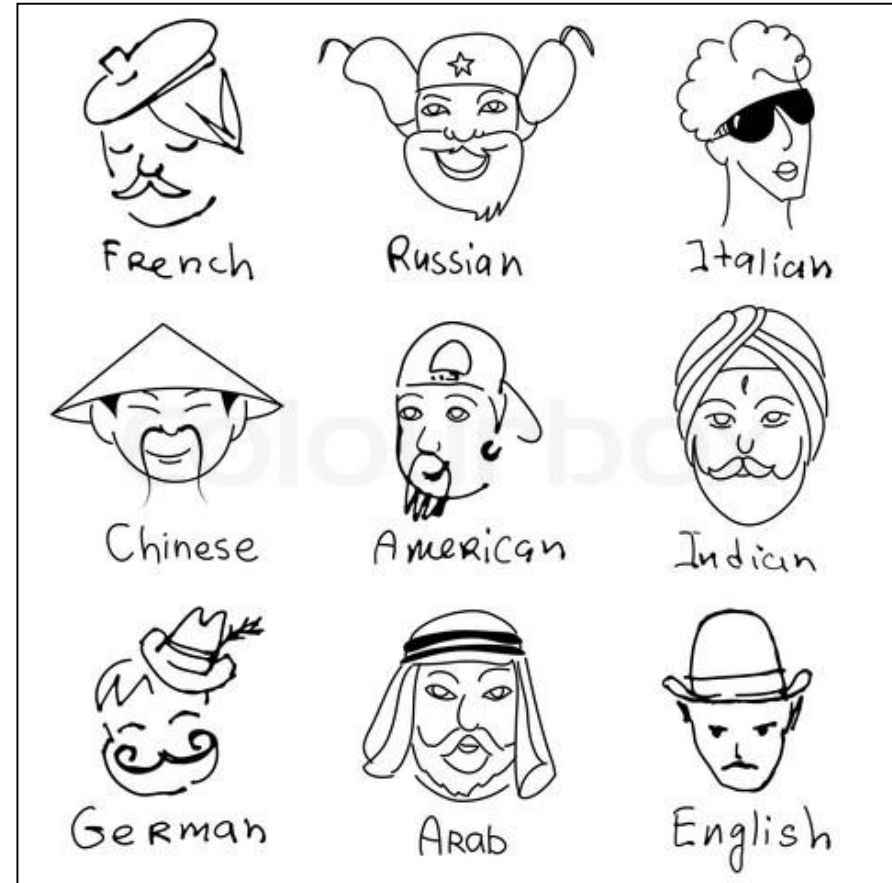
Application of these biases in organizations

Interviews

Performance expectations

Performance evaluation

Promotion decisions

Team work

Decisions Making in Organizations

Rational decision making

- A multi-step process which involves formulating a goal(s), identifying the criteria for making the decision, identifying alternatives, analysis, and a final decision. The model assumes that the decision maker has full or perfect information about exactly what will occur due to any choice made and has the cognitive ability and time to weigh every choice against every other choice.

Bounded Rationality

- Individuals make decisions by constructing simplified models that extract the essential features from problems without capturing all their complexity.

Intuitive decision making

- Intuition is often used when there is a high level of uncertainty, there is little precedent to go on, when the variable in question are less predictable, when "facts" are limited, these facts don't lead you in one particular direction, data is of little use, when there are several plausible choices, and there is time pressure.

2. Attitudes & Values

Topics

Values
- Sources of values
- Types of values

Attitudes
- Components of attitude
- Types of attitudes

Values

✓ Value is that which is explicitly or implicitly desirable to an individual or a group and which influences the selection from available modes, means, and ends of action.

✓ Values can be both consciously and unconsciously held.

✓ Values are therefore relatively general beliefs that either define what is right and wrong or specify general preferences.

✓ Values represent basic convictions 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." M. Rokeach (1973).

✓ They contain a judgmental element in that they carry an individual's ideas as to what is right, good, or desirable.

Contd.

✓Values: freedom, pleasure, self-respect, honesty, obedience, and equality.

✓Values have both content and intensity attributes. The content attribute says that a mode of conduct or end-state of existence is important.

✓The intensity attribute specifies how important it is. When we rank an individual's values in terms of their intensity, we obtain that person's value system.

✓All of us have a hierarchy of values that forms our value system. This system is identified by the relative importance we assign to such values.

✓Values are important to the study of organizational behavior because they lay the foundation for the understanding of attitudes and motivation and because they influence our perceptions, attitudes and behavior.

Sources of values

Culture	Parents/ family	Teachers
Society	Friends/ peers	Organizations

Sources of values

- Individuals express culture and its normative qualities through the values that they hold about life and the world around them.

- These values, in turn, affect their attitudes about the form of behavior considered more appropriate and effective in any given situation.

- The values we hold are essentially established in our early years – from parents, teachers, friends, and others.

- Your early ideas of what is right and wrong were probably formulated from the views expressed by your parents. As you grew up, and were exposed to other value systems, you may have altered a number of your values.

Contd.

- Achievement, peace, cooperation, equity, and democracy are societal values that are considered desirable. These values are not fixed, but when they change, they do it so very slowly.

- Interestingly, values are relatively stable and enduring. This has been explained as a result of the way in which they are originally learned.

- When we are children, we are told that a certain behaviour or outcome is always desirable or always undesirable. There are no grey areas. It is this absolute or "black white" learning of values that more or less assures their stability and endurance.

Types of values

- Milton Rokeach created the Rokeach Value Survey(RVS). The RVS consists of two sets of values, with each set containing eighteen individual value items.

- One set, called terminal values, refers to desirable end-states of existence such as a comfortable life (a prosperous life) an exciting life, a sense of accomplishment, a world at peace, a world of beauty, equality, etc.

- These are the goals that a person would like to achieve during his or her lifetime. These values vary among different groups of people in different cultures.

- The other set, called instrumental values, refers to preferable modes of behavior such as ambitious, broadminded, competent, courageous, etc. These are preferable modes of behavior, or means of achieving the terminal values.

Types
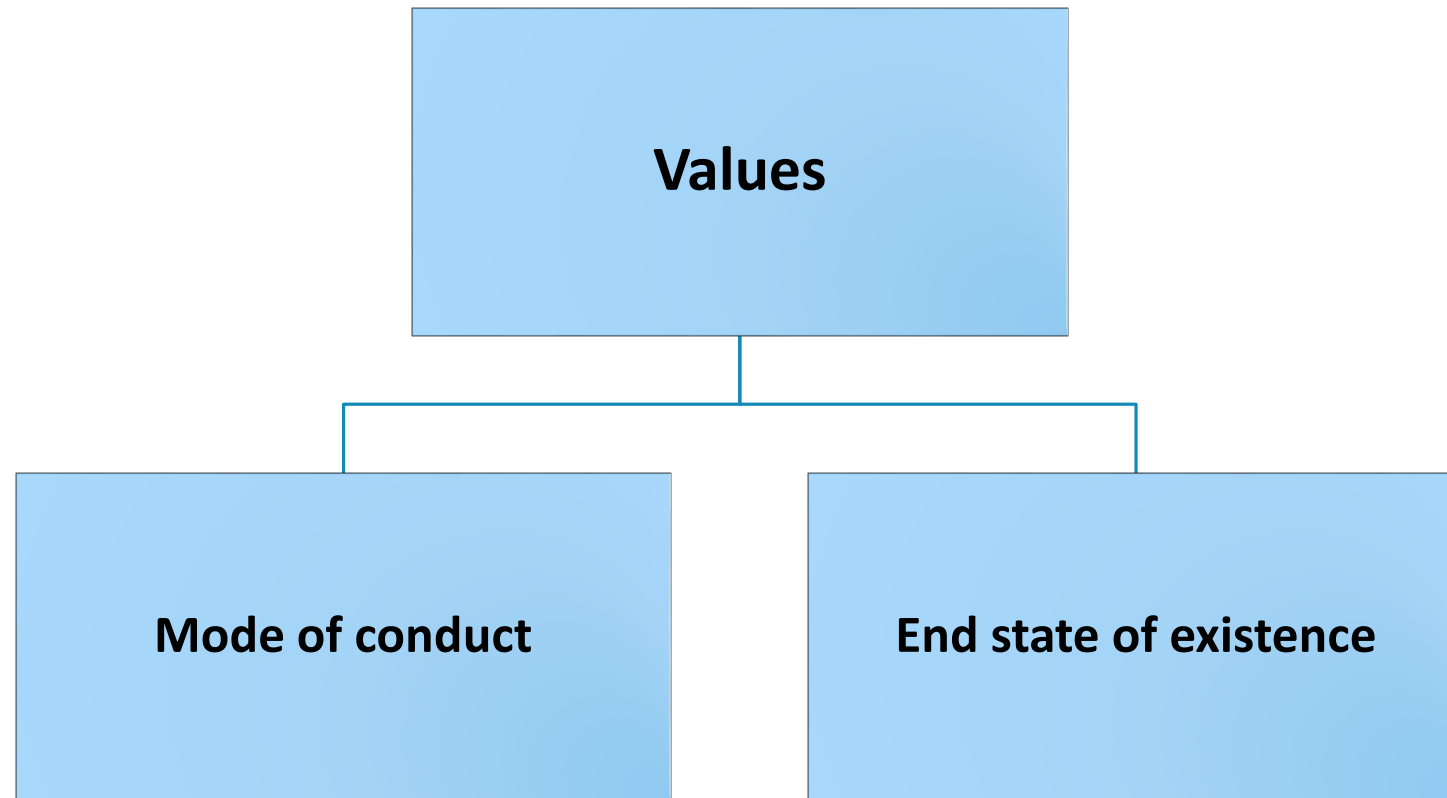
Terminal Values

1. True Friendship
2. Mature Love
3. Self-Respect
4. Happiness
5. Inner Harmony
6. Equality
7. Freedom
8. A Comfortable Life
9. An Exciting Life
10. Pleasure
11. Social Recognition
12. Wisdom
13. Salvation
14. Family Security
15. National Security
16. A Sense of Accomplishment
17. A World of Beauty
18. A World at Peace

Instrumental Values

1. Cheerfulness
2. Ambition
3. Love
4. Cleanliness
5. Self-Control
6. Capability
7. Courage
8. Politeness
9. Honesty
10. Imagination
11. Independence
12. Intellect
13. Broad-Mindedness
14. Logic
15. Obedience
16. Helpfulness
17. Responsibility
18. Forgiveness

Task 1: Your value system

Arrange the 18 terminal values, followed by the 18 instrumental values, into an order of importance to YOU, as guiding principles in YOUR life.

List down top 5 from each & Explain why?

To conclude;

✓ Values often underline and explain attitudes, behaviors, and perceptions.

✓ Knowledge of an individual's value system can provide insight into what makes the person act in certain way.

✓ Employees' performance and satisfaction are likely to be higher if their values fit well with the organization.

✓ The person who places great importance on imagination, independence, and freedom is likely to be poorly matched with an organization that seeks conformity from its employees.

Attitudes

- Attitudes are evaluative statements – either favorable or unfavorable - concerning objects, people, or events.

- An attitude is a construct that expresses values and disposes a person to act or react in a certain way toward something.

- Attitudes are present in the relationship between a person and some kind of object.

- They reflect how one feels about something. Attitudes are not the same as values, but the two are interrelated.

- Attitudes, like values, are acquired from parents, teachers, and peer group members. In our early years, we begin modeling our attitudes after those we admire, respect, or maybe even fear.

Contd.

- In contrast to values, your attitudes are less stable. Advertising messages, for example, attempt to alter your attitudes toward a certain product or service.

- In organizations, attitudes are important because they affect job behaviour. It makes sense to try to understand how these attitudes were formed, their relationship to actual job behavior, and how they can be made more favorable.

Example

I like my job.

I hate my boss.

I don't like working on Sunday.

Components of attitudes

Cognition

- Cognitive component: Evaluation
- Opinion/belief

He never appreciates me.
My hard work goes unnoticed.
He is not considerate.

I will change my job.

I hate my boss.

Behavior

- Behavioral component: Action
- Intention to behave

Affect

- Affective component: Feeling
- Emotions
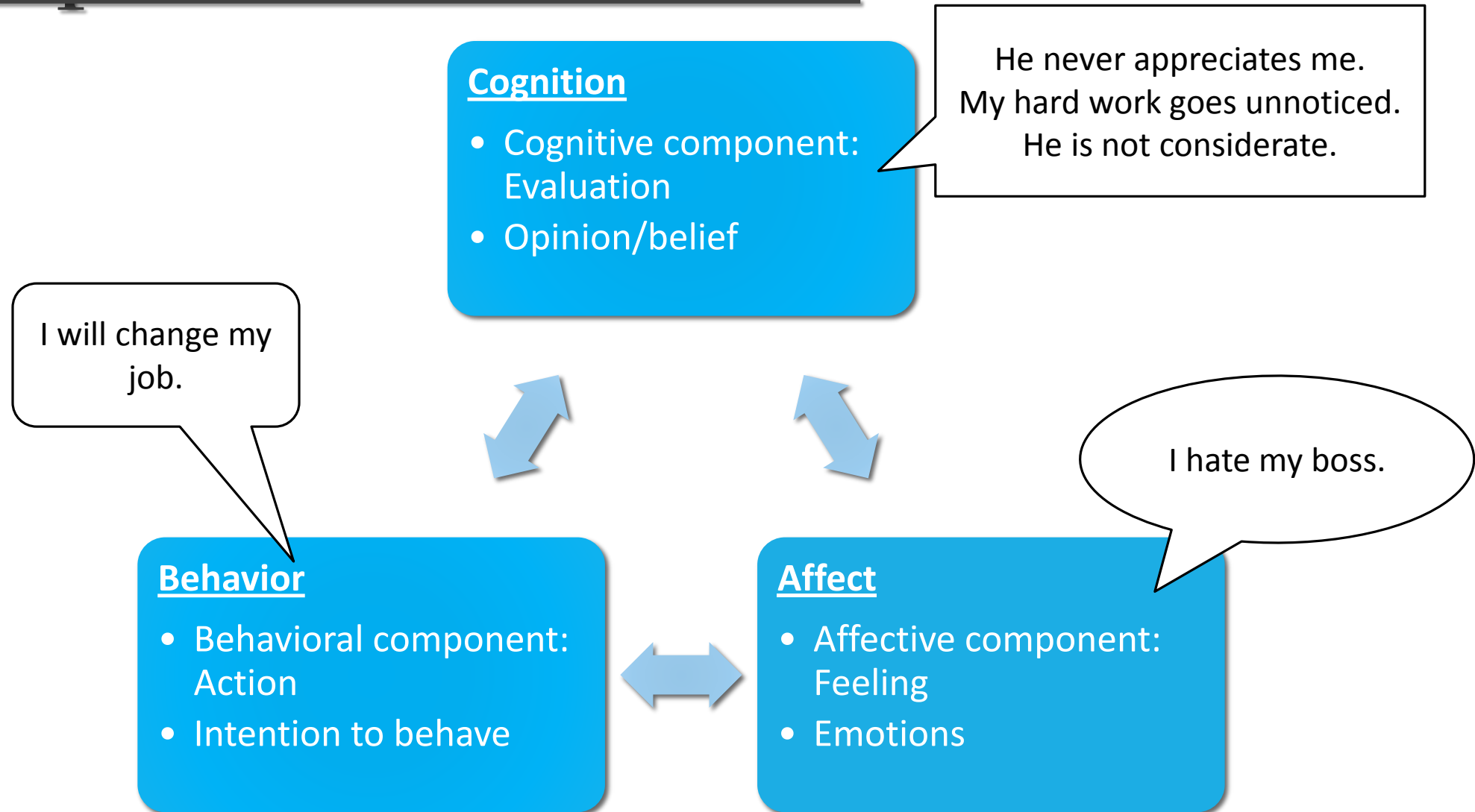
Components of attitudes

- Three component of attitudes; cognitive, effective and. behavioral. All three are closely related. But, Cognition and affect are intertwined.
  - My boss never appreciates me so I hate my job.
  - Behavior is what follows next.

Cognitive dissonance

Relationship between attitudes and behavior:

Causally related. Generally Behavior follows attitude.

Sometimes attitude follows behavior.

Cognitive dissonance: any incompatibility between two or more attitudes or between attitudes and behavior.

People seek consistency in their attitudes and behavior, so they my alter that attitude/behavior or develop a rationale for that discrepancy.

Task 2

Write down 2 attitudes (1 personal and 1 organizational)

Break them in three components.

Types of Attitudes

Work-related attitudes are evaluative tendencies toward aspects of work that are based on clusters of feelings, beliefs, and behavioral intentions.

3 work related attitudes: job satisfaction, job involvement, organizational commitment.

Job satisfaction	Job involvement	Organizational commitment

Contd.

1. **Job satisfaction: how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of job. Positive & negative feelings about the job.**

2. **Job involvement: defined as the extent to which an individual is immersed in his or her present job.**

3. **Organizational Commitment: a worker's feelings and attitudes about the entire work organization.**

Job satisfaction

Summarize the main causes of job satisfaction.

Summarize the main causes of job dissatisfaction.

Job satisfaction leads to productivity. Discuss.

Job Satisfaction Attributes

1. Autonomy, independence
2. Appreciation and recognition
3. Communication
4. Coworkers
5. Fringe Benefits
6. Job Conditions
7. Nature of the work itself
8. Organization's policies and procedures
9. Pay
10. Personal growth
11. The variety of work
12. Promotion opportunities
13. Recognition
14. Job Security
15. Supervision
16. Contribution of work to organizational goals
17. Flexibility
18. Feeling safe in work environment
19. Training & development
20. Meaningfulness of the job
21. Networking opportunities
22. Corporate culture

Responses to job dissatisfaction

Task 3

Arrange these attributes from top to bottom into an order of importance to YOUR JOB SATISFACTION.

List down top 5 and explain why?

To conclude;

➢ **Attitudes give warnings of potential problems and influence behavior.**

➢ **Creating a satisfied workforce is hardly a guarantee of successful organizational performance, but evidence strongly suggests that whatever managers can do to improve employee attitudes will likely result in heightened organizational effectiveness.**

➢ **Satisfied and committed employees have lower rates of turnover, absenteeism, and withdrawal behaviors. They also perform better on the job.**

➢ **The most important thing managers can do to raise employee satisfaction is focus on the intrinsic parts of the job, such as making the work challenging and interesting.**

➢ **Although paying employees poorly will likely not attract high-quality employees to the organization or keep high performers, managers should realize that high pay alone is unlikely to create a satisfying work environment.**

3. PERSONALITY

CONTENT

- Personality and personality traits

- 5 factor model

- MBTI

- Other traits in organizations

- Type A,B,C&D

- Emotions and moods

- Emotional intelligence

- **Assignment 2: part A&B**
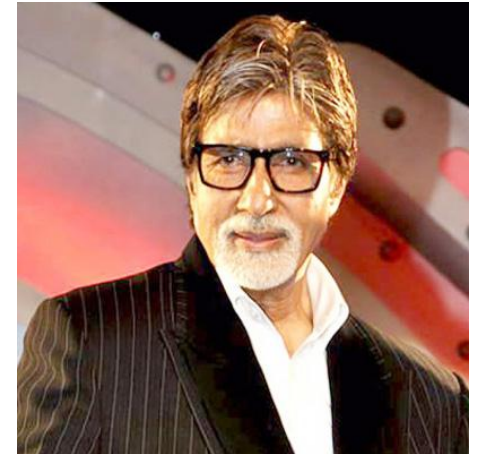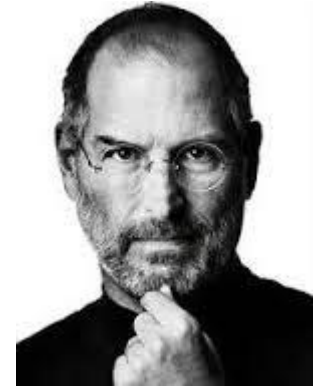
PERSONALITY

The word originates from the Latin persona, which means mask.

Personality has to do with individual differences among people in behavior patterns, cognition and emotion. Michel, W., Shoda, Y., & Smith, R. E. (2004).

A relatively stable set of characteristics that influences an individual's behavior

The dynamic organization within the individual of those psychophysical systems that determine his unique adjustments to his environment. - Gordon Allport

The sum total of ways in which an individual reacts and interacts with others, the measurable traits a person exhibits

The unique and relatively stable patterns of behavior, thoughts and emotions shown by individuals

PERSONALITY TRAITS

Personality trait refers to enduring personal characteristics that are revealed in a particular pattern of behavior in a variety of situations.

Enduring characteristics that describe an individual's behavior

The more consistent the characteristic and the more frequently it occurs in diverse situations, the more important the trait.

TYPES OF PERSONALITY TRAITS

Positive Personality Traits

Adventurous
Conscientious
Cultured
Dependable
Discreet
Fair
Fearless
Observant
Impartial
Independent
Optimistic
Intelligent
Keen
Precise

Confident
Dutiful
Encouraging
Reliable
Helpful
Humble
Imaginative
Meticulous
Obedient
Trusting
Persistent
Capable
Charming

Negative Personality Traits

Cowardly
Sneaky
Rude
Quarrelsome
Impulsive
Self-centered
Unfriendly
Thoughtless
Tense
Unstable
Suspicious
Troublesome
Superstitious

Laziness
Sarcastic
Arrogant
Bossy
Vulgar
Malicious
Obnoxious
Narrow-minded
Moody
Power-hungry
Selfish
Superficial

YOUR PERSONALITY | THE MASK

Draw a mask depicting your personality
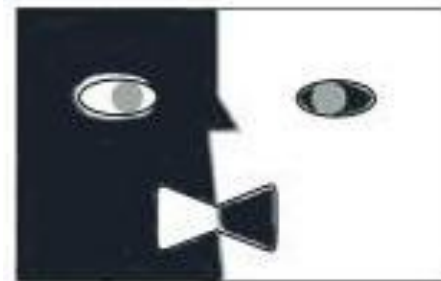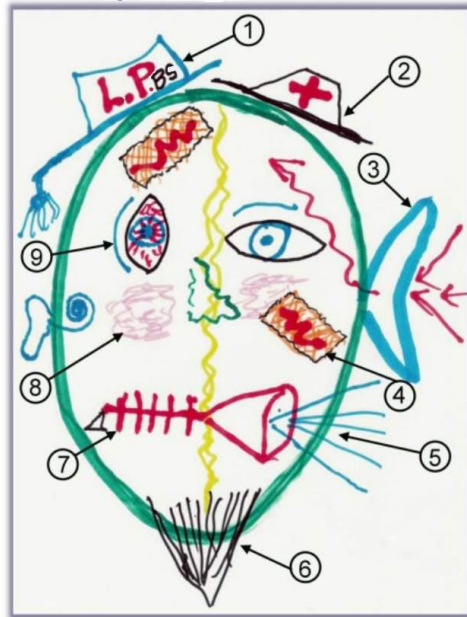
"Don't be fooled by me.
At least not by the face I wear."

HOW IS PERSONALITY MEASURED?

Projective Test - elicits an individual's response to abstract stimuli

Behavioral Measures - personality assessments that involve observing an individual's behavior in a controlled situation

Self-Report Questionnaire - assessment involving an individual's responses to questions

Instruments like Myers-Briggs Type Indicator (MBTI) - measuring Jung's theory of individual differences.

PERSONALITY FRAMEWORKS

Two dominant frameworks used to describe personality:

Myers-Briggs Type Indicator (MBTI®)

Big Five Model

BIG FIVE PERSONALITY TRAITS

5-factor model (Big 5): developed by Paul T. Costa, Jr. and Robert R. McCrae (1992)		
1 **Neuroticism/ emotional stability**	(sensitive/nervous vs. secure/confident)	degree to which an individual can be anxious, depressed, angry, and generally emotionally insecure.
2 **Extroversion**	(outgoing/energetic/ extrovert vs. solitary/ reserved/introvert)	degree to which a person can be sociable, talkative, assertive, active, able to openly express feelings and emotions.
3 **Openness to experience**	(*inventive/curious* vs. *consistent/cautious*)	degree to which an individual can be open to experience, is intellectually curious.
4 **Agreeableness**	(*compassionate/friendly* vs. *analytical/detached*)	extent to which a person can be courteous, good natured, flexible, trusting, and liked by others.
5 **Conscientiousness**	(*efficient/organized* vs. *easy-going/careless*)	degree to which a person can be dependable, responsible, organized, and a planner.

BIG FIVE DOMAINS

The "Big Five" Dimension of Personality and organization behavior:

1.Conscientiousness: a dimension ranging from careful, thorough, responsible, organized self-disciplined and scrupulous.

2.Extraversion: a dimension ranging from sociable, talkative , assertive and active.

3.Agreeableness: a dimension ranging from good natured, gentle, cooperative, forgiving and hopeful.

4.Emotional stability: a dimension ranging from anxious, depressed, angry, emotion, insecure and excitable.

5.Openness to Experience: a dimension ranging from imaginative, curious, and open.

Scale no.	Domain	Total scale score
1	(1) Extraversion	
2	(2) Agreeableness	
3	(3) Conscientiousness,	
4	(4) Emotional Stability	
5	(5) Openness	

WHAT IS YOUR PERSONALITY TYPE?

Big Five

HOW DO THE BIG FIVE TRAITS PREDICT BEHAVIOR?

Research has shown this to be a better framework.

Certain traits have been shown to strongly relate to higher job performance:

- Highly conscientious people develop more job knowledge, exert greater effort, and have better performance.
- Other Big Five Traits also have implications for work.
  - Emotional stability is related to job satisfaction.
  - Extroverts tend to be happier in their jobs and have good social skills.
  - Open people are more creative and can be good leaders.
  - Agreeable people are good in social settings.

CONTD.

There are certain traits that have been shown by extensive research to be strongly related to higher job performance. Conscientiousness has been shown as an effective predictor of better performance based on more extensive job knowledge and the willingness to exert greater effort.

In addition, the other traits also have implications for work. Emotional stability is related to job satisfaction and agreeable people are better in social-related jobs such as sales and customer service.

MYERS-BRIGGS TYPE INDICATOR

Based on Carl Jung's work
- People are fundamentally different
- People are fundamentally alike
- People have preference combinations for extraversion/introversion, perception, judgment

Briggs & Myers developed the MBTI to understand individual differences

Most widely used instrument in the world.

Participants are classified on four axes to determine one of 16 possible personality types.

THE MYERS-BRIGGS TYPE INDICATOR
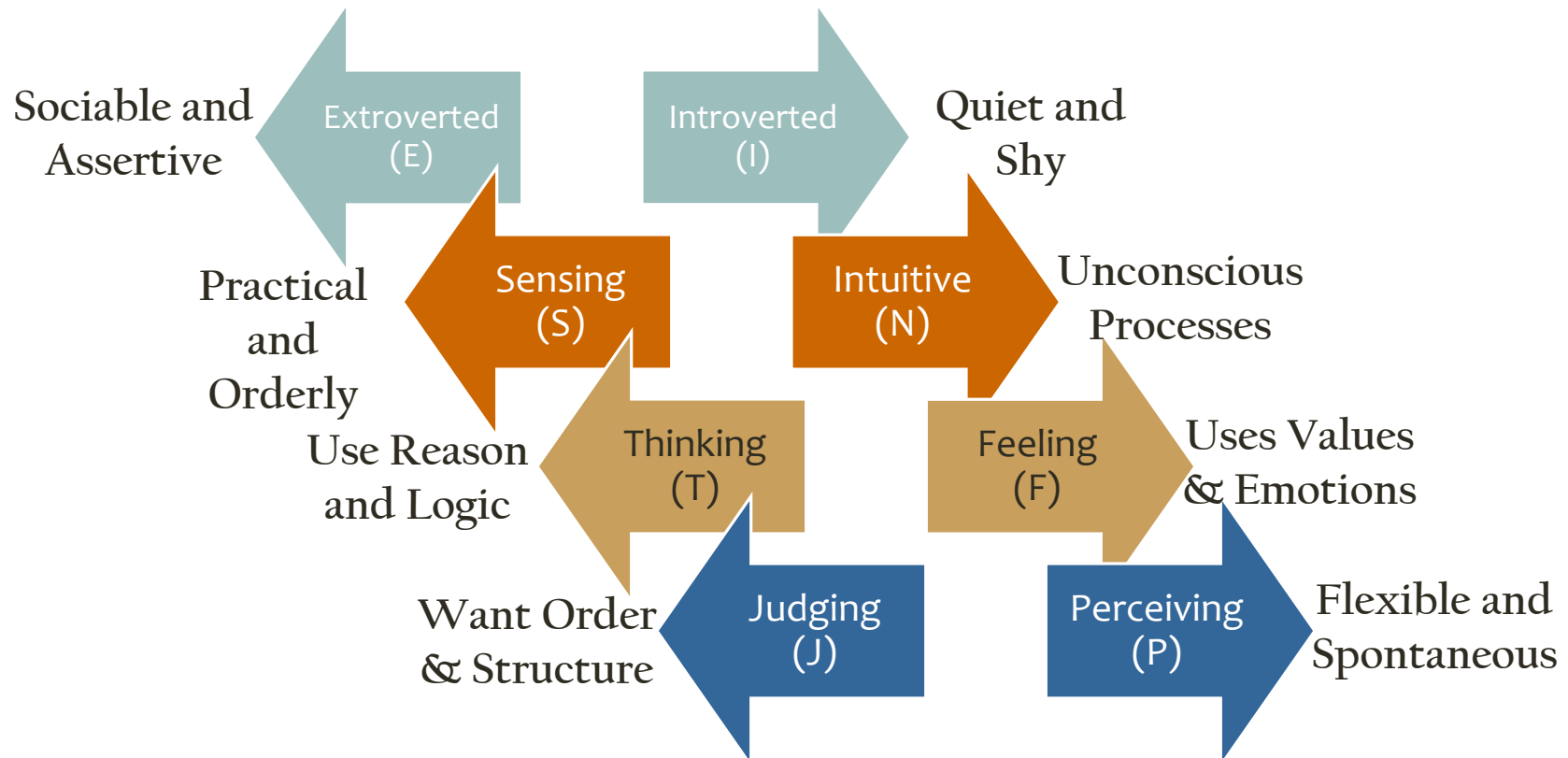
MBTI

The MBTI is the most widely used personality instrument worldwide. Participants are classified within four scales to determine 1 of 16 possible personality types.

These types are broken down into four dichotomies. The first is extroverts who tend to be sociable and assertive verses introverts who tend to be quiet and shy.

The second dichotomy is sensing and intuitive. Sensors are practical and orderly where intuits utilize unconscious processes.

The third dichotomy is thinking and feeling. Thinking focuses on using reason and logic where feeling utilizes values and emotions.

The final dichotomy is judging and perceiving. Judgers want order and structure whereas perceivers are more flexible and spontaneous.

MBTI PREFERENCES

Preferences		Represents
Extraversion	Introversion	How one re-energizes
Sensing	Intuiting	How one gathers information
Thinking	Feeling	How one makes decisions
Judging	Perceiving	How one orients to the outer world

MBTI

Each of the sixteen possible combinations has a name, for instance:

- **Visionaries (INTJ) – original, stubborn, and driven**
- **Organizers (ESTJ) – realistic, logical, analytical, and businesslike**
- **Conceptualizer (ENTP) – entrepreneurial, innovative, individualistic, and resourceful**

Research results on validity mixed

- **MBTI® is a good tool for self-awareness and counseling.**
- **Should not be used as a selection test for job candidates because it has not been related to job performance**

Scoring

	Col 1			Col 2			Col 3			Col 4			Col 5			Col 6			Col 7	
	A	B		A	B		A	B		A	B		A	B		A	B		A	B
1			2			3			4			5			6			7		
8			9			10			11			12			13			14		
15			16			17			18			19			20			21		
22			23			24			25			26			27			28		
29			30			31			32			33			34			35		
36			37			38			39			40			41			42		
43			44			45			46			47			48			49		
50			51			52			53			54			55			56		
57			58			59			60			61			62			63		
64			65			66			67			68			69			70		
	Copy to →					Copy to →					Copy to →									

	E	I			S	N			T	F					J	P

1. Copy your answers to this answer key carefully.
2. Count the number of checks in each of the A and B columns, and total at the bottom.
3. Copy the totals for Column 2 to the spaces below the totals for Column 3. Do the same for Columns 4 and 6.
4. Add totals downwards to calculate your totals.
5. Circle the letter with this highest score. This is your type.

WHAT IS YOUR PERSONALITY TYPE? | MBTI

ISFJ THE PROTECTOR

ESFJ THE PROVIDER

ESFP THE PERFORMER

ISTJ THE INSPECTOR

ESTJ THE SUPERVISOR

INFP THE HEALER

ENTJ THE COMMANDER

ENTP THE VISIONARY

INTP THE ARCHITECT

ESTP THE DYNAMO

ISTP THE CRAFTSMAN

INTJ THE MASTERMIND

ISFP THE COMPOSER

ENFP THE CHAMPION

ENFJ THE TEACHER

INFJ THE COUNSELOR

16 PERSONALITY TYPES
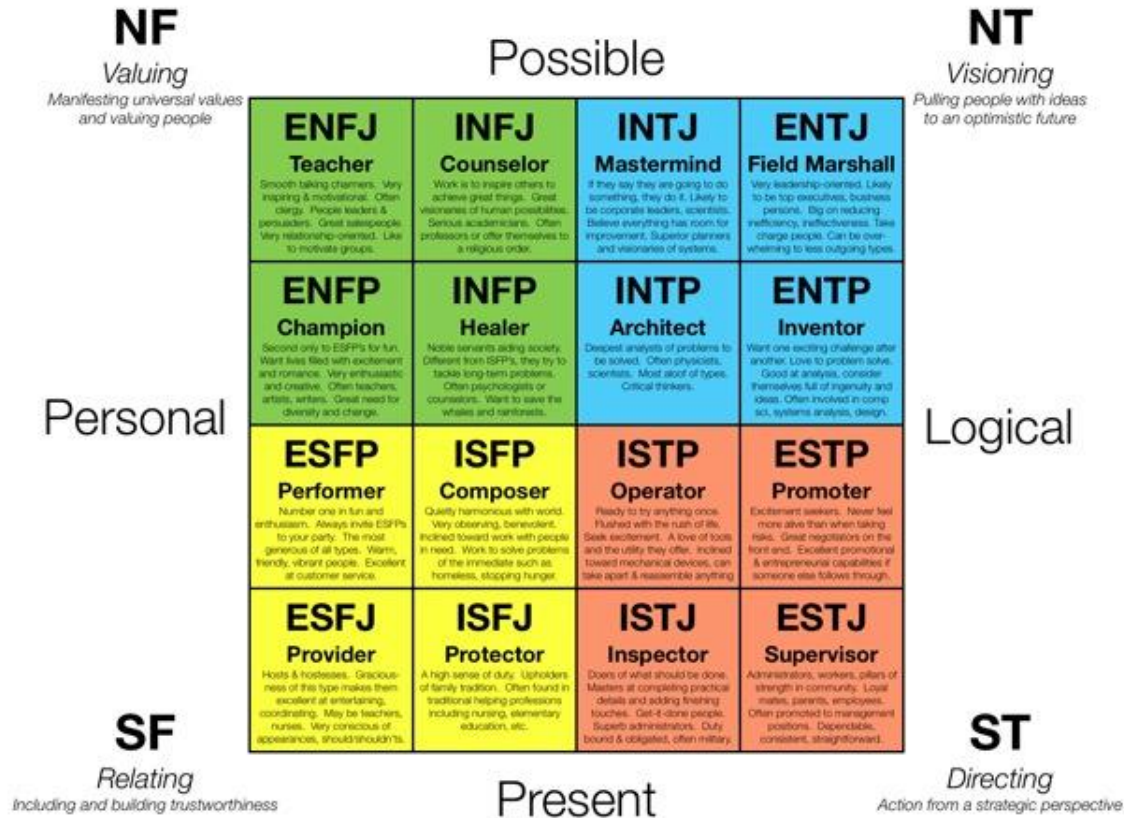
Extravert	**Sensing**	**Thinking**	**Judging**
Initiating	Concrete	Logical	Systematic
Expressive	Realistic	Reasonable	Planning
Gregarious	Practical	Questioning	Early Starting
Active	Experiential	Critical	Scheduled
Enthusiastic	Traditional	Tough	Methodical

Introvert	**Intuitive**	**Feeling**	**Perceiving**
Receiving	Abstract	Empathetic	Casual
Contained	Imaginative	Compassionate	Open-ended
Intimate	Conceptual	Accommodating	Prompted
Reflective	Theoretical	Accepting	Spontaneous
Quiet	Original	Tender	Emergent

PERSONALITY TRAITS IN ORGANIZATIONS

- ❑ **Locus of control**

- ❑ **Self – esteem**

- ❑ **Self – efficacy**

- ❑ **Self – monitoring**

- ❑ **Positive & negative affect**

CORE SELF-EVALUATION:
Two Main Components

Self-Esteem Feeling of self-worth (Individuals' degree of liking or disliking themselves)

Locus of Control

The degree to which people believe they are masters of their own fate

Internal locus of control: Individuals who believe that they control what happens to them

External locus of control: Individuals who believe that what happens to them is controlled by outside forces such as luck or chance
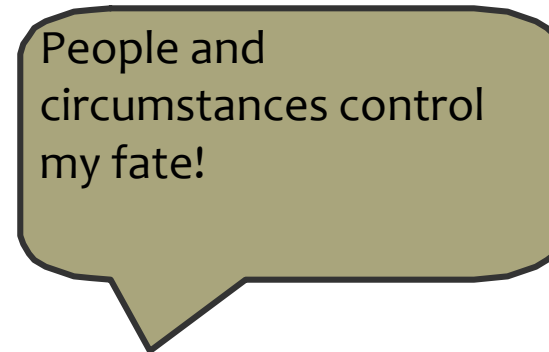
Note there are 6 filler items (1, 8, 14, 19, 24, 27) and 23 scoring items.

Score 1 point for each of the following:

2b	11a	21b
3a	12a	22a
4a	13a	23b
5a	15a	25b
6b	16b	26a
7b	17b	28a
9b	18b	29b
10a	20b	

External = low score; Internal = high score.

WHERE IS YOUR LOCUS OF CONTROL?

Measures of Locus of Control

PERSONALITY TRAITS IN ORGANIZATIONS

Self-Efficacy

Beliefs and expectations about one's ability to accomplish a specific task effectively

Sources of self-efficacy
- Prior experiences and prior success
- Behavior models (observing success)
- Persuasion
- Assessment of current physical & emotional capabilities

PERSONALITY TRAITS IN ORGANIZATIONS

Self-Monitoring

Behavior based on cues from people & situations

High self-monitors

- flexible: adjust behavior according to the situation and the behavior of others
- can appear unpredictable & inconsistent

Low self-monitors

- act from internal states rather than from situational cues
- show consistency
- less likely to respond to work group norms or supervisory feedback

HIGH-SELF MONITORS MOST LIKELY TO . . .

Get promoted

Accomplish tasks, meet other's expectations, seek out central positions in social networks

Change employers

Self-promote

Make a job-related geographic move

Demonstrate higher levels of managerial self-awareness; base behavior on other's cues and the situation

PERSONALITY TRAITS IN ORGANIZATIONS

Positive Affect - an individual's tendency to accentuate the positive aspects of oneself, other people, and the world in general

Negative Affect - an individual's tendency to accentuate the negative aspects of oneself, other people, and the world in general

HARTMAN PERSONALITY PROFILE

The Color Code Personality Profile also known as The Color Code or The People Code, created by Dr. Taylor Hartman, divides personalities into four colors: Red (motivated by power), Blue (motivated by intimacy), White (motivated by peace), and Yellow (motivated by fun).

Although different groups of people have different demographics, the general breakdown suggests that Reds comprise 25% of the population; Blues 35%; Whites 20%; and Yellows 20%.

A 45-question test assesses one's color, based on your answers.

REDS

motivated by power

Reds are the power wielders of the world. Reds use logic, vision and determination. From a Red perspective, emotion has nothing to do with completing tasks.

Strengths

Reds are: Action oriented, Assertive, Confident, Decisive, Determined, Disciplined, Independent, Leaders, Logical, Pragmatic, Proactive, Productive, Responsible, and Task-Dominant.

Limitations

Reds often have to be right. They may come across as harsh and critical, even when they don't mean to. They may tend to give priority to work over personal relationships. Reds may be poor listeners. They can also exhibit controlling and domineering traits.

BLUES

motivated by intimacy

Life is a sequence of commitments for blues. They thrive on relationships and willingly sacrifice personal gain. Blues are highly demanding perfectionists. They can be distrusting and worry prone. They are complex and intuitive and can be very opinionated. Blues can also be emotional and moody. Blues can be self-righteous and insecure and can also be very self-disciplined and sincere.

Strengths: Blues are steady, ordered and enduring. Blues love with passion. They bring culture and dependency to society and home. They are highly committed and loyal. They are comfortable in creative environments. They strive to be the best they can be.

Limitations: Blues are the most controlling of the four colors. They can be insecure and judgmental. Lacking trust, they find themselves resentful or unforgiving. They often fail at seeing the positive side of life. They want to be loved and accepted, constantly seeking understanding from others while often refusing to understand and accept themselves.

WHITES

Motivated by Peace

Whites will do anything to avoid confrontation. Their only demands from life are the things that make them feel comfortable. That feeling fosters their need to feel good inside.

Strengths: Whites are kind, considerate, patient and accepting. They are devoid of ego. They are good at constructing thoughts that did not exist before, just from careful listening and taking time to think things through.

Limitations: Whites don't commonly share what they are feeling, understanding or seeing. They won't express conflict. Whites may be unwilling to set goals. They dislike working at someone else's pace. They can be somewhat self-deprecating.

Yellow

motivated by Fun

Yellows are motivated by Fun. They are here to have a great time.

Strengths:

Yellows are enthusiastic. They are very persuasive. They are spontaneous in nature. They are always looking for something new to do.

Limitations:

They develop friendships with ease but can be very self-centered, keeping them from forming meaningful relationships. Often they have lots of friends, but only on a superficial level. Yellows may have difficulty getting down to business.

TYPE A, B, C, D
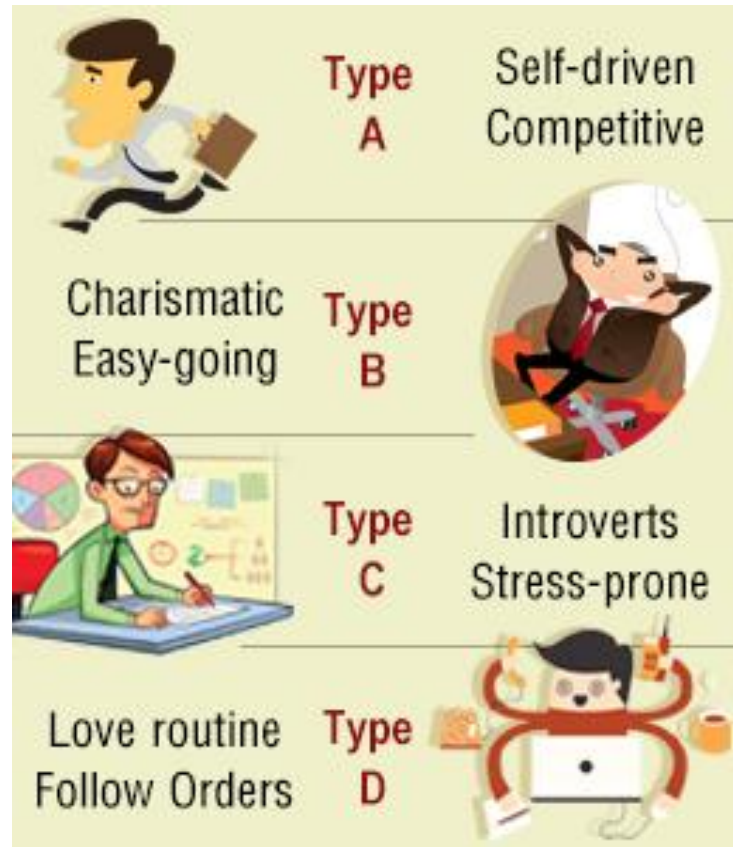
PERSONALITY TYPES

Type As

Are always moving, walking, and eating rapidly

Feel impatient with the rate at which most events take place

Strive to think or do two or more things at once

Cannot cope with leisure time

Are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire

Type Bs

Never suffer from a sense of time urgency with its accompanying impatience

Feel no need to display or discuss either their achievements or accomplishments

Play for fun and relaxation, rather than to exhibit their superiority at any cost

Can relax without guilt

TYPE A & B

-Type A behavior pattern: pattern of behavior involving high levels of competitiveness, time urgency and irritability.

-Type B behavior pattern: pattern of behavior characterized by a casual, laid-back style the opposite of the type A behavior pattern.

Type C personality traits

Type C personalities love details and can spend a lot of time trying to find out how things work and this makes them very suitable for technical jobs.

Type C are not assertive at all and they always suppress their own desires even if there is something that they dislike. The lack of assertiveness results in tremendous stress and sometimes in depression.

Type D personality traits

The "D" personality takes a slower, easy pace toward their job and life in general. They seek security and longevity on the job and are very happy doing a repetitive task, day in and day out as the repetition allows them to become very skilled in what the do.

The "D" will resist change out of concern that even though the current way may be unpleasant, the unknown may be even more unpleasant.

MEASURING PERSONALITY

- Helpful in hiring decisions
- Most common method: self-reporting surveys
- Observer-ratings surveys provide an independent assessment of personality – often better predictors

ASSIGNMENT 1

Part A: My personality

Detailed report on:

❑ Big 5 dimensions

❑ MBTI Type

❑ Other personality traits

Part B: Business Leaders

Personality profile of any one businessman.

❑ Big 5 dimensions

❑ MBTI Type

❑ other traits

❑ **Leadership qualities**

EMOTIONS & MOODS

EMOTIONS AND MOODS

Affect: generic term, covers broad range of feelings. Experienced in form of emotions and moods.

Emotions: intense feelings directed at someone or something.

Moods: less intense feeling, often lack contextual stimuli.

Emotions directed towards person, object or event. Moods are not directed towards person, object or event.

SOURCES OF EMOTIONS & MOODS

Personality

Day of the week and time of the day.

Weather

Stress

Social activities

Demographic factors.

EMOTIONAL INTELLIGENCE

The ability to express and control our emotions is essential, but so is our ability to understand, interpret, and respond to the emotions of others. Psychologists refer to this ability as emotional intelligence, and some experts even suggest that it can be more important than IQ.

What is Emotional Intelligence?

Emotional intelligence (EI) refers to the ability to perceive, control and evaluate emotions. Some researchers suggest that emotional intelligence can be learned and strengthened, while others claim it is an inborn characteristic.
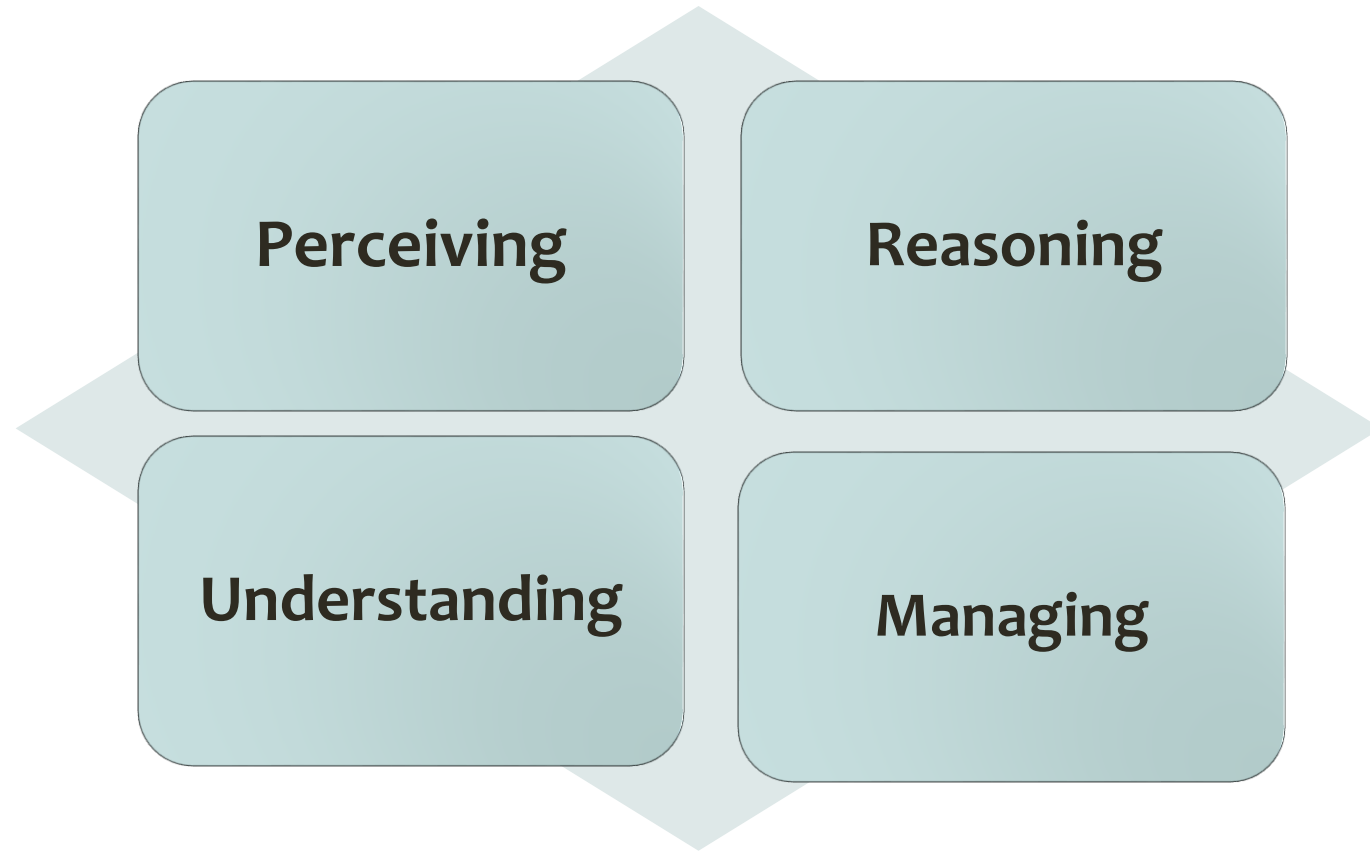
CONTD.

Peter Salovey and John D. Mayer " EI is the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions" (1990).

Salovey and Mayer proposed a model that identified four different factors of emotional intelligence: the perception of emotion, the ability reason using emotions, the ability to understand emotion and the ability to manage emotions.

Perceiving Emotions: The first step in understanding emotions is to perceive them accurately. In many cases, this might involve understanding nonverbal signals such as body language and facial expressions.

Reasoning With Emotions: The next step involves using emotions to promote thinking and cognitive activity. Emotions help prioritize what we pay attention and react to; we respond emotionally to things that garner our attention.

CONTD.

Understanding Emotions: The emotions that we perceive can carry a wide variety of meanings. If someone is expressing angry emotions, the observer must interpret the cause of their anger and what it might mean. For example, if your boss is acting angry, it might mean that he is dissatisfied with your work; or it could be because he got a speeding ticket on his way to work that morning or that he's been fighting with his wife.

Managing Emotions: The ability to manage emotions effectively is a crucial part of emotional intelligence. Regulating emotions, responding appropriately and responding to the emotions of others are all important aspect of emotional management.

According to Salovey and Mayer, the four branches of their model are, "arranged from more basic psychological processes to higher, more psychologically integrated processes. For example, the lowest level branch concerns the (relatively) simple abilities of perceiving and expressing emotion. In contrast, the highest level branch concerns the conscious, reflective regulation of emotion" (1997).

THE FOUR EMOTIONAL QUOTIENT (EQ) SKILLS

PERSONAL COMPETENCE

SOCIAL COMPETENCE

What I See EMOTIONAL AWARENESS

Self Awareness

Social Awareness

What I Do EMOTIONAL MANAGEMENT

Self Management

Relationship Management
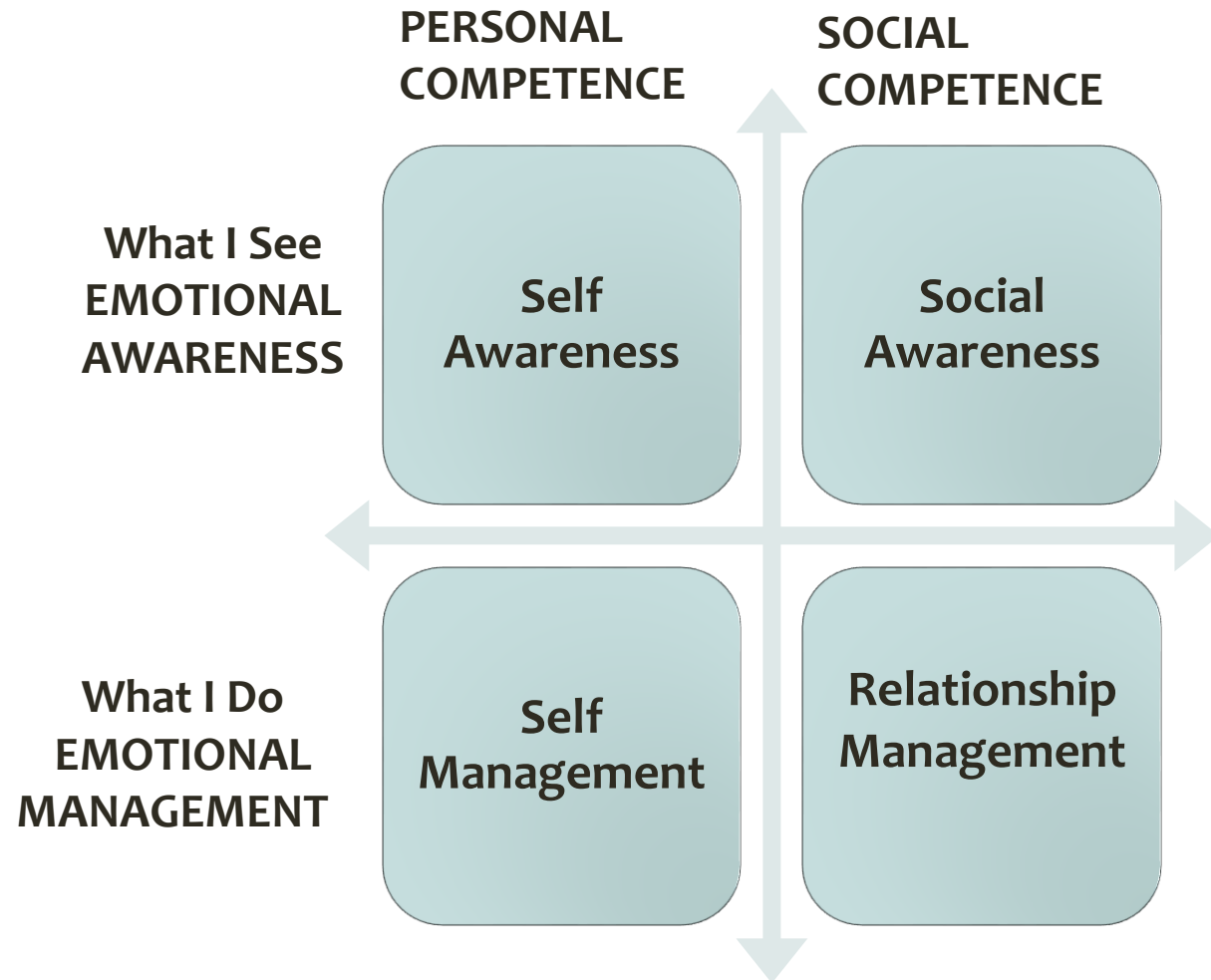
My EQ strengths! Mark your EQ total scores to assess your strengths and areas for improvement.

Domain	Score
Emotional Awareness	0 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40
Emotional Management	0 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40
Social Emotional Awareness	0 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40
Relationship Management	0 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40

Measure your effectiveness in each domain using the following key:

0 – 24 Area for Enrichment: *Requires* attention and development

25 – 34 Effective Functioning: Consider *strengthening*

35 – 40 Enhanced Skills: Use as *leverage* to develop weaker areas

HOW EMOTIONALLY INTELLIGENT ARE YOU?

EI Self-assessment pdf

Motivation

4. Motivation: Theory and Application

Motivation Theory

❑ Definition and concept of motivation

❑ Types of motivation

❑ Theories of motivation

Motivation

What is Motivation?

✓ **Motivation refers to process that activate, direct, and sustain goal-directed behaviour**

✓ **Motivation is a drive that encourages action or feeling. A motive is what prompts the person to act in a certain way or at least develop an inclination for specific behaviour**

✓ **Reason(s) for acting or behaving in a particular way**

✓ **To motivate means to encourage and inspire. Motivation can also mean igniting the spark for action. People motivate themselves. In order to inspire people to motivate themselves we need to understand their needs and wants.**

✓ **Motivation is defined as the process that initiates, guides, and maintains goal-oriented behaviours. Motivation is what causes us to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge.**

✓ **It involves the biological, emotional, social, and cognitive forces that activate behaviour.**

Motivation: Key Elements

Motivation: "The process that account for an individual's intensity, direction, and persistence of effort toward attaining a goal."

Intensity **Direction** **Persistence**

Types of Motivation

Extrinsic Vs. Intrinsic Motivation

- Different types of motivation are frequently described as being either extrinsic or intrinsic.

- Extrinsic motivations are those that arise from outside of the individual and often involve rewards such as trophies, money, social recognition or praise.

- Intrinsic motivations are those that arise from within the individual, such as doing a complicated cross-word puzzle purely for the personal gratification of solving a problem.

- External Motivation (External Motivation comes from outside) for example Money (by way of bonus, incentive, over time etc.) These factors works temporarily and not permanent motivator.

- Internal Motivation comes from within, such as pride, a sense of achievement, responsibility and belief. The two most internal motivators are recognition and responsibility. We are motivated either Positively or negatively.

Theories of motivation

Early/traditional theories

- Maslow's Hierarchy of needs
- McGregor's Theory X and Theory Y
- Herzberg's Two-Factor theory
- McClellan's theory of needs

Contemporary theories

- Self-determination theory
- Goal-setting theory
- Self-efficacy theory
- Reinforcement theory
- Equity theory
- Expectancy theory

Early/traditional theories

Maslow's Hierarchy of needs

McGregor's Theory X and Theory Y

Herzberg's Two-Factor theory

McClellan's theory of needs
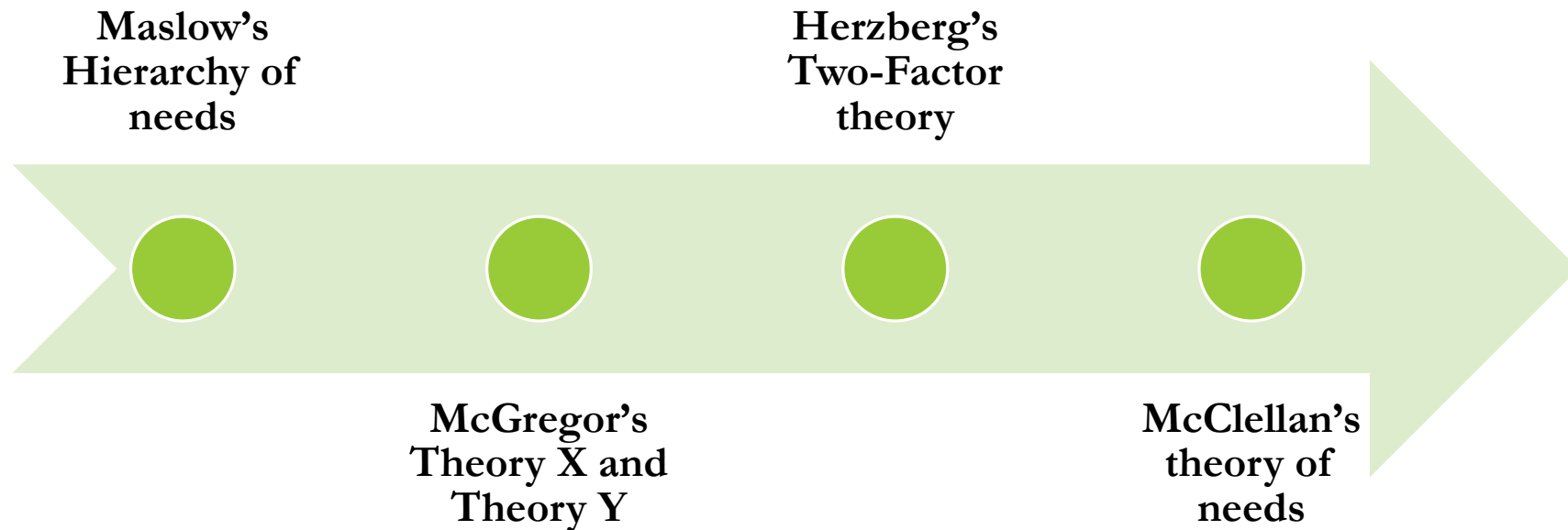
1. Abraham Maslow's Hierarchy of needs

Maslow's theory is one of the most widely discussed theories of motivation. Abraham Maslow believed that man is inherently good and argued that individuals possess a constantly growing inner drive that has great potential. The needs hierarchy system, devised by Maslow(1954), which is a commonly used scheme for classifying human motives.

The American motivation psychologist Abraham H. Maslow developed the hierarchy of needs consisting of five hierarchic classes. According to Maslow, people are motivated by unsatisfied needs. The needs, listed from basic (lowest-earliest) to most complex (highest-latest) are as follows:

- Physiology (hunger, thirst, sleep, etc.)

- Safety/Security/Shelter/Health

- Social/Love/Friendship

- Self-esteem/Recognition/Achievement

- Self actualization/achievement of full potential/can never be fully accomplished

Maslow's Hierarchy of Needs

Wisdom, Discernment, Understanding, and Context for Life; Self-fulfillment that can lead to a new focus on helping others (but not necessarily).

Self-actualization: achieving one's full potential, including creative activities

Self-fulfillment needs

Competence, Approval, Status, Sense of Achievement

Esteem needs: prestige and feeling of accomplishment

Mutual Social & Intimate Relationships; Membership

Belongingness and love needs: intimate relationships, friends

Psychological needs

Stability, Safety in family, society, & one's organization

Safety needs: security, safety

Survival & Bodily Comfort

Physiological needs: food, water, warmth, rest

Basic needs

THE FIVE LEVELS

The first level, at the bottom of the pyramid, consists of our short-term **basic needs**, also known as **physiological needs**: food, water, warmth, sex.

The second level consists of longer-term **safety needs**: security, order, stability.

The third level represents the social need for **affiliation**, also known as "**love and belonging**". We want to be accepted by others around us. We want to have stable relationships.

The fourth level represents the need for **esteem**. Within our social groups we want to be recognized and admired as individuals who accomplish things. We want prestige and power.

Almost at the top of the pyramid, **self-actualization** is the desire to experience ever deeper fulfilment by realising (actualising) more and more of our human potential.
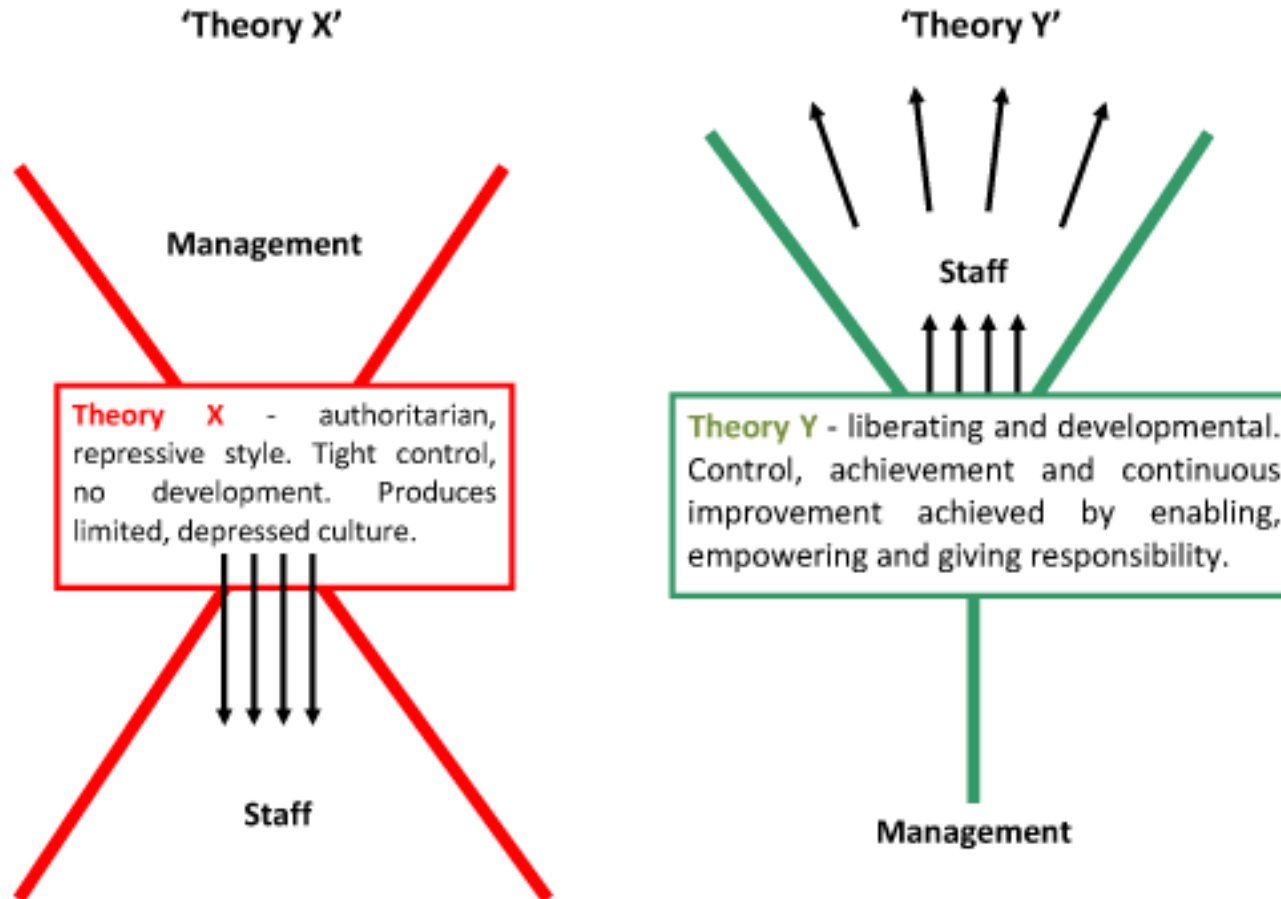
Summary: Maslow's Hierarchy of Needs

Maslow's hierarchy of needs theory can be summarized as follows:

❑ Human beings have wants and desires which influence their behavior. Only unsatisfied needs influence behaviour, satisfied needs do not.

❑ Needs are arranged in order of importance to human life, from the basic to the complex.

❑ The person advances to the next level of needs only after the lower level need is at least minimally satisfied.

❑ The further the progress up the hierarchy, the more individuality, humanness and psychological health a person will show.

2. Douglas McGregor's Theory X and Theory Y

'Theory X'

Management

Theory X - authoritarian, repressive style. Tight control, no development. Produces limited, depressed culture.

Staff

'Theory Y'

Staff

Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility.

Management

Theory X

- According to this theory, type X individuals are inherently lazy and unhappy with their jobs. Therefore, an authoritarian management style is required to ensure fulfilment of the individuals' objectives.

- These workers need close supervision with comprehensive systems of control and a hierarchical structure is needed with tight controls at every level.

- Employees will show little ambition without an enticing incentive program, and will avoid responsibility.

- 'Theory X' managers must rely heavily on the threat of punishment to gain employee compliance.

- This managerial style is more effective when used to motivate a workforce that is not inherently motivated to perform. It is usually exercised in professions where promotion is infrequent, unlikely or even impossible and where workers perform repetitive tasks.

- One major flaw of this management style is that it limits employee potential and discourages creative thinking.

Theory Y

- 'Theory Y' managers assume employees can be ambitious, self-motivated and exercise self-control.

- Employees enjoy their mental and physical work duties and for them, work is as natural as play.

- They possess creative problem solving abilities.

- 'Theory Y' managers believe that given the proper conditions, employees will learn to seek out and accept responsibility, exercise self-control and self-direction in accomplishing their objectives.

- A 'Theory Y' manager believes that, given the right conditions, most people will want to do well at work. They believe that the satisfaction of doing a good job is a strong motivation.

- 'Theory Y' managers are more likely than 'Theory X' managers to develop a climate of trust with employees required for employee development.

- This environment would include sharing of decision-making so that subordinates have a say in decisions that influence them.

Theory Z

Developed by William Ouchi, called "Japanese Management" style

Ouchi first wrote about Theory Z in his 1981 book, "Theory Z: How American Management Can Meet the Japanese Challenge."

Theory Z focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job. According to Ouchi, Theory Z management tends to promote stable employment, high productivity, and high employee morale and satisfaction.

Theory Z is sometimes considered a blend of these two models, with more of a leaning towards Theory Y, because it focuses on long-term employment and job security, informal control, and a deep concern for the happiness and well-being of employees.

However, it's also possible to argue that Theory Z doesn't belong with Theories X and Y.

# 3. Fredrick Herzberg's Two factor theory

MOTIVATORS

- Challenging work,
- Recognition for one's achievement,
- Responsibility,
- Opportunity to do something meaningful,
- Involvement in decision making,
- Sense of importance
- Recognition, achievement,
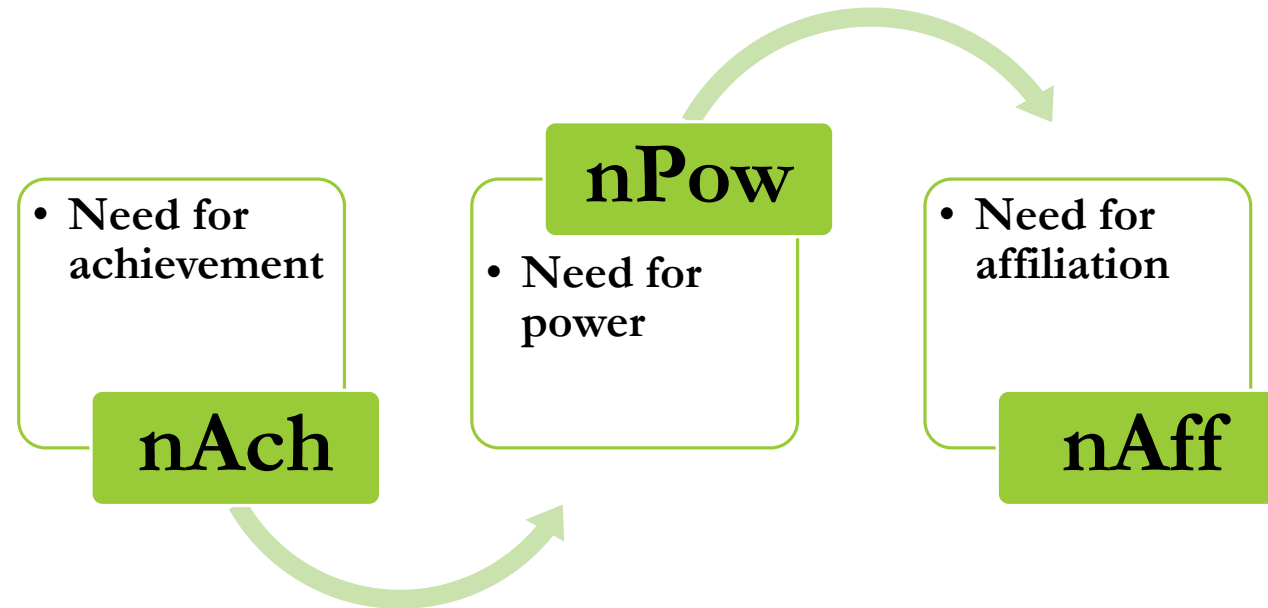- Personal growth,

HYGIENE FACTORS

- Status, job security,
- Salary, fringe benefits,

(good pay, paid insurance, vacations)

- Company policies,
- Work conditions
- Supervisory practices,
- Wages/salary.

Motivation-Hygiene theory
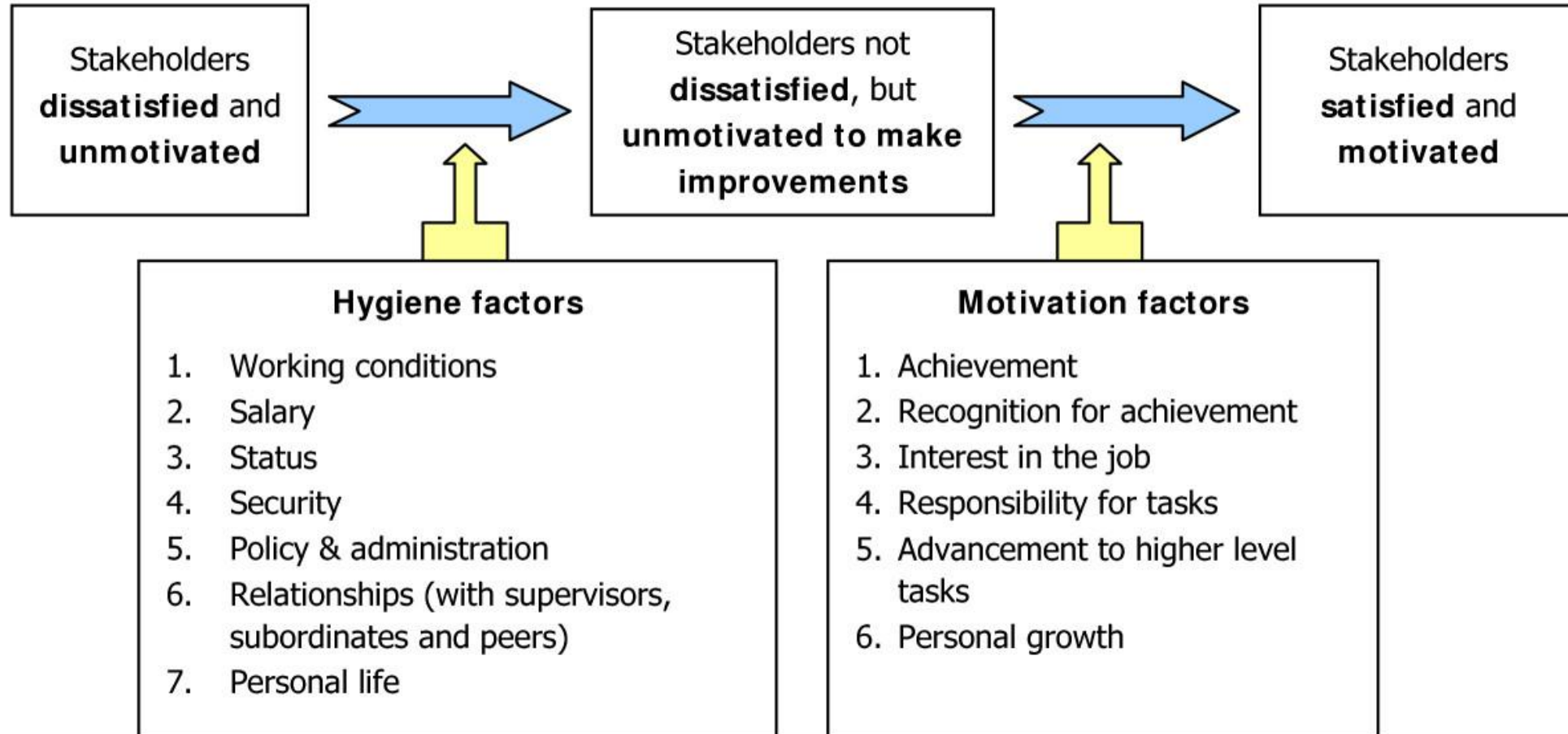
4. David McClelland's Theory of needs

- **Need for achievement**

nAch

nPow

- **Need for power**

- **Need for affiliation**

nAff

Need theory

McClelland's Human Motivation Theory states that every person has one of three main driving motivators: the needs for achievement, affiliation, or power. These motivators are not inherent; we develop them through our culture and life experiences.

Achievement

People who are strongly achievement-motivated are driven by the desire for mastery. They prefer working on tasks of moderate difficulty in which outcomes are the result of their effort rather than of luck. They value receiving feedback on their work.

Affiliation

People who are strongly affiliation-motivated are driven by the desire to create and maintain social relationships. They enjoy belonging to a group and want to feel loved and accepted. They may not make effective managers because they may worry too much about how others will feel about them.

Power

People who are strongly power-motivated are driven by the desire to influence, teach, or encourage others. They enjoy work and place a high value on discipline. However, they may take a zero-sum approach to group work—for one person to win, or succeed, another must lose, or fail. If channeled appropriately, though, this can positively support group goals and help others in the group feel competent about their work.

Contemporary Theories of Motivation

Self-determination theory	**Reinforcement theory**	**Self-efficacy theory**
Goal-setting theory	**Equity theory**	**Expectancy theory**

Self-determination theory (SDT)

Self-determination theory (SDT) is a macro theory of human motivation and personality that concerns people's inherent growth tendencies and innate psychological needs. It is concerned with the motivation behind choices people make without external influence and interference.

Reinforcement Theory

Reinforcement theory proposes that you can change someone's behavior by using reinforcement, punishment, and extinction.

Rewards are used to reinforce the behavior you want and punishments are used to prevent the behavior you do not want.

Extinction is a means to stop someone from performing a learned behavior.

The technical term for these processes is called operant conditioning.

Video on classical and operant conditioning

Self efficacy theory

Self-efficacy (also known as social cognitive theory or social learning theory) refers to an individual's belief that he or she is capable of performing a task.

The higher your self-efficacy, the more confidence you have in your ability to succeed.

So, in difficult situations, people with low self-efficacy are more likely to lessen their effort or give up altogether, while those with high self-efficacy will try harder to master the challenge
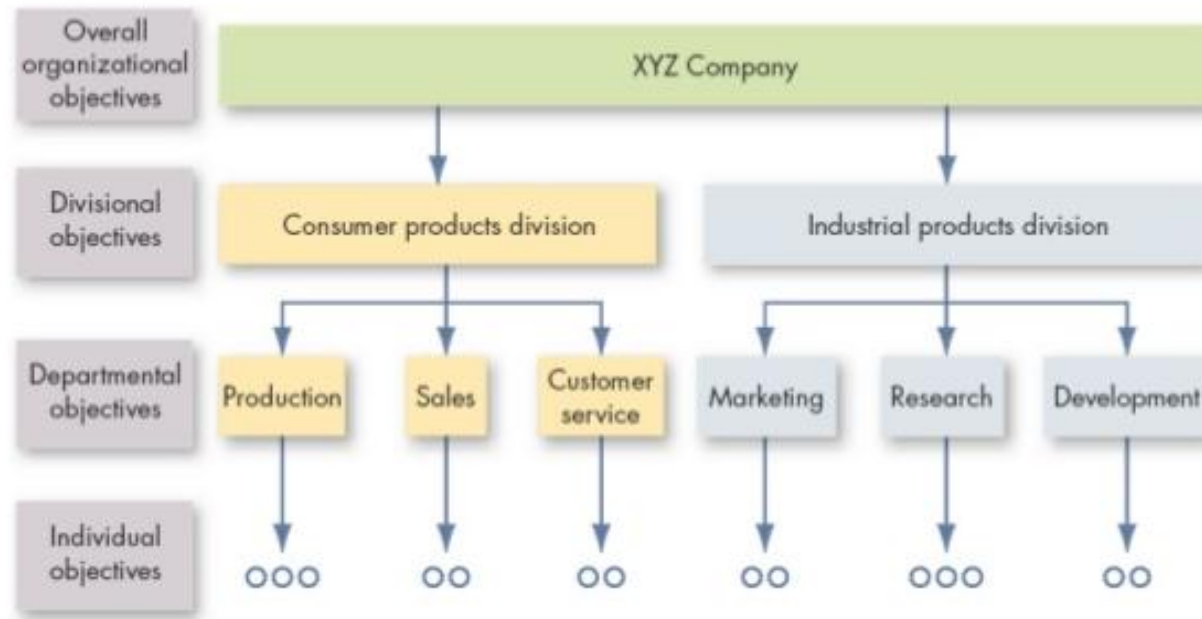
Goal-Setting Theory

❑Goals tell an employee what needs to be done and how much effort will need to be expended.

❑In order to increase performance:
  ▪ Set specific goals.
  ▪ Difficult goals, when accepted, result in higher performance than does easy goals.
  ▪ Provide feedback.

❑An individual is committed to the goal when he believes he can achieve the goal, and wants to achieve it.

Cascading objectives

MBO PROGRAMS:
Putting Goal-Setting Theory into Practice

❑ **Converting overall organizational objectives into specific objectives for organizational units and individual members.**

❑ **Four ingredients common to MBO programs:**
- ▪ **Goal specification.**
- ▪ **Participation in decision making.**
- ▪ **An explicit time period.**
- ▪ **Performance feedback.**

❑ **Failures may come from:**
- ▪ **Unrealistic expectations regarding results.**
- ▪ **Lack of commitment by top management.**

Equity Theory

▪ **Employees make comparison of their job inputs and outcomes relative to those of others:**

▪ **When employees perceive inequity, the can:**

- Change their inputs.
- Change their outcomes.
- Distort perceptions of self.
- Distort perception of others.
- Choose a different referent
- Leave the field

$$\frac{O}{I_A} < \frac{O}{I_B} \qquad \text{Inequity due to being underrewarded}$$

$$\frac{O}{I_A} = \frac{O}{I_B} \qquad \text{Equity}$$

$$\frac{O}{I_A} > \frac{O}{I_B} \qquad \text{Inequity due to being overrewarded}$$

Equity Theory: Conclusions

❑Motivation is influenced significantly by others' rewards as well as by one's own rewards.

❑Inequities created by overpayment do not seem to have a very significant impact on behaviour.

❑Most research has focused on pay, but employees seem to look for equity in the distribution of other rewards.

❑Managers should consider openly sharing information on how allocation decisions are made, following consistent and unbiased procedures.

Expectancy Theory

- The strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that the outcome to the individual.

- The theory focuses on three relationships:
  - 1. Effort-performance.
  - 2. Performance-reward.
  - 3. Rewards-personal goals.

Indivudual Effort →(1) Individual Performance →(2) Organizational Rewards →(3) Personal Goals
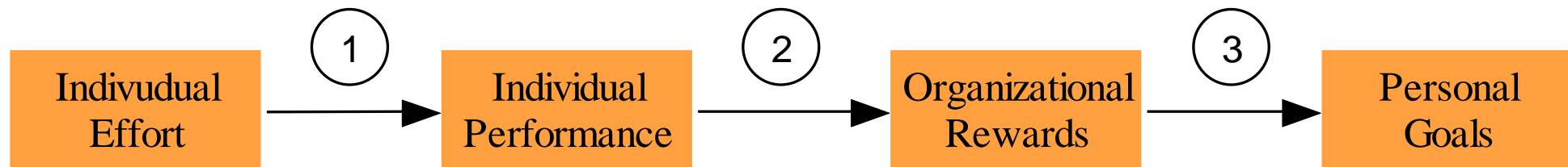
Expectancy Theory

- Giving maximum effort not always means being recognized.

- Good performance appraisal not always leads to organizational rewards.

- Rewards are not always found attractive by employees:
  - Managers limited in the rewards they can distribute.
  - Managers incorrectly assume that all employees want the same.

INTEGRATING CONTEMPORARY THEORIES OF MOTIVATION

MANY THEORIES ARE COMPLEMENTARY.

ITS BASIC FOUNDATION IS THE **EXPECTANCY MODEL**.
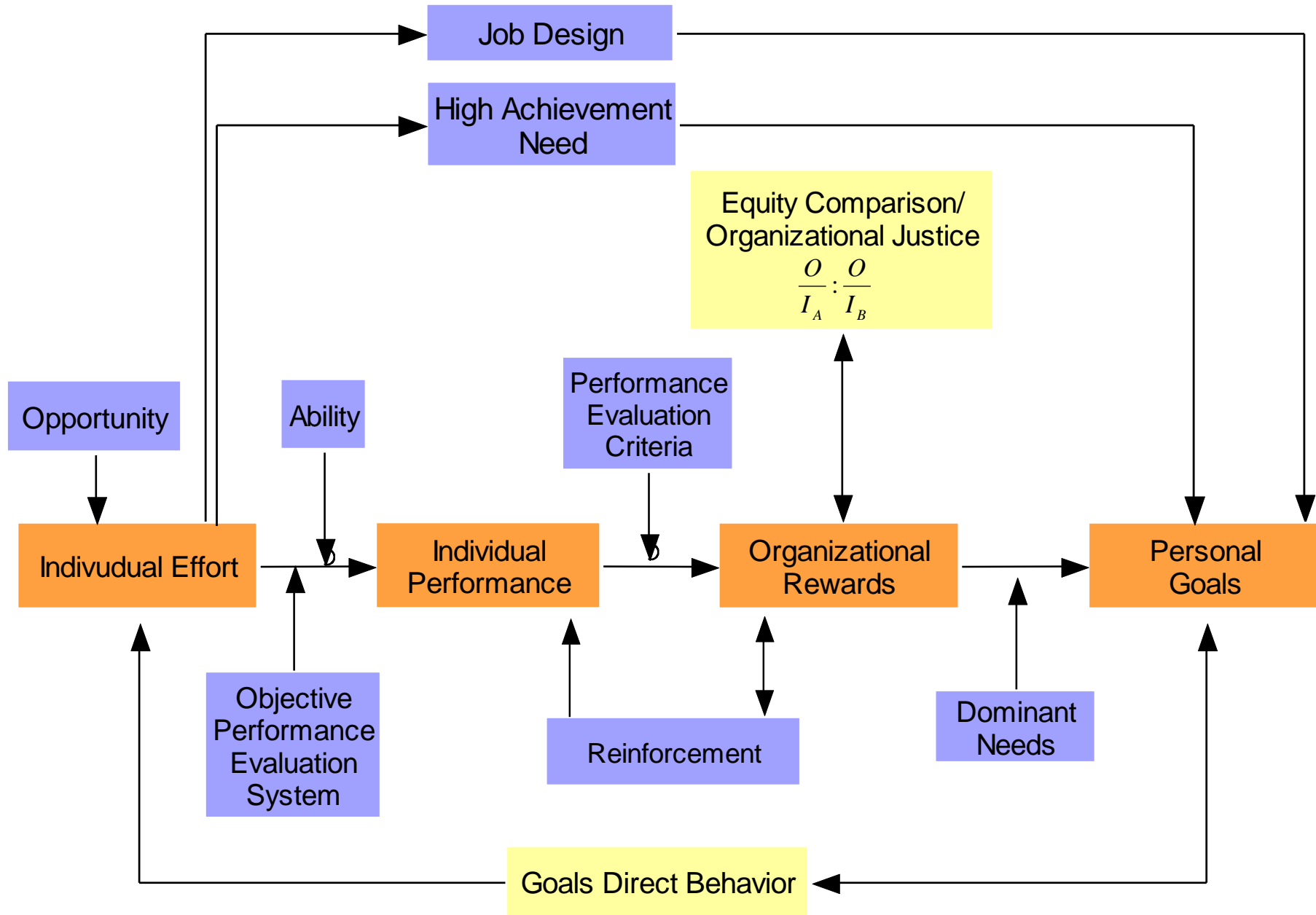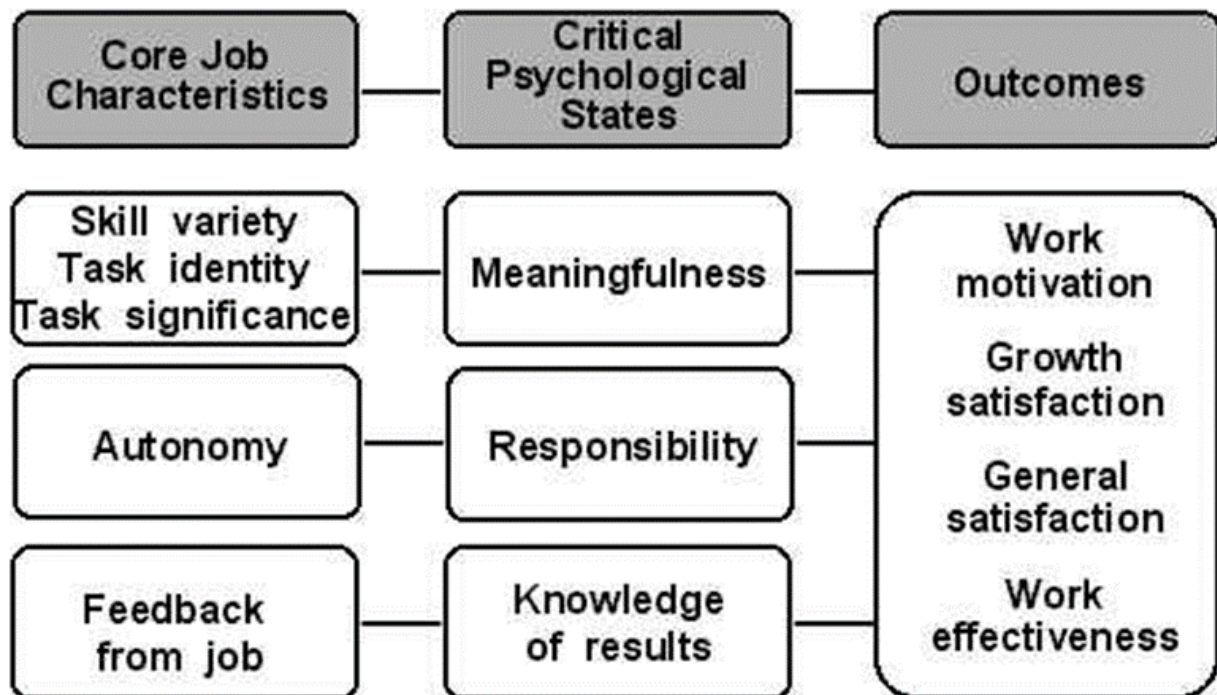
Motivation Applications

Putting theory into practice

1. Using Job Characteristics Model

2. Employee Involvement

3. Reward Based Motivation

Job characteristics model

- It states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback)

- which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results),

- in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, etc.).

- The five core job characteristics can be combined to form a motivating potential score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviors.

Job Characteristics Model

Core Job Characteristics	Critical Psychological States	Outcomes
Skill variety Task identity Task significance	Meaningfulness	Work motivation
Autonomy	Responsibility	Growth satisfaction General satisfaction
Feedback from job	Knowledge of results	Work effectiveness

MPS motivating potential score

$$\textbf{MPS} = \left[\frac{\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}}{3}\right] \text{ X } \boxed{\text{Autonomy}} \text{ X } \boxed{\text{Feedback}}$$

Caselet

Mrs Banda, a community nurse with 5 years experience, from another health center wants to develop a teenage health education programme. Permission is denied from her immediate new supervisor.

Her previous supervisor accepted changes and new ideas from juniors.

She is thinking of transferring to another facility with more autonomy although she feels she can make a difference if given the opportunity to do so.

Marriner-Tomey, A. (1990). Case studies in Nursing management Practice, Theory and Research. St Louis The C.V. Mosby Company

Ways to put JCM in practice

- Job rotation

- Job enrichment

- Job-sharing

- Flexi-time

- Telecommuting/ work from home

Employee involvement

The direct participation of staff to help an organization fulfil its mission and meet its objectives by applying their own ideas, expertise, and efforts towards solving problems and making decisions.

- **Increased motivation**: Employees who feel like they are contributing to the decision making process feel like they are an important part of the company.
- **Increased productivity**: Employees take ownership of their jobs and work harder to implement strategies that they helped establish.
- **Increased job satisfaction**: Employees are happier with their jobs and feel like a part of the organization.
- **Improved quality**: When employee input is taken into consideration, few details go unnoticed, so quality improves.
- **Cost savings**: Employees who do the same job every day are the best source for ways to do their jobs more efficiently.

Two forms: Participative management and Representative management

Caselet: employee involvement

Patrick works in the shipping department for Flying Pig Industries, a manufacturer of porcelain piggy banks. Patrick's job is to pack the fragile banks in cartons so they can be shipped to customers all over the world. One day, Patrick had a big idea. Patrick noticed that the offices were throwing away hundreds of pounds of shredded paper every day, and his department was buying shredded paper to pack the piggy banks. 'This makes no sense,' Patrick thought. 'Why not use our own shredded paper to pack these boxes? It would save the company a lot of money.'

Reward based motivation

Extrinsic rewards

Variable-pay programs
- ❑ Piece-rate pay
- ❑ Merit-based pay
- ❑ Bonuses
- ❑ Skill-based pay
- ❑ Profit-sharing plans
- ❑ Gain-sharing
- ❑ ESOPs

Flexible benefits

Intrinsic rewards

Recognition

Responsibility

Autonomy

Ted talk on reward based motivation

INTRINSIC VS. EXTRINSIC

5. Group Behavior & Group Dynamics

Topics

- Groups : Definition & Concept
- Types: Formal & Informal Work Groups
- Teams, types of teams
- Team effectiveness
- Stages of Group Development
- Group Decision Making
- Consensus building
- Group Conflicts
- Conflict management strategies

Groups

- A group is a collection of individuals who interact with each other such that one person's actions have an impact on the others.

- In organizations, most work is done within groups. How groups function has important implications for organizational productivity.
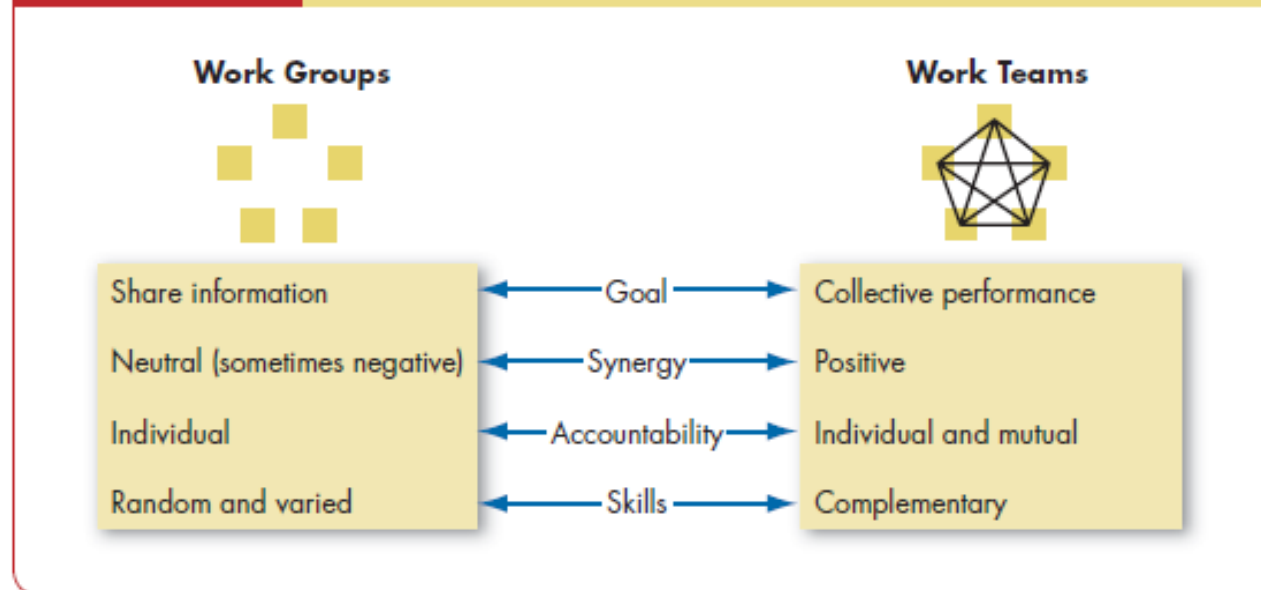
2 or more people

Interacting

Inter-dependent

Particular objectives
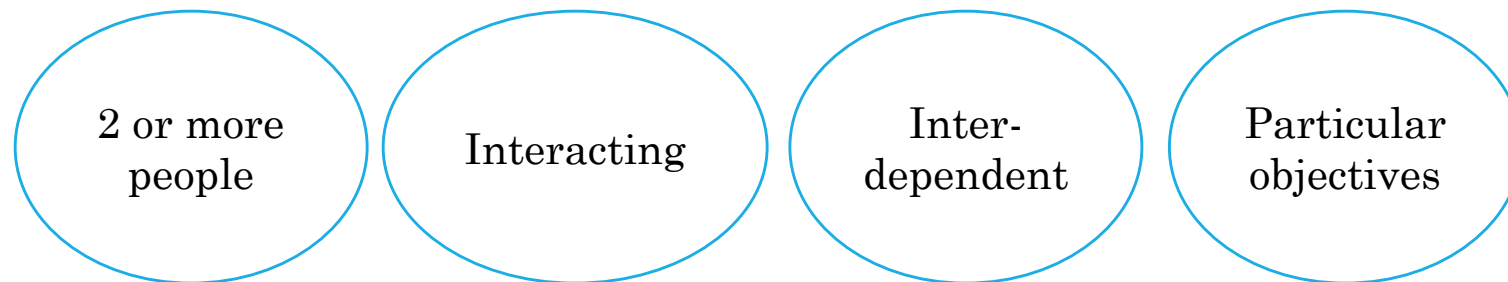
Types of Groups
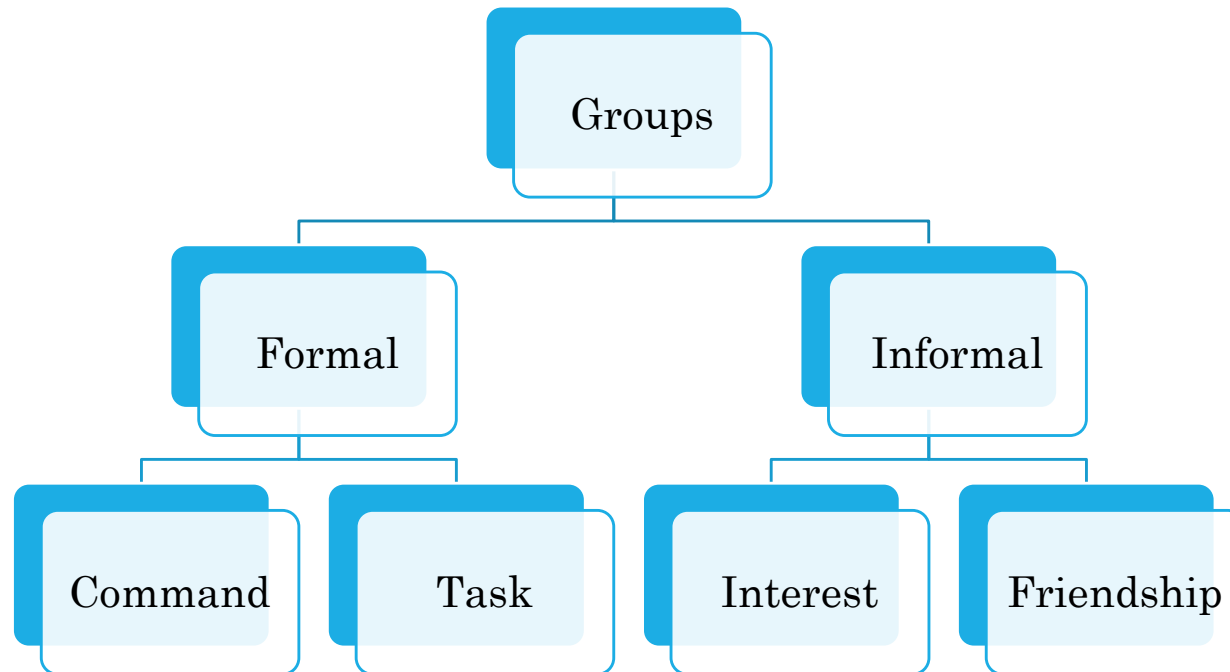
Teams

- Positive synergy through coordinated efforts, resulting in a level of performance greater than the sum total of all individual inputs.
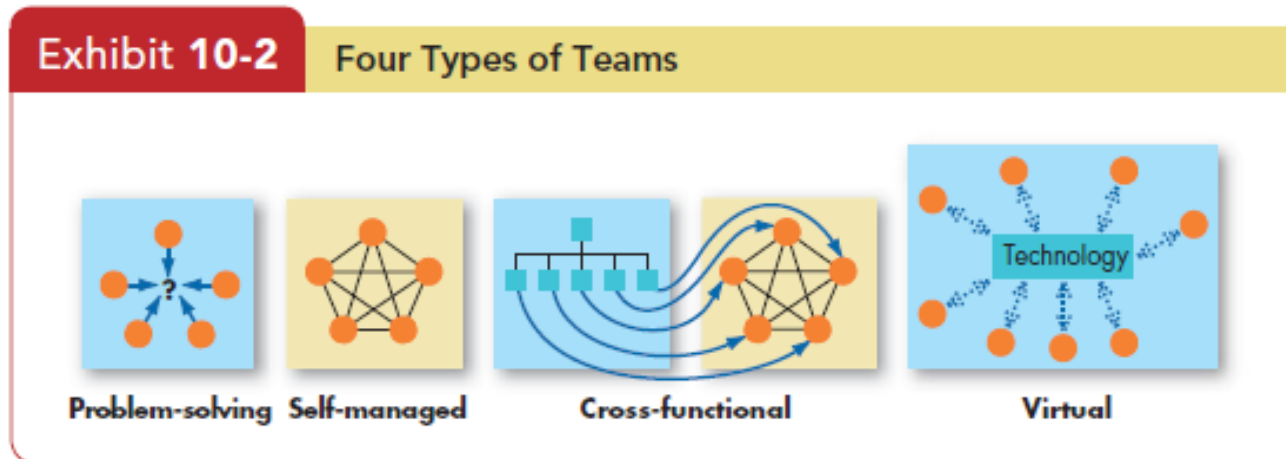
Collective performance

Mutual accountability

Positive synergy

Complementary skills
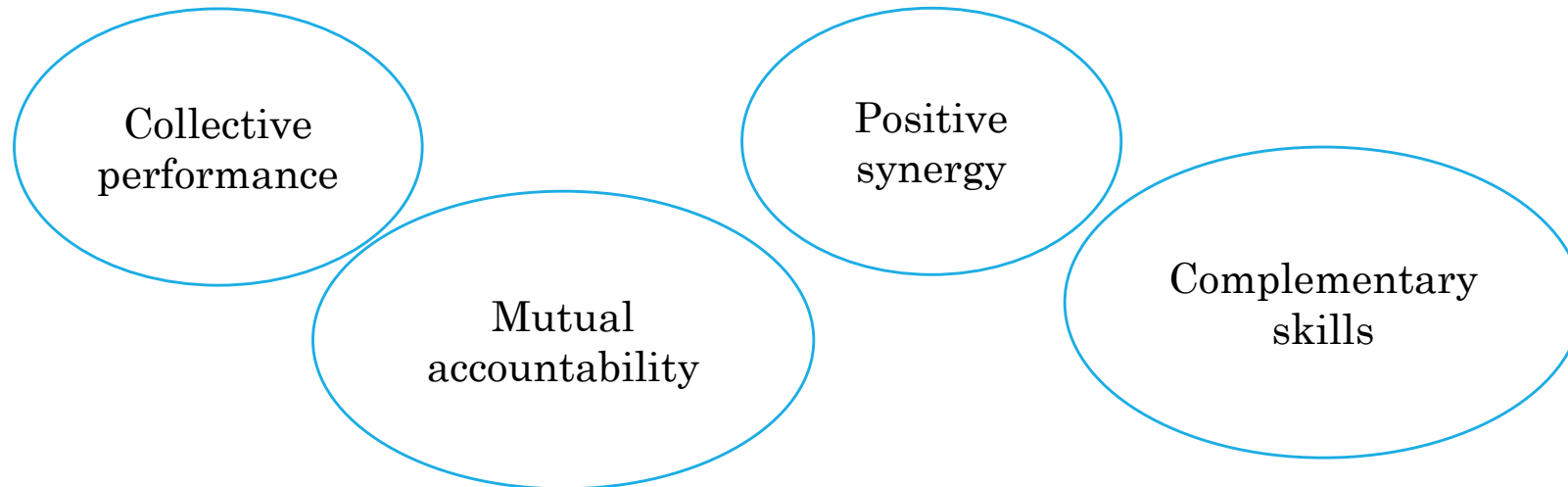
Groups vs. teams

Exhibit 10-1 Comparing Work Groups and Work Teams

Work Groups		Work Teams
Share information	Goal	Collective performance
Neutral (sometimes negative)	Synergy	Positive
Individual	Accountability	Individual and mutual
Random and varied	Skills	Complementary

work group A group that interacts primarily to share information and to make decisions to help each group member perform within his or her area of responsibility.

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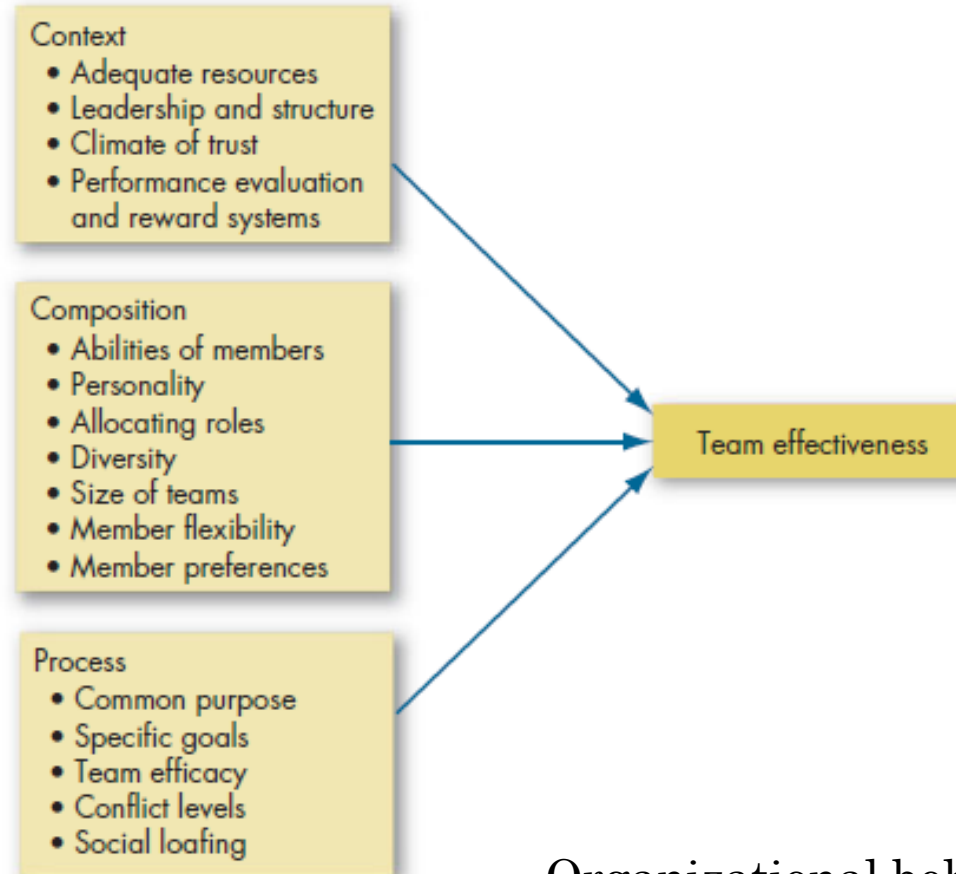
Type of team

Exhibit **10-2** Four Types of Teams

Problem-solving   Self-managed   Cross-functional   Virtual

Technology

What makes teams effective?

- Key components of effective teams have three general categories.

- First are the resources and other contextual influences that make teams effective. The second relates to the team's composition. Finally, process variables are events within the team that influence effectiveness.

Team effectiveness model

Context
- Adequate resources
- Leadership and structure
- Climate of trust
- Performance evaluation and reward systems

Composition
- Abilities of members
- Personality
- Allocating roles
- Diversity
- Size of teams
- Member flexibility
- Member preferences

Process
- Common purpose
- Specific goals
- Team efficacy
- Conflict levels
- Social loafing

Team effectiveness

Organizational behavior by
Stephen Robbins 15th edition

Team Skills and Behaviour: key influencers

- **Cooperation**: a major influence on team performance, both direct and mediated effect on productivity.

- **Personality:** Personality also has impact on team performance directly through the ability to bring different focus on tasks and mediating effects brought about by reduction (or increase) in group conflict, group cohesiveness, task versus emotion elements, and team-trust issues.

- **Cognitive ability** has been directly related to team task proficiency. Team trust has been shown to have positive effects on team productivity and effectiveness in a number of studies depending on the team task being completed.

- **Communication** has a direct relationship to team productivity. Teams that share more information more quickly have been shown to have a higher productivity than teams that horde information or share information less frequently.

Stages of Group Development
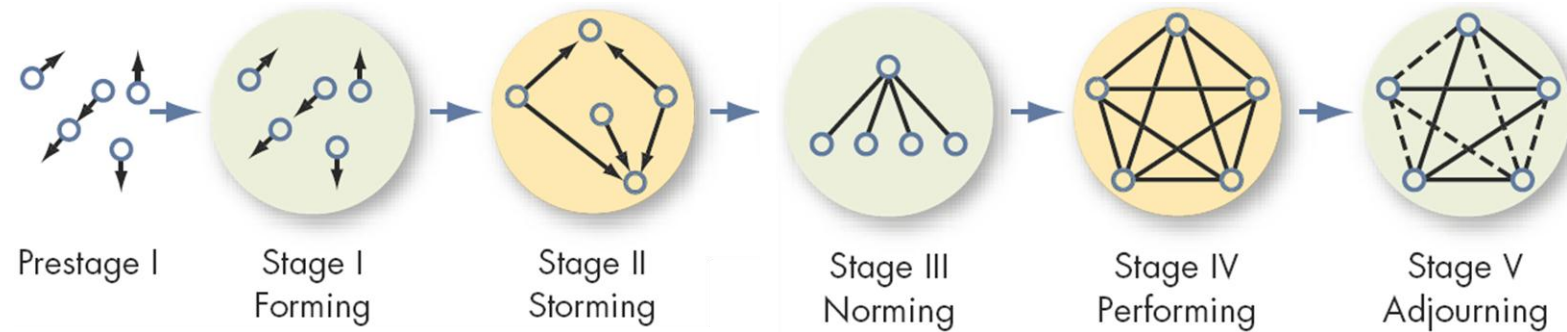
Five-Stage model
Tuckman's Theory of Group Development
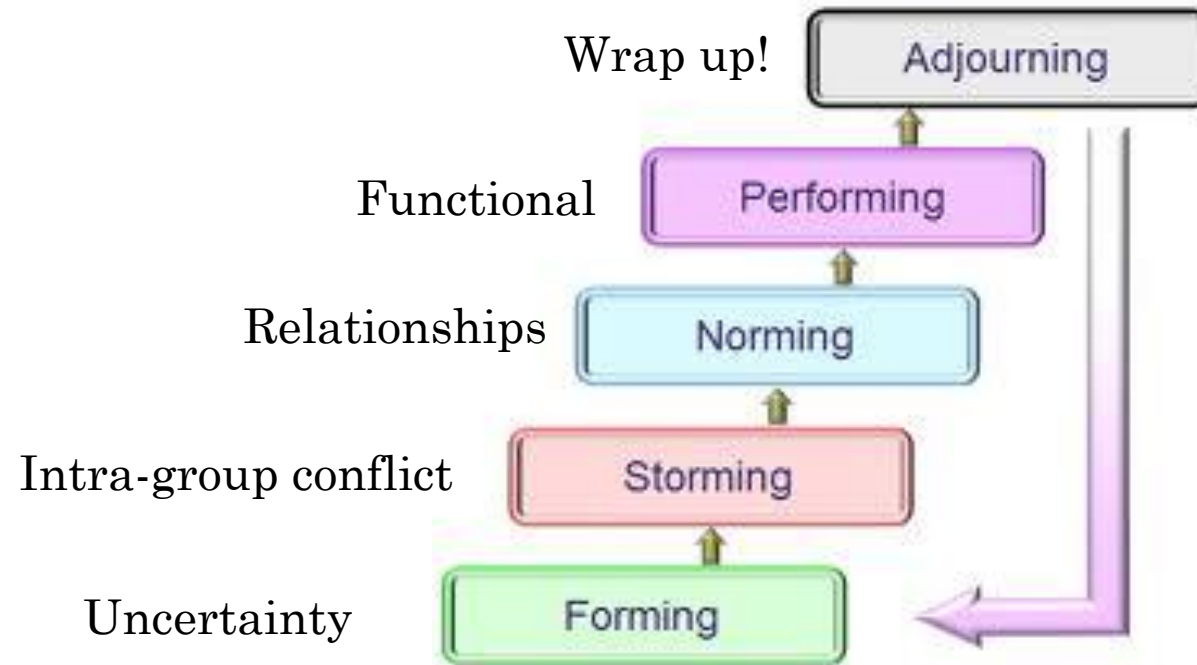
Social identity theory

- *Tendency to take personal pride or offense for accomplishments of a group.*
- People have **"Emotional reactions"** to failure/success of group because their self-esteem gets tied into the performance of the group.
- Social identities help us understand **who we are** and **where we fit in the world.**
- Might lead to **in-group favoritism** and **stereotyping.**
- **Reasons for developing social identity:**
  - Similarity (within group/members)
  - Distinctiveness (from other group/members)
  - Status
  - Uncertainty reduction

Enlist your social identities

- Who are you?

- I am an environmentalist, reader, foodie = personal identity.

- I am a student of JBIMS

- 1st year MMS student.

- Living in Mumbai city.

- Working for ICICI bank.

- I am an Indian.

Group dynamics

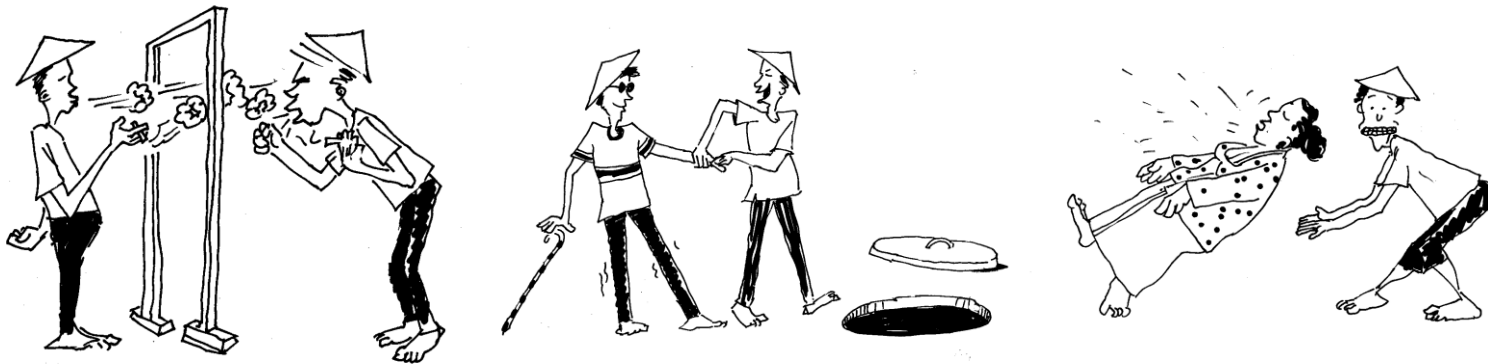# Count till 20

- Two people can not speak at the same time

Pair up!
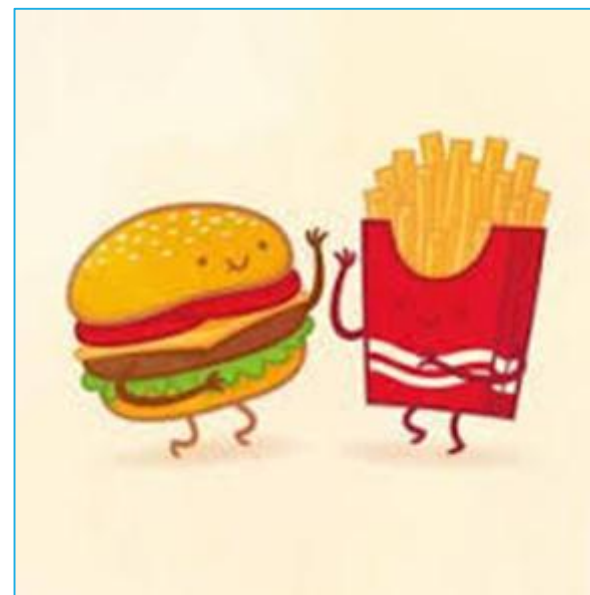
Paired games

- Message
- Follow me/ Mirror game
- Trust fall
- Blindfold/ Guide the blind

Benefits of help and assistance
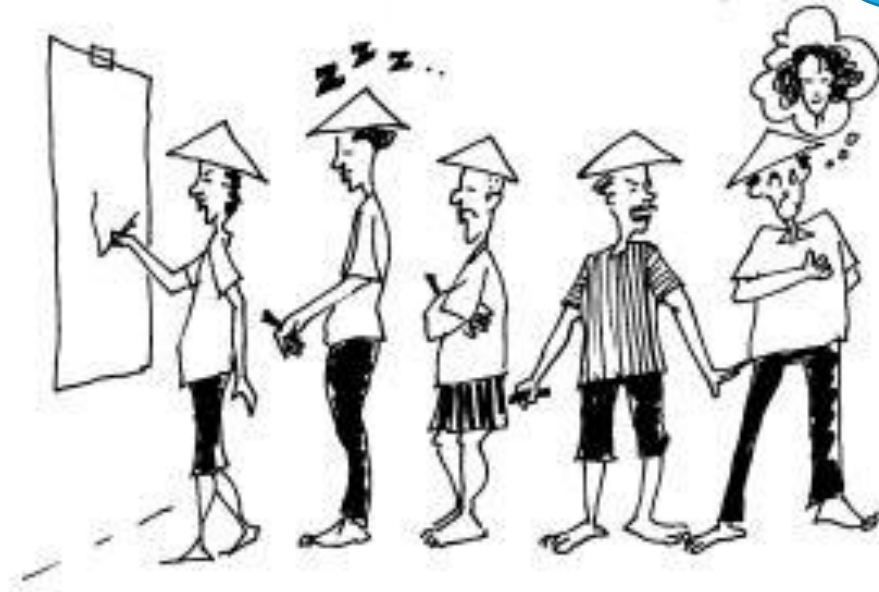
Feeling of comfort & trust

"Minefield in a Circle"

• Involves complex activity, communication, coping with stress, motivation, and many other personal and interpersonal qualities.
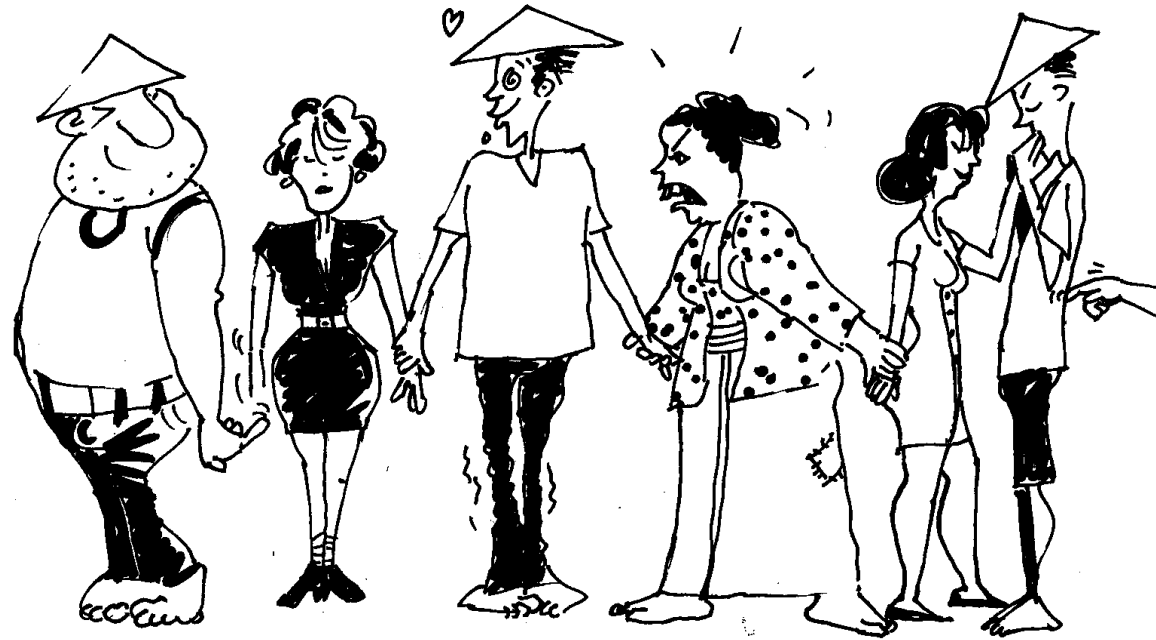
Two big groups

Drawing together

Creating and communicating vision

Monster

- Objective: To show the importance of planning, collaboration and creativity when doing a collective assignment

Group decision making

- Why group decisions are preferred in organizations compared to individual decisions? (Discuss Strengths and weaknesses of group decision making.)

  - Efficiency and effectiveness.

  - Groupthink

  - **Consensus building vs. realistic appraisal of alternatives**

Exercise: Lost at sea

LOST AT SEA
ANSWERS AND RATIONALE

- Officers of the United States Merchant Marines ranked the fifteen items and provided the "correct" solution to the task.

- According to these "experts", the basic supplies needed when a person is stranded in mid ocean are articles to attract attention and articles to aid survival <u>until rescuers arrive.</u>

- Articles for navigation are of little importance. Even if a small life raft were capable of reaching land, it would be impossible to store enough food and water to survive during that period of time. Therefore, of primary importance are the shaving mirror and the two-gallon can of oil-gas mixture. These items could be used for signalling air-sea rescue. Of secondary importance are water and food, e.g., the army rations.

- The basic rationale for ranking signalling devices above life-sustaining items (food and water) is that without signalling devices there is almost no chance of being spotted and rescued. Furthermore, most rescues occur during the first thirty-six hours, and one can survive without food and water during this period.

1. <u>Shaving mirror</u>: Critical for signalling air-sea rescue.

2. <u>Two-gallon can of oil-eras mixture</u>

Critical for signalling - the oil-gas mixture will float on the water and could be ignited with a currency note and a match (obviously, outside the raft).

3 <u>Five-gallon can of water</u>

Necessary to replenish loss by perspiring, etc.

4. <u>One case of army rations:</u> Provides basic food intake.

5. <u>Twenty square feet of opaque plastic</u>

Used to collect rain water, provide shelter from the elements.

6. <u>Two boxes of chocolate bars </u>A reserve food supply.

7. <u>Fishing kit</u>

Ranked lower than the chocolate bars because "a bird in the hand is worth two in the bush". There is no assurance that you will catch any fish.

8. <u>Fifteen feet of nylon rope</u>

May be used to lash equipment together to prevent it from falling overboard.

9. Floating seat cushion

If someone fell overboard, it could function as a life preserver.

10. Shark repellent Obvious.

11. One quart of 160-proof Puerto Rican rum

Contains 80 percent alcohol - enough to use as a potential antiseptic for any injuries sustained; of little value otherwise; will cause dehydration if ingested-

12. Small transistor radio

Of little value since there is no transmitter (unfortunately, you are out of range of you favourite AM radio stations).

13. Maps of the Pacific Ocean

Worthless without additional navigational equipment -it does not really matter where you are but where the rescuers are.

14. Mosquito netting There are no mosquitoes in the mid Pacific.

Consensus Building

Facilitating Factors

(a) *Concern for others*

(b) *Listening*

(c) *Identifying and using resources*

(d) *Discussing underlying assumptions and logic*

(e) *Testing consensus and disagreements*

(f) *Process orientation*

Hindering Factors

(a) *Domination by a few*

(b) *Withdrawal*

(c) *Tendency to make quick decision*

(d) *Testing strength*

(e) *Avoiding confrontation*

(f) *Trading or compromising*

Group Conflict

- Conflict refers to a disagreement or clash between individuals on an issue that seems to threaten their respective goals or needs. It results in them getting upset, yelling at each other, and perhaps, even becoming violent – all of which cause stress.

- The traditional theory is based on the assumption that conflicts are bad, are caused by trouble makers, and should be subdued.

- Contemporary theory recognizes that conflicts between human beings are unavoidable. They emerge as a natural result of change and can be beneficial to the organization, if managed efficiently.

Five Ways to Manage Conflict

- Analyze your conflict management style & discuss with the group.
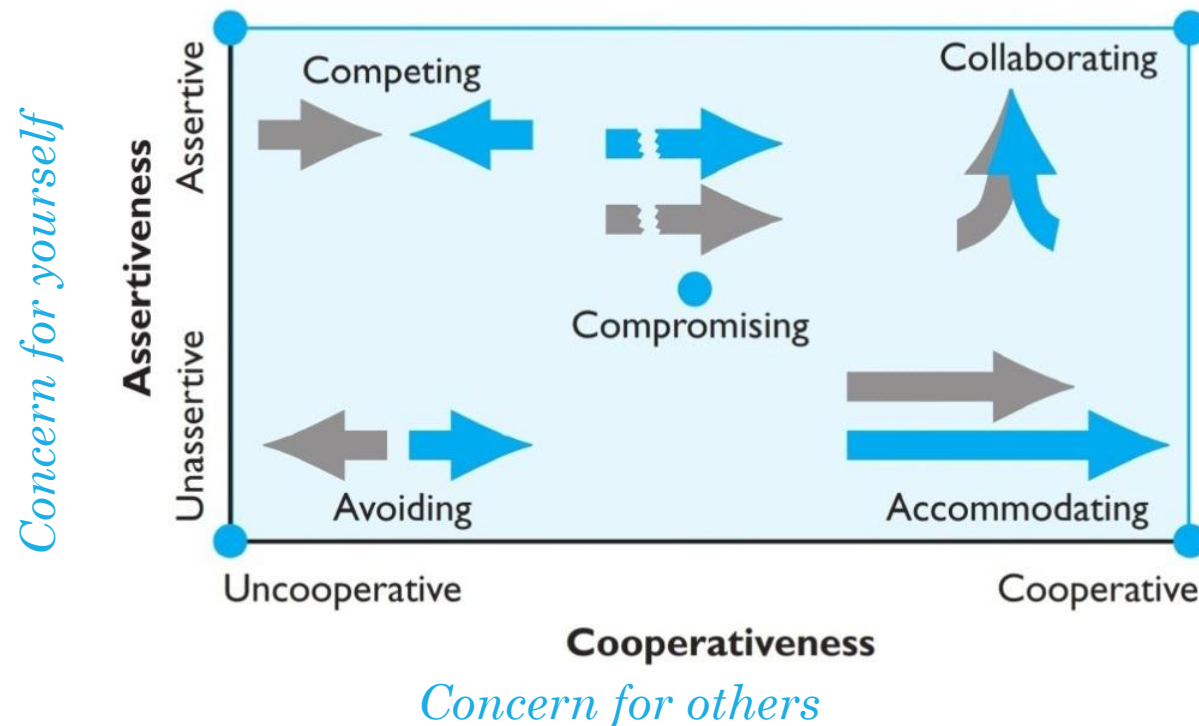
THOMAS-KILMANN CONFLICT MODE QUESTIONNAIRE

- Interpreting Your Scores

- **Collaborating Style:** Problems are solved in ways in which an optimum result is provided for all involved. Both sides get what they want and negative feelings are minimized.

- Pros: Creates mutual trust; maintains positive relationships; builds commitments.

- Cons: Time consuming; energy consuming.

- **Competing Style:** Authoritarian approach

- Pros: Goal oriented; quick.

- Cons: May breed hostility.

- **Avoiding Style:** The non-confrontational approach

- Pros: Does not escalate conflict; postpones difficulty.

- Cons: Unaddressed problems; unresolved problems.

Contd.

- Harmonizing Style: Giving in to maintain relationships

- Pros: Minimizes injury when we are outmatched; relationships are maintained.

- Cons: Breeds resentment; exploits the weak.

- Compromising Style: The middle ground approach

- Pros: Useful in complex issues without simple solutions; all parties are equal in power.

- Cons: No one is ever really satisfied; less than optimal solutions get implemented.

The two dollar game

- Your conflict management style.

- BATNA Best Alternative To a Negotiated Agreement

- RP Reservation Point

6. Leadership

Leaders: born or made?

"The task of Leadership is not to put greatness into people, but to elicit it, for the greatness is there already"

Definitions

"Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential." Prof. Warren Bennis

It is the process of influencing others to achieve organizational goals.

Leadership is always evaluated in context to the situation & the willingness & ability of his/her followers

Definition of Leadership

Leadership, according to Peter DeLisle, is **the ability to influence others, with or without authority.**

All successful endeavors are the result of human effort; thus, the ability to influence others is a derivation of

Interpersonal Communications

Conflict Management

Problem solving

Video: Everyday leadership

Qualities of a good leader

Leadership Traits and Skills

TRAITS

- Adaptable to situations
- Alert to social environment
- Ambitious and achievement orientated
- Assertive
- Cooperative
- Decisive
- Dependable

- Dominant (desire to influence others)
- Energetic (high activity level)
- Persistent
- Self-confident
- Tolerant of stress
- Willing to assume responsibility

SKILLS

- Clever (intelligent)
- Conceptually skilled
- Creative
- Diplomatic and tactful
- Fluent in speaking
- Knowledgeable about group task
- Organised (administrative ability)
- Persuasive
- Socially skilled

Stogdill, 1974

Leader and Manager

LEADERSHIP VS. MANAGEMENT

Video: Leadership without ego

Leader vs. Manager

"Not all leaders are managers, nor are all managers leaders"

Managers

Persons whose influence on others is limited to the appointed managerial authority of their positions.

Leaders

Persons with managerial or personal power who can influence others to perform actions beyond those that could be dictated by those persons' formal (position) authority alone.

Leader vs Manager

Leader n,

1. A person who is followed by others.

Manager n,

1. A person controlling or administering a business or a part of a business.

2. A person regarded in terms of skill in household or financial or other management.

Leadership vs. Management

"Management is doing things right, Leadership is doing the right things"
(Peter Drucker)

Leadership vs. Management

Leadership is the **ability to develop a vision** that motivates others to move with a passion toward a common goal

Management is the **ability to organize resources** and coordinate the execution of tasks necessary to reach a goal in a timely and cost effective manner

Leadership vs Management

Management seeks stability & predictability
- (order)

Leadership seeks improvement through change
- (disorder)

Leadership & Management Skills

Leadership – soft skills

Communications

Motivation

Stress Management

Team Building

Change Management

Management – hard skills

Scheduling

Staffing

Activity Analysis

Project Controls

Leadership Styles

Autocratic VS Democratic

Autocratic style of leadership

A leader who centralizes authority, dictates work methods, makes unilateral decisions, and limits employee participation

Democratic style of leadership

A leader who involves employees in decision making, delegates authority, encourages participation in deciding work methods and goals, and uses feedback to coach employees

A democratic-consultative leader seeks input and hears the concerns and issues of employees but makes the final decision him or herself

A democratic-participative leader often allows employees to have a say in what's decided

Leadership Styles

AUTOCRATIC

◦ Leader makes decisions without reference to anyone else

◦ High degree of dependency on the leader

◦ Can create de-motivation and alienation of staff

◦ May be valuable in some types of business where decisions need to be made quickly and decisively

DEMOCRATIC

◦ Consultative: Process of consultation before decisions are taken

◦ Persuasive: Leader takes decision and seeks to persuade others that the decision is correct

◦ May help motivation and involvement

◦ Workers feel ownership of the firm and its ideas

◦ Improves the sharing of ideas and experiences within the business

◦ Can delay decision making

Leadership Styles: Laissez Faire

◦ 'Let it be' – the leadership responsibilities are shared by all

◦ Can be very useful in businesses where creative ideas are important

◦ Can be highly motivational, as people have control over their working life

◦ Can make coordination and decision making time-consuming and lacking in overall direction

◦ Relies on good team work & interpersonal relations

Continuum of Leader Behaviour
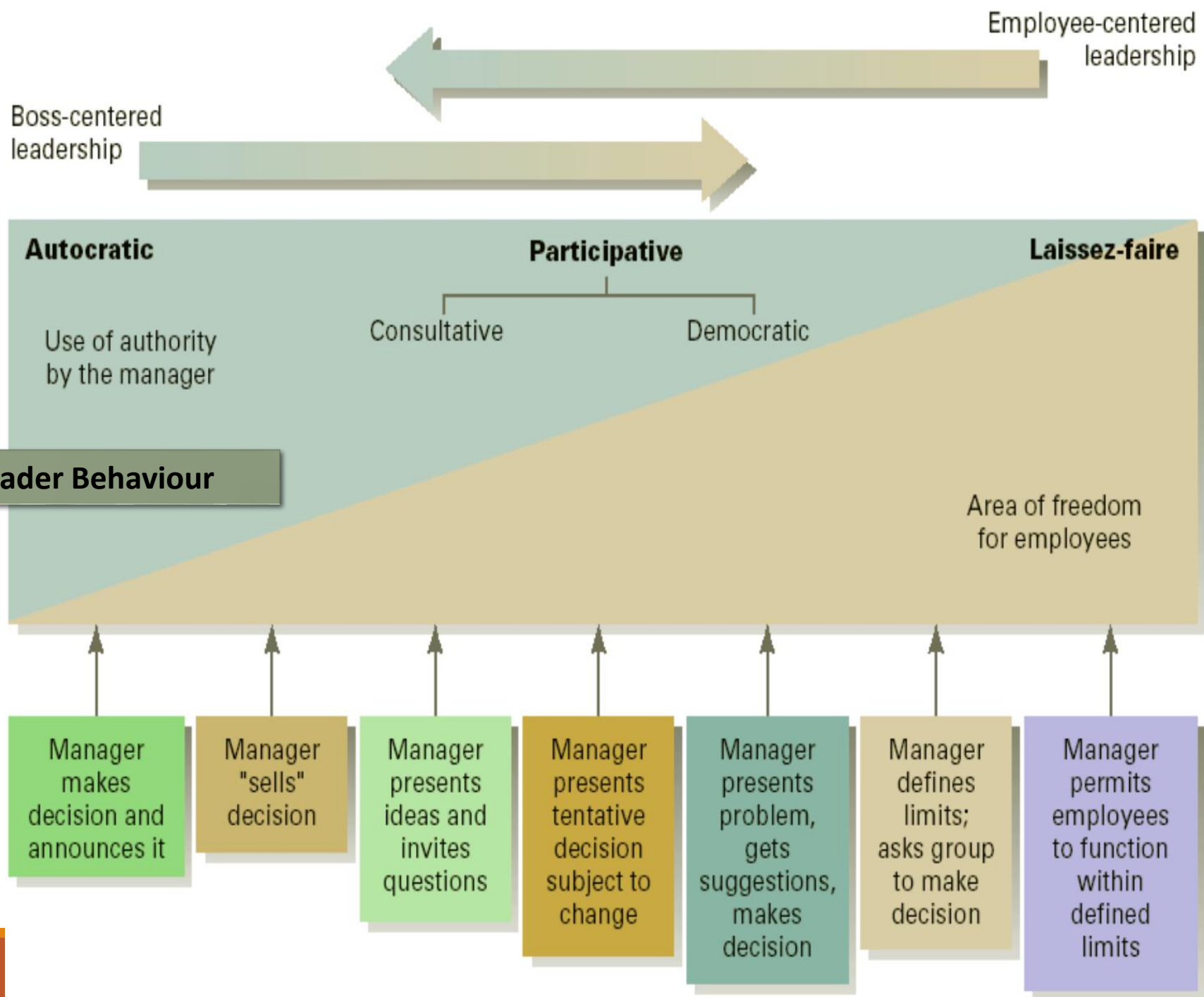
Leader-Follower Relationships

Video: How to start a movement

Leader-Follower Relationships

Transactional Leadership Behaviors

Leadership actions that focus on accomplishing the tasks at hand and on maintaining good working relationships by exchanging promises of rewards for performance.

Transformational Leadership Behaviors

Leadership actions that involve influencing major changes in the attitudes and assumptions of organization members and building commitment for the organization's mission, objectives, and strategies.

Leader Follower Relationship: Transactional

- Classical management-focuses on the task

- Transaction
  – Work for pay
  – Work for psychological benefits

- Requires clear goals and appropriate instructions

- Reward depending on follower performance.
  – High task performance=power and rewards to the follower
  – Low task performance=Leader exercises legitimate and coercive power

- Example- a classic carrot & stick approach

Leader Follower Relationship: Transformational

- Transforms the environment and the people in it

- Focuses on building an appropriate context and on enhancing the relationships of people within the system

- Superiors are coaches, mentors, models
  - People can be trusted
  - Everyone has a contribution to make
  - Complex problems should be handled at the lowest level
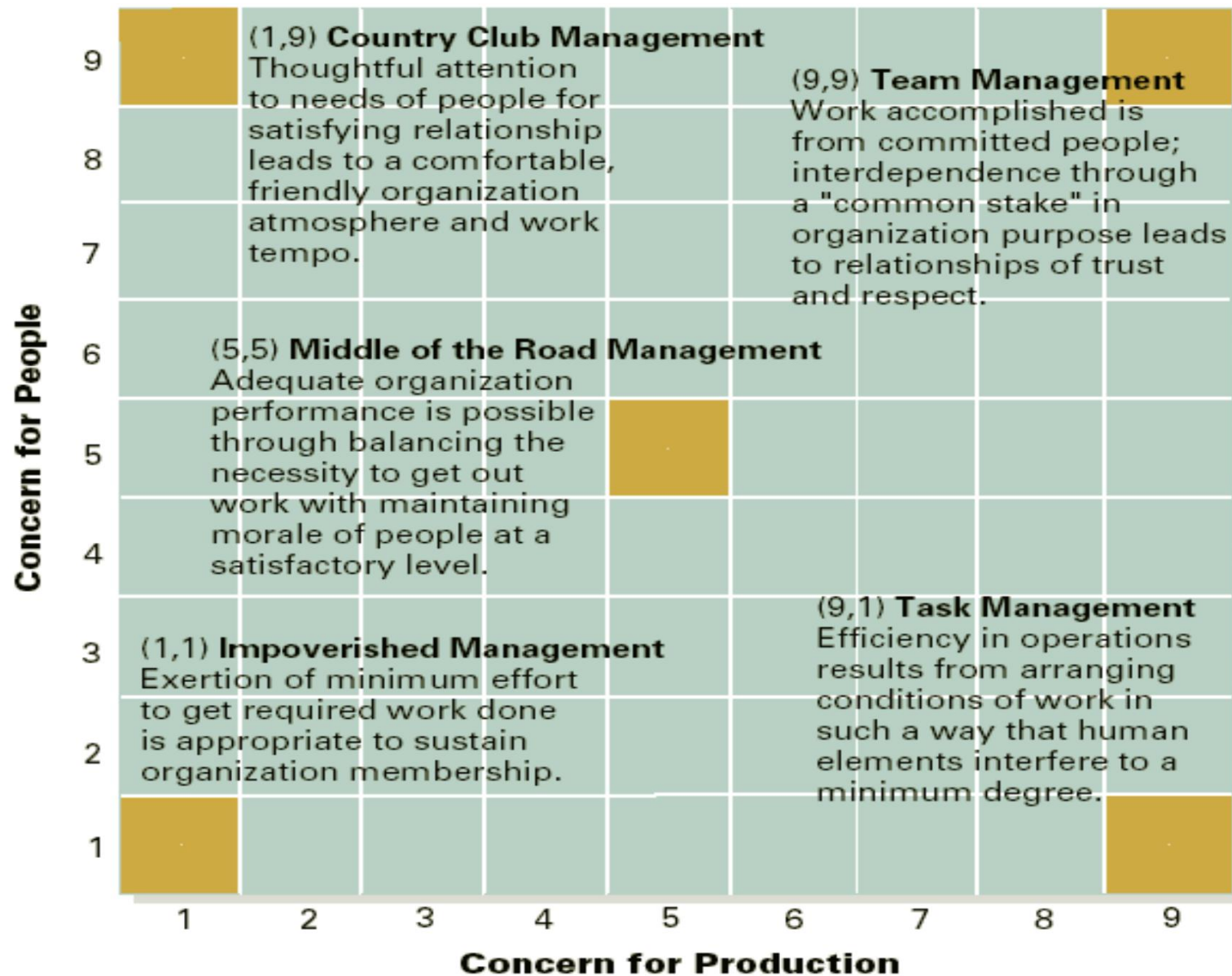 - Norms are flex\ible adapting to changing environment

Leadership in organizations

Video: GOLDEN CIRCLE

Black mouton grid

The Managerial Grid

Concern for People (vertical axis, scale 1–9)
Concern for Production (horizontal axis, scale 1–9)

(1,9) Country Club Management
Thoughtful attention to needs of people for satisfying relationship leads to a comfortable, friendly organization atmosphere and work tempo.

(9,9) Team Management
Work accomplished is from committed people; interdependence through a "common stake" in organization purpose leads to relationships of trust and respect.

(5,5) Middle of the Road Management
Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.

(1,1) Impoverished Management
Exertion of minimum effort to get required work done is appropriate to sustain organization membership.

(9,1) Task Management
Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

Leadership style

HANDOUTS

Grid assessment

LPC questionnaire (Fielder model)

YOUR LEADERSHIP STYLE

Assess yourself as a Leader

Conduct a SWOT analysis - Strengths, Weaknesses, Opportunities, Threats

Develop an Action Plan to improve as a leader

List 2 actions you will undertake to address Weaknesses or capitalise on Opportunities identified

Apply SMART targets to your actions – Specific, Measurable, Achievable, Realistic, Time-bound

Video 21st century leadership: What makes great leaders today

7. ORGANIZATIONAL DESIGN & ORGANIZATIONAL STRUCTURE

Topics to be covered…

- Organizational design: concept
- Organizational structures
  - Concept
  - Types
  - Components
  - Determinants

Organizational design

- **Organizational design** is the process of constructing and adjusting an organization's structure to achieve its goals.

- **It is a plan of how organization is to be structured.**

- Usually, designs are expressed through an organizational chart, which helps players throughout an organization understand functions and power relationships.

- It is the creation of roles, processes, and formal reporting relationships in an organization.

- **Organizational design** includes organizational actions in regard to structure; decisions made in an organization about how the organization is to be structured.

Organizational Structures

- **Organizational structure** is the linking of departments and jobs within an organization.

- Organization structure defines formal coordinating mechanisms & interaction patterns that defines
  - Allocation of task
  - Reporting structure

    - WHO WILL DO WHAT?
    - WHO WILL REPORT TO WHOM?

Organizational Structure

- The skeleton of an organization.

- The formal relationships with well-defined duties and responsibilities;

- The hierarchical relationships between superior and subordinates within the organisation; Distribution of authority among the jobs;

- The tasks or activities assigned to different persons and the departments; Divisions of overall task into smaller jobs;

- Coordination of the various tasks and activities;

- Bases by which the individual jobs are to be grouped together; and The appropriate size of group reporting to each superior.

Types of Structures

- Simple structure
- Functional structure
- Divisional structure
- SBU structure
- Matrix structure
- Network/virtual
- Boundary less
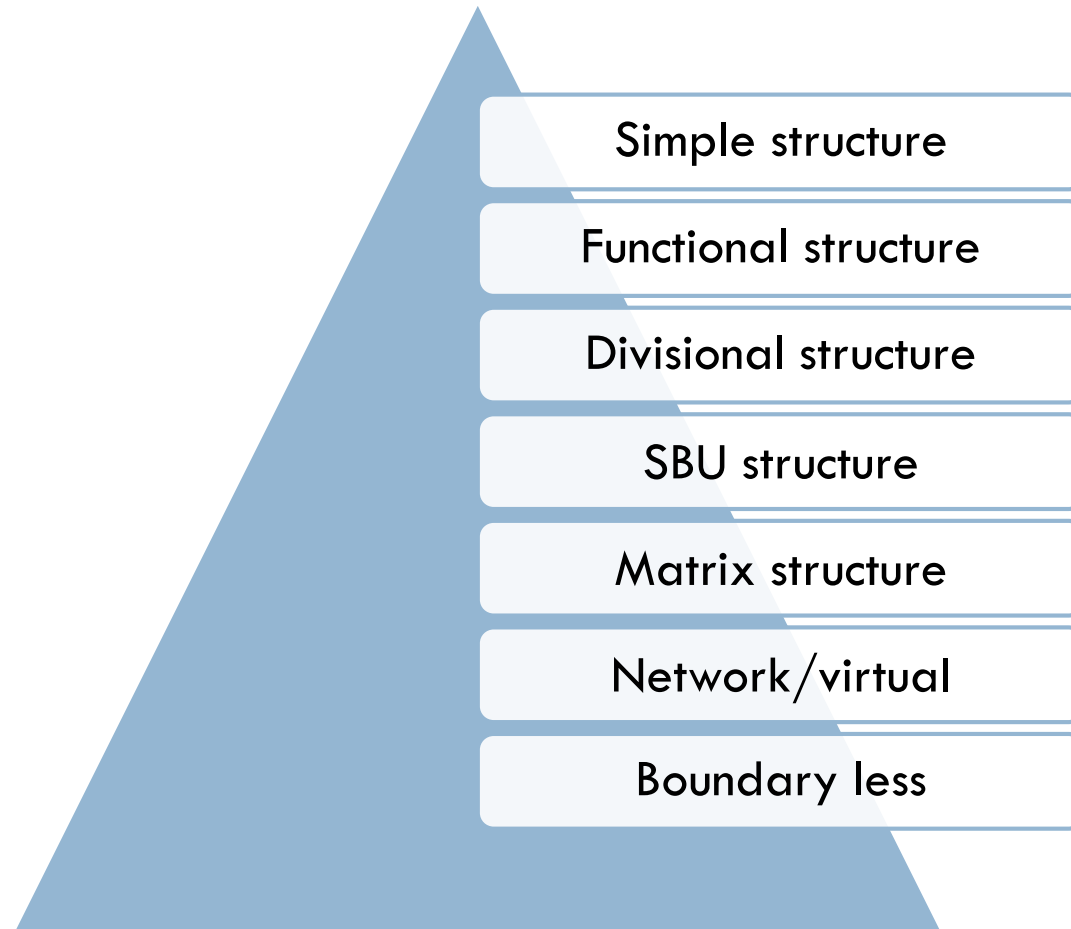
Simple Structure

- Manager controls the work
- centralizes decision-making
- Employees not grouped into specific functions
- No formal departments and layers of management
- Used by most small businesses

- Sole proprietorship firms
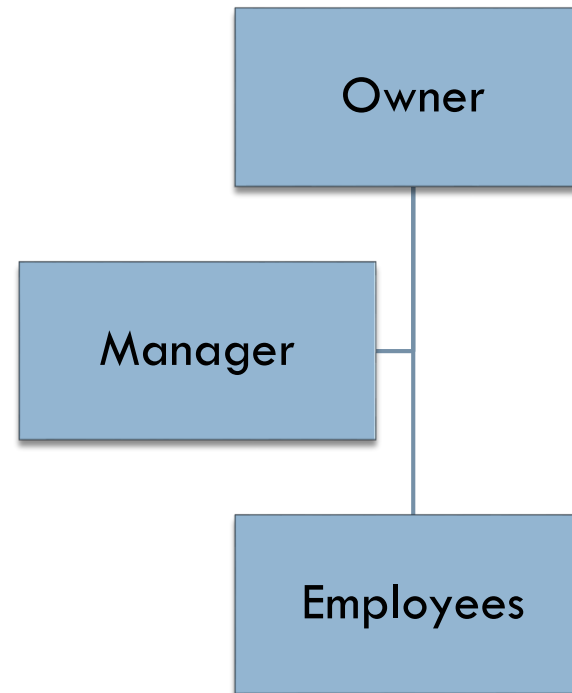
Functional Structure

- People in an organization are grouped in specific functions
- Some common functions within an organization include production, marketing, human resources and accounting
- **Efficiency** is the primary concern
- Delineation of lines of authority within a company
- Control is maintained by setting rules and establishing standard procedures
- Job classifications are well defined and authority is top-down
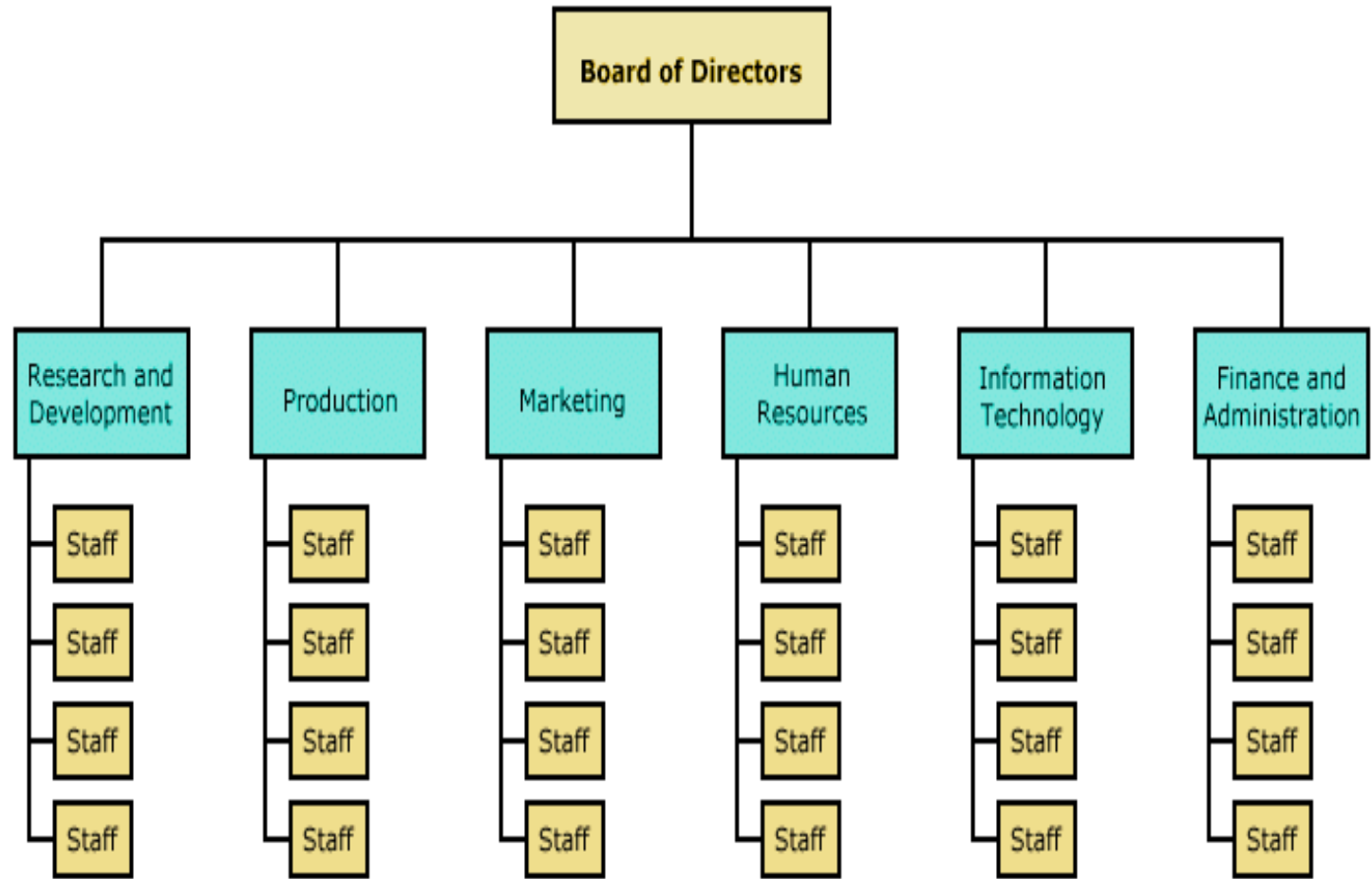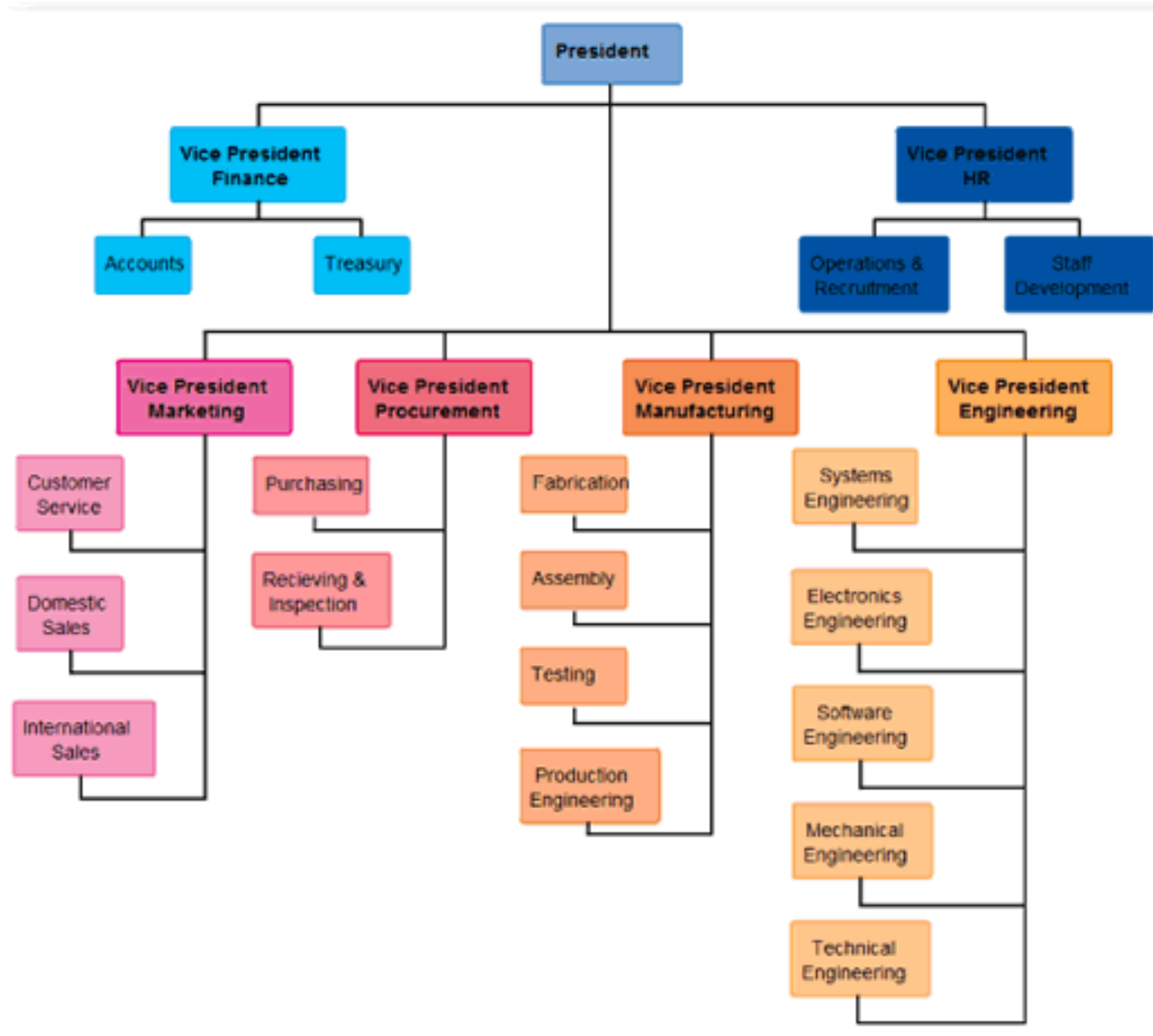
Divisional Structures

- Organizations divide the functional areas to divisions

- Each division is equipped with its own resources in order to function independently

- Divisions can be defined based on the geographical basis, products/services basis, or any other measurement

- GM, Sears, Standard Oil and DuPont-pioneered

1. Product/Divisional structure
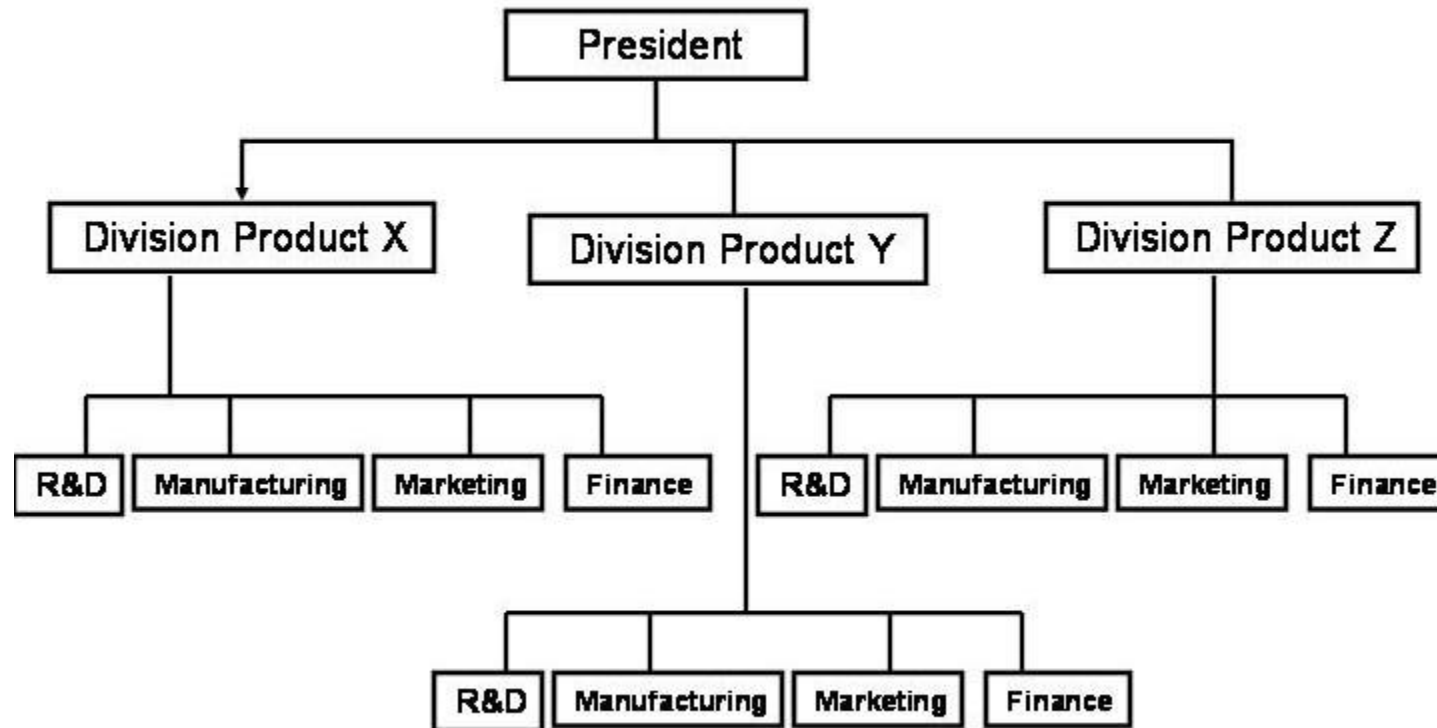
- General Electrics
- Divisions: Global Growth & Operations, Aviation, Energy Management, Power & Water, Oil & Gas, Healthcare, Home & Business Solutions, Transportation and Capital

2. Geographic/Divisional structure
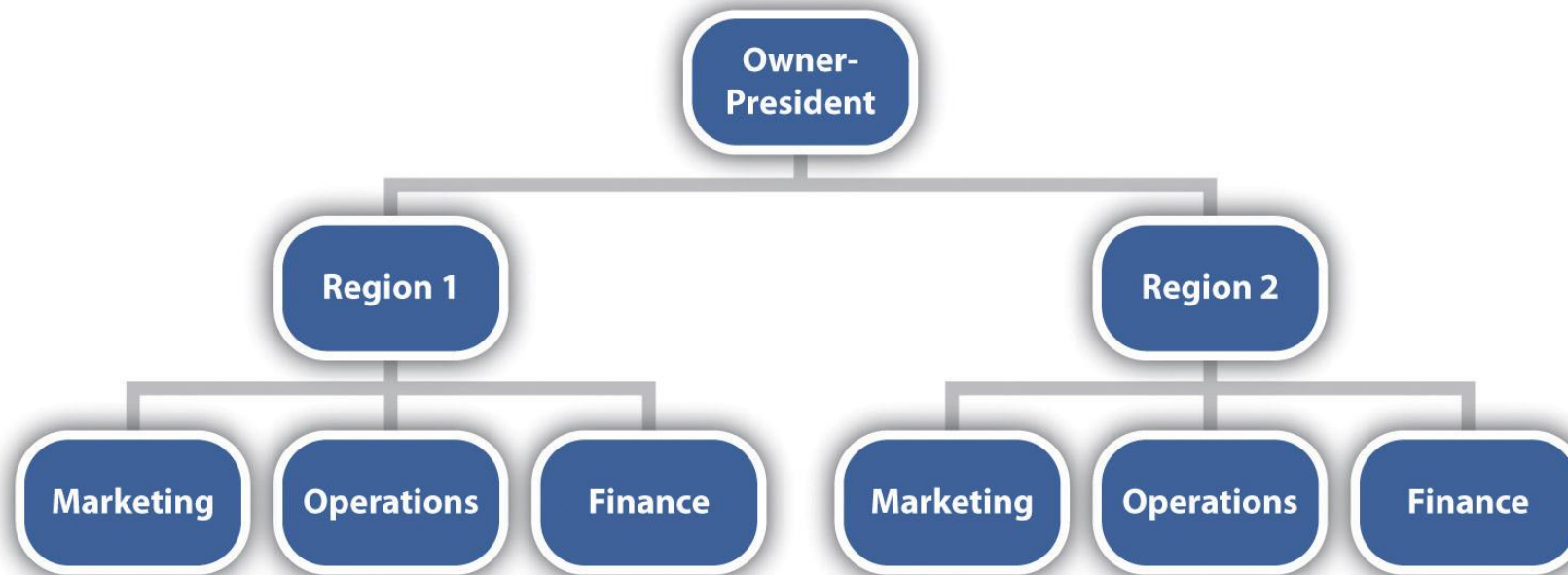
- Coca Cola
- Divisions: Europe, Latin America, North America, pacific, Eurasia and Africa

SBU Structure
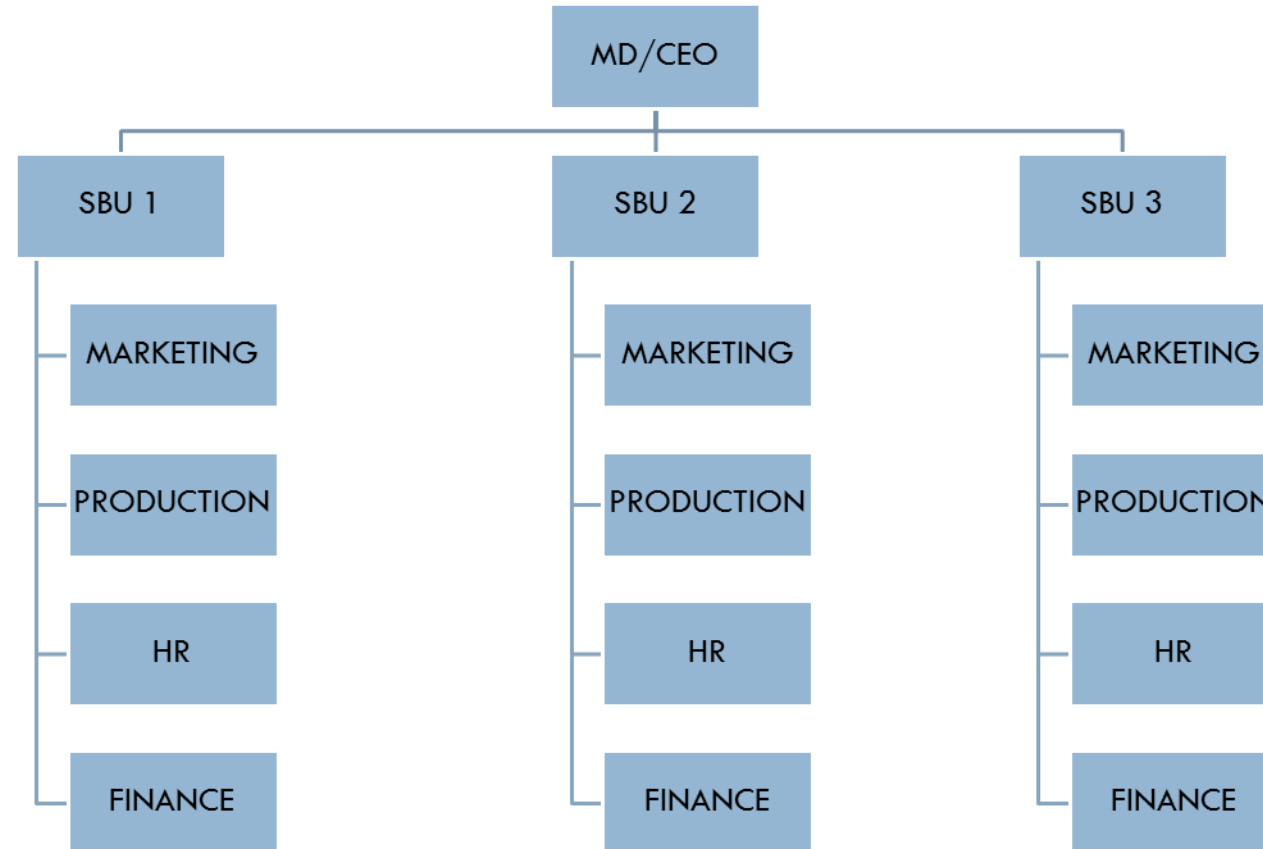
- ConAgra
- SBU's: food service, retail, and agricultural products.

SBU Structure

President/CEO

VP Europe — Manufacturing, Marketing, Finance/Accounting, Development

VP North America — Manufacturing, Marketing, Finance/Accounting, Development

VP Latin America — Manufacturing, Marketing, Finance/Accounting, Development

VP Asia — Manufacturing, Marketing, Finance/Accounting, Development
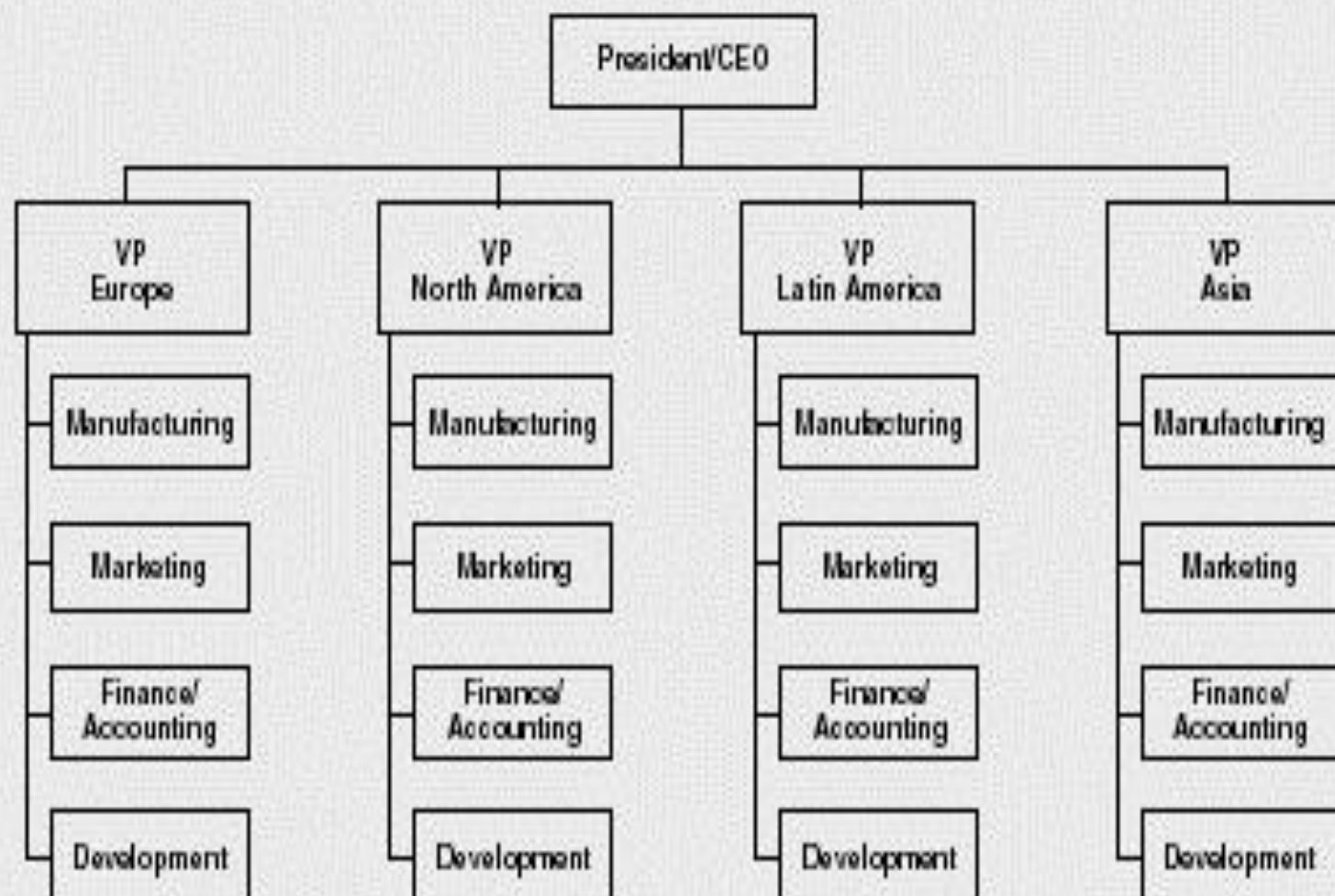
Matrix Structure

- The matrix structure groups employees by both function and product

- More dynamic than functional management

- A combination of all the other structures and allows team members to share information more readily across task boundaries

- Allows for specialization

- Increased complexity of the chain of command

- Maximizing strengths and minimizing weaknesses

- Starbucks, Indian Railways, P&G, Toyota, Unilever.

Matrix structure

- Maximise the strengths and minimising the weaknesses of both functional and divisional (S Davis and Lawrence)

- Superimposes- lateral structure- focusing on product/project coordination- on a vertical functional structure

- Initially started in aerospace- now spread to all types of org: (Davis & lawrence)

Matrix structure
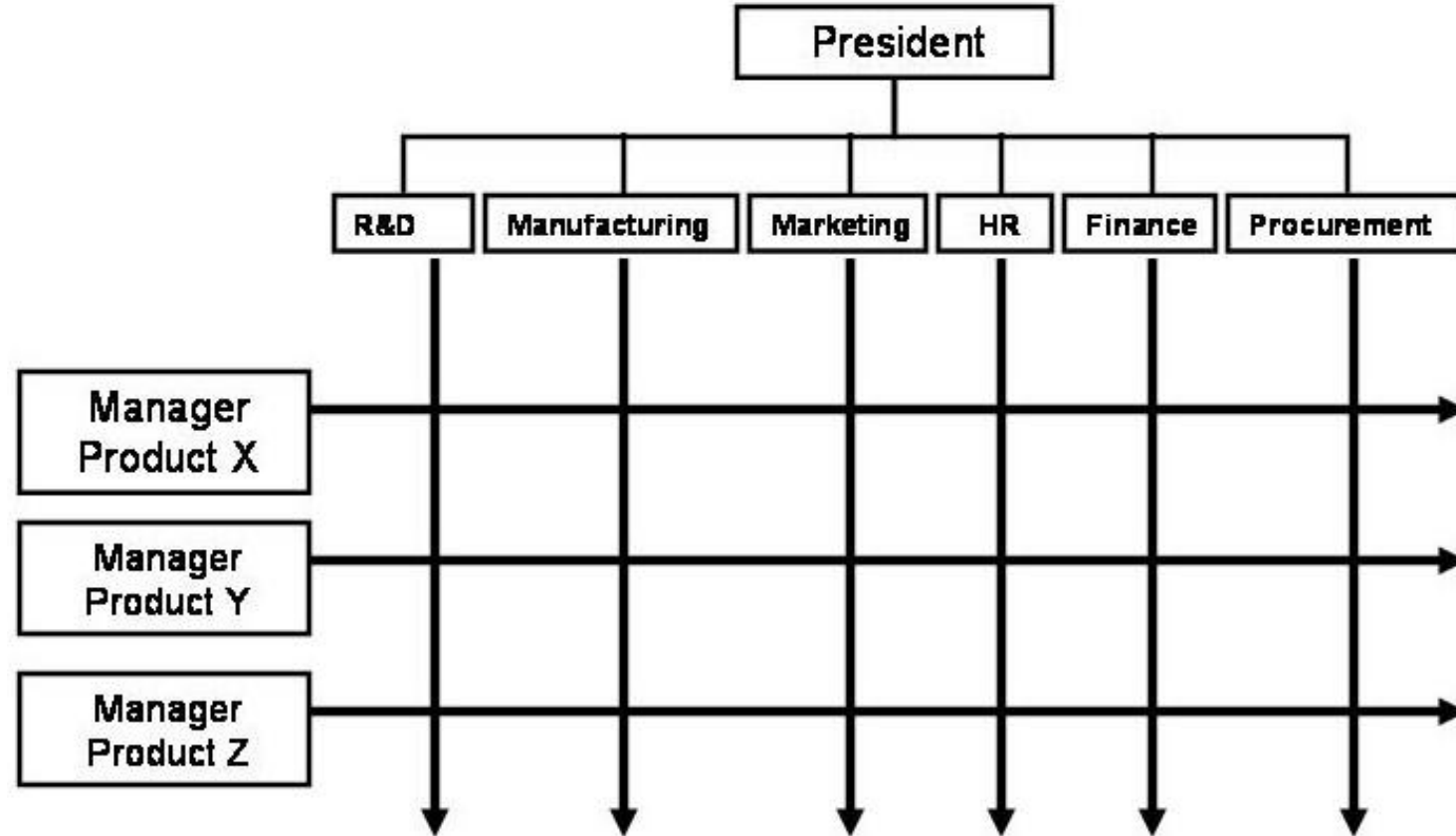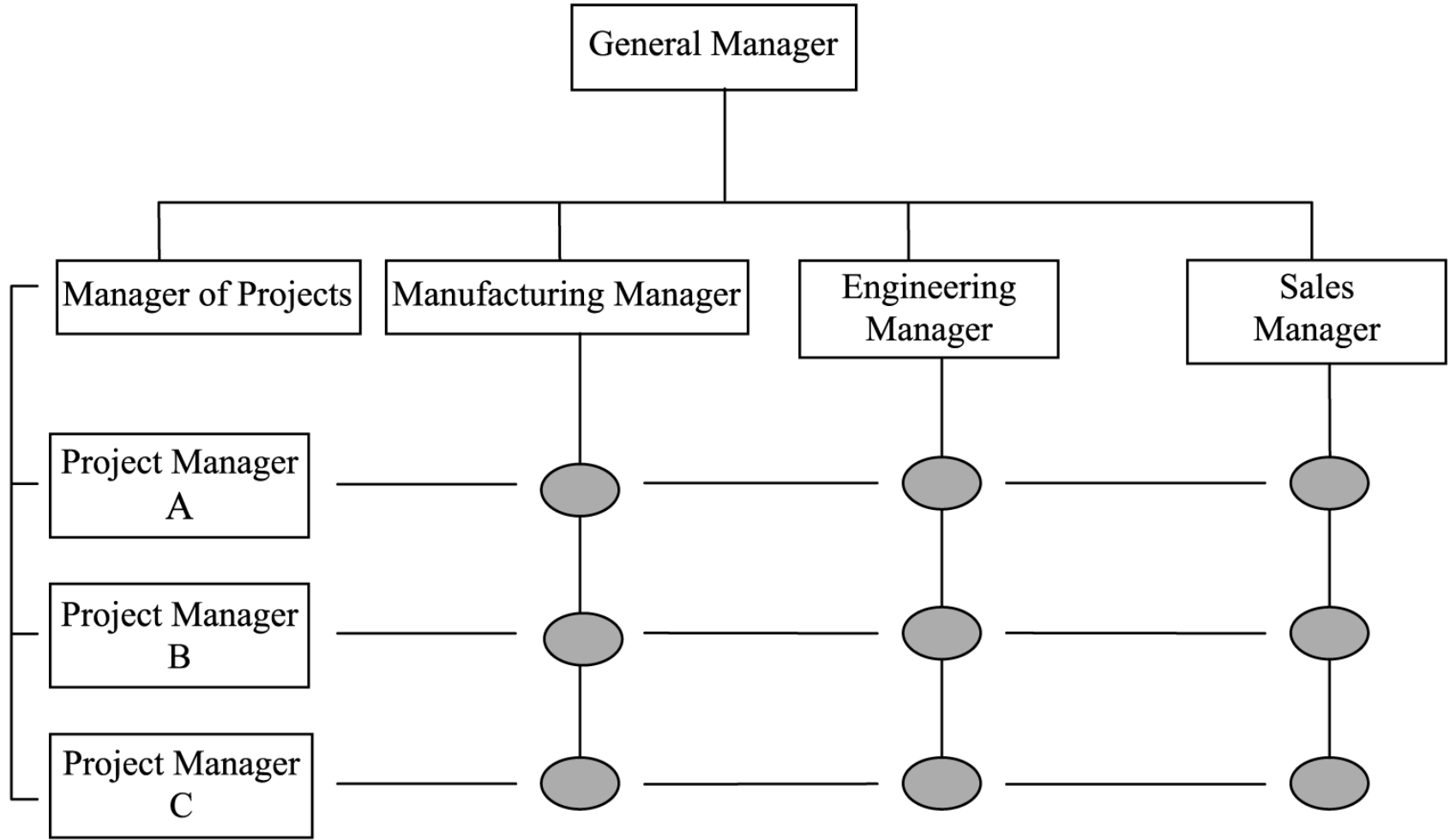
Matrix Structure

Three unique and critical roles

  1)top manager- who heads and balances the dual chains of command

  2) the matrix bosses(functional or product or area) who share subordinates

  3) the 'two boss 'managers who report to two different matrix leaders

Matrix structure works well when

1)Real outside pressure for dual focus: many customers with unique demands on the one hand and strong requirements for technology/specialization on the other

2)When there is need to process large amount of information: change externally is unpredictable, organizations today has broad range of products/services or offers these to large no. of different markets, when technology evolves quickly, reciprocal interdependency is needed

3)Pressures on shared resources: customer demands vary greatly and technology requirements are strict, valuable human and physical resources are scarce

Types of Organization designs

Common designs

New designs

Simple structure

Functional structure

Bureaucracy

Divisional structure

Network/virtual

SBU structure

Boundary less

Matrix structure
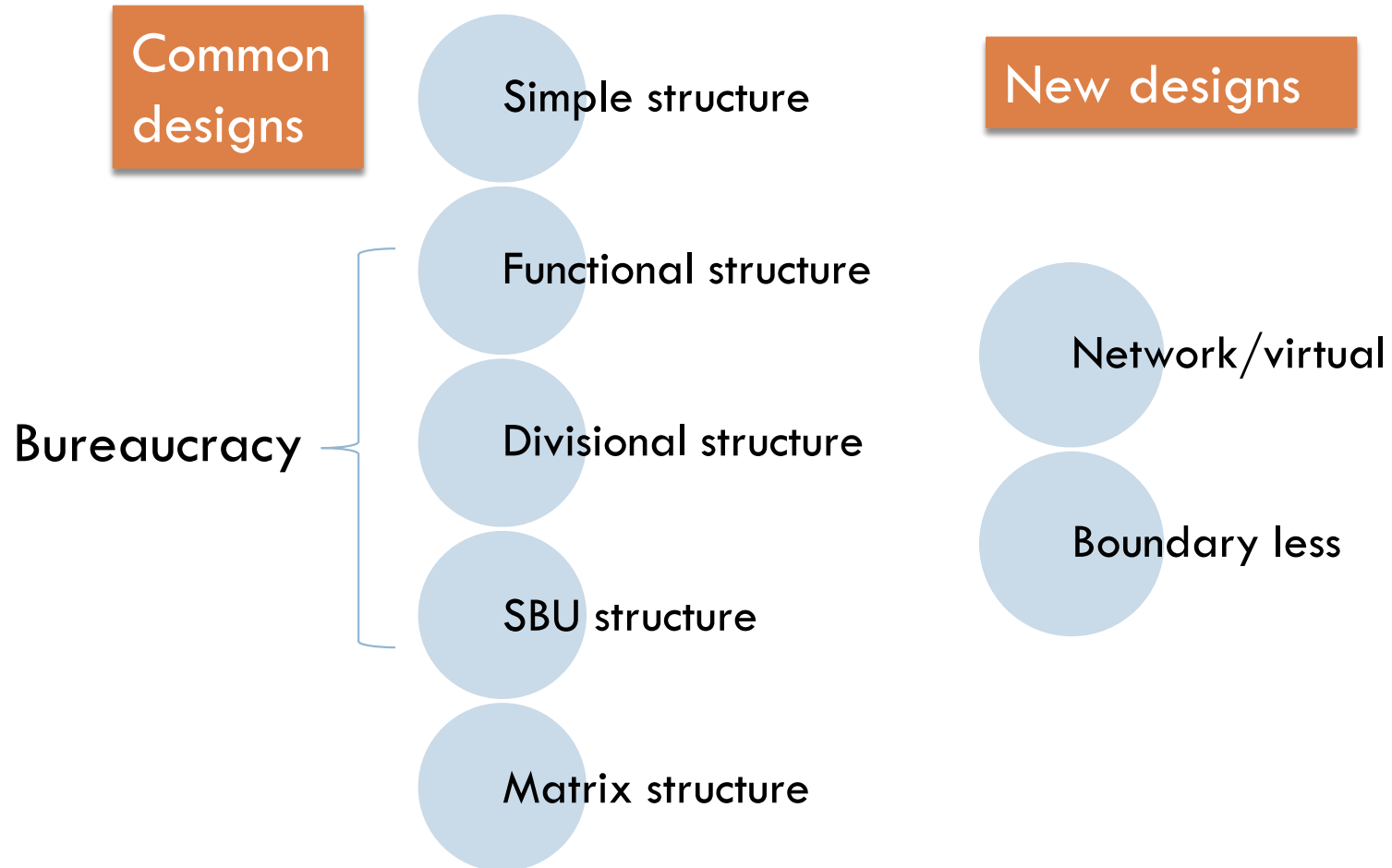
Network structure

- Small/core organization that outsources major fuctions
- Manages diverse, complex & dynamic relationships among multiple organizations/units- each specializing in a particular function or task (J Brown & others)
- Different terminology: shamrock org, virtual org, modular or cellular organizations (Davidow & others)
- Other names- pizza, spiderwebs, starbursts and cluster organizations
- Highly centralized. Little/no departmentalization

Network structure

- Internal network- single org: establishes-independent profit centers- allowed to trade in services and resources with each other as well as external market:

- Multiple org:-linked to a focal org:- coordinates movement of resources- RM to end consumer –e.g.: Nike-shoes manufactured from different plants around the world-distribution to retail

- Movie making studios: MGM, Warner brothers

Boundary less organization

- A is a contemporary approach in organization design. It is an organization that is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a predefined structure.

- This term was coined by former General Electric chairman Jack Welch because he wanted to eliminate vertical and horizontal boundaries within the company and break down external barriers between the company and its customers and suppliers.

- Includes cross-functional teams

In Practice: Hybrid Structure

- Most organizations end up with a "hybrid" structure, combining elements of different models but with one dominant approach
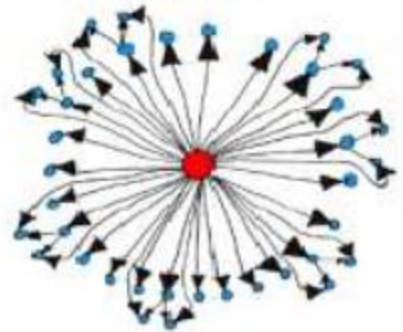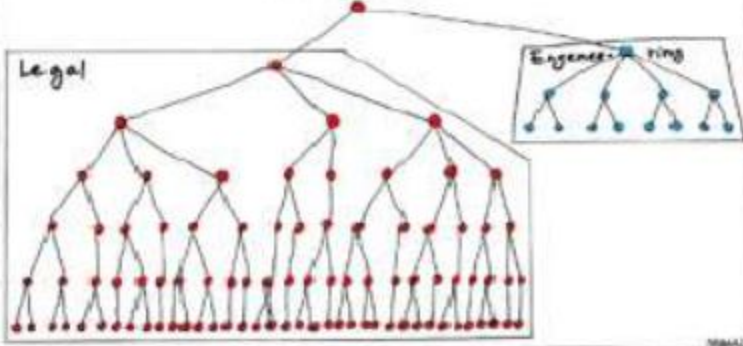
AMAZON
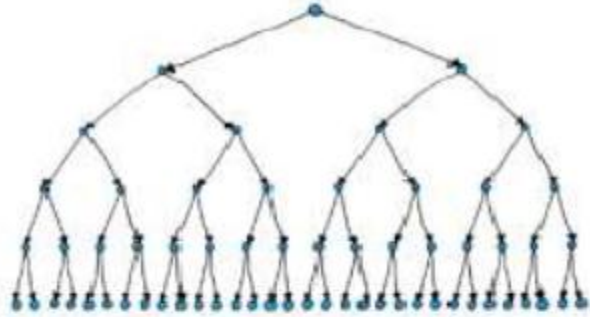
GOOGLE
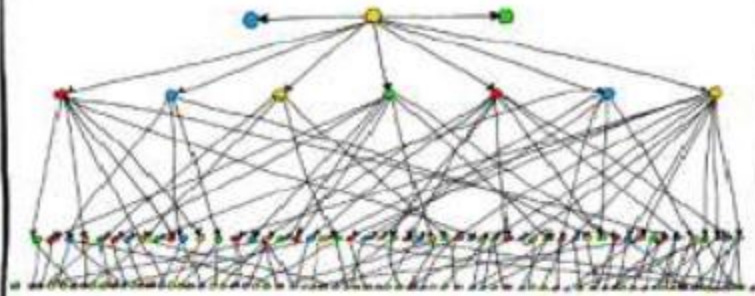
FACEBOOK
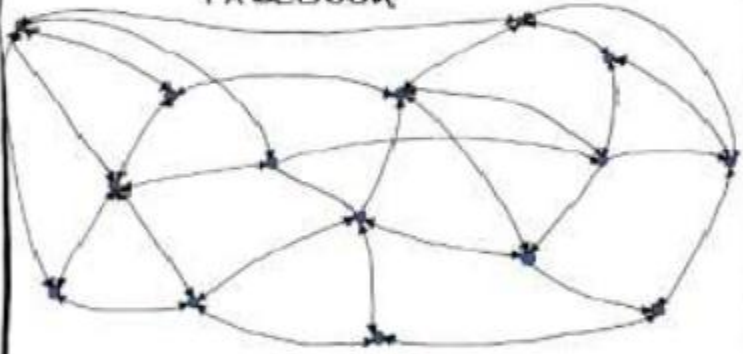
MICROSOFT
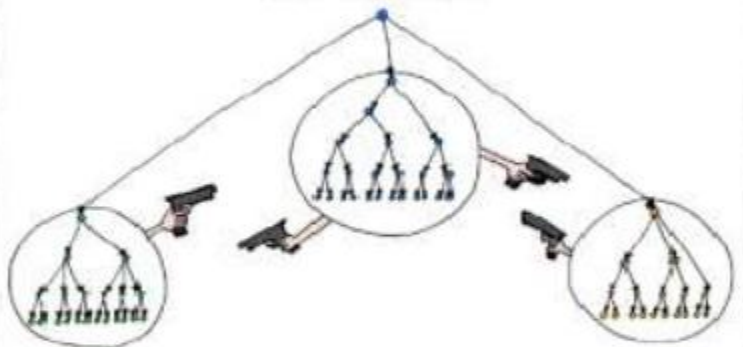
APPLE

ORACLE

3 core elements of OS

Complexity	Formalisation	Centralization
• Extent of differentiation within the organisation	• Degree to which organisation relies on rules and procedures to direct behavior of employees	• Locus of decision making or authority in the organisation

6 elements of OS

Complexity

Formalisation

Centralization

Departmentalization

Chain of command

Span of control

1. Complexity/ Work specialization

- Differentiation by specialization
- The extent of differences among the jobs and units.
- It reflects the degree of differentiation existing within the organisation. A variety of jobs and units create more complex organisation structure.
- Horizontal differentiation refers to the number of different units at the same level.
- Vertical differentiation refers to the number of levels in the organisation.
- Spatial differentiation refers to the degree to which location of units and the personnel are dispersed.

2. Formalization

☐ The degree to which the activities of the organisation are standardized.

☐ It refers to the extent to which the activities, rules, procedures, instructions, etc. are specified and written.

☐ High division of labor i.e., specialization, high level of delegation of authority, high degree of departmentalization and wide span of control lead to high degree of formalization.

Major benefits
- Reduces the variability
- Promotes coordination
- Smooth functioning
- Reduces the conflict and ambiguity.

Major criticism
- Prevents creativity and flexibility
- Difficult to change the rules
- New rules: great resistance by the employees

3. Centralization

- The degree to which decision making is centralized in the organisation

- Centralized structure : top management makes all the decisions and middle and lower level managers merely implement the decisions taken by the top management.

- Decentralized structure: decisions are made at all levels of management.

- In centralization, little delegation of authority is the rule; power and discretion are concentrated in a few executives. Control and decision-making reside at the top levels of management.

4. Departmentalization

- Once jobs are divided through differentiation and specialization, they are grouped, common tasks are coordinated
- Grouping on the basis of
  - Function
  - Products/service
  - Geography
  - Customers
  - Processes

5. Chain of command

- Unbroken line of authority
- Clarifies who reports to whom
  - Authority
  - Unity of command

6. Span of control
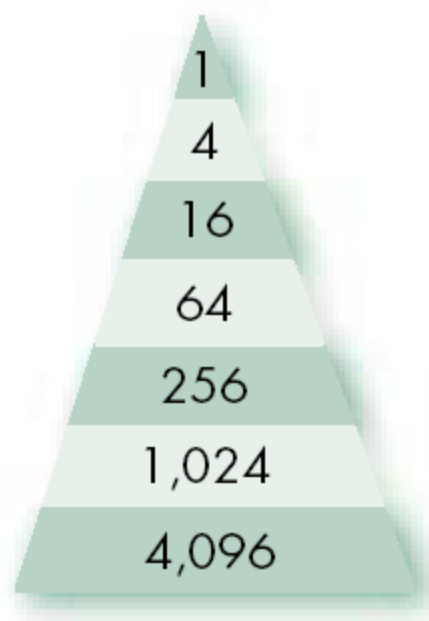
- Number of levels and managers
- Wider span: fewer levels

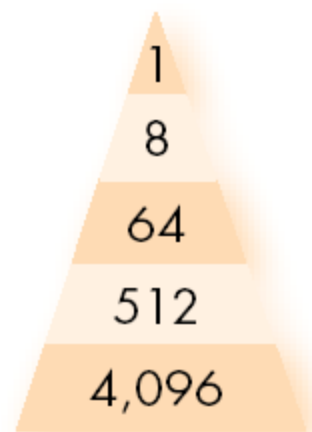**Members at each level**

(Highest)

Organizational level

1	
2	
3	
4	
5	
6	
7	

Assuming span of 4

1
4
16
64
256
1,024
4,096

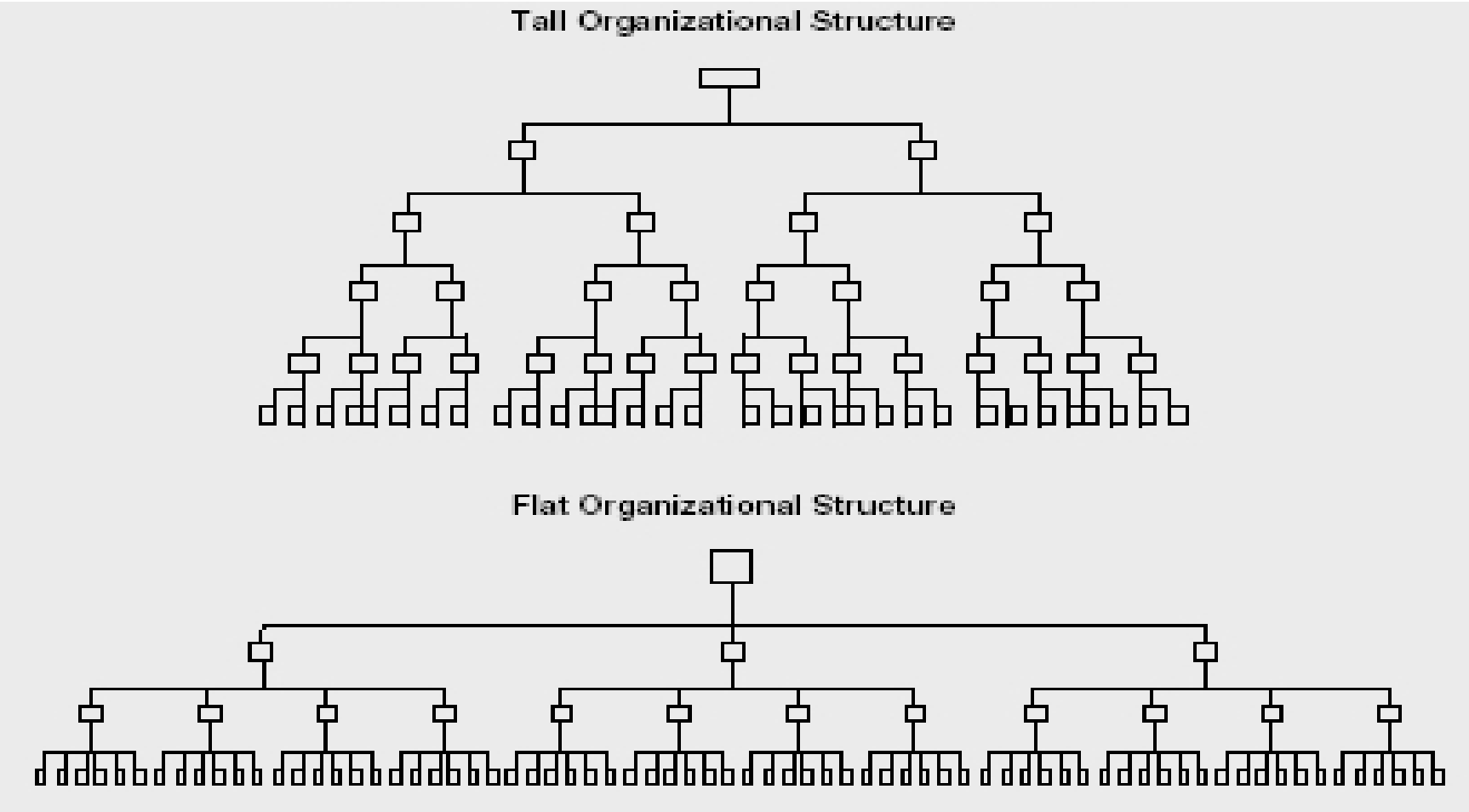Assuming span of 8

1
8
64
512
4,096

Span of 4:
Operatives   = 4,096
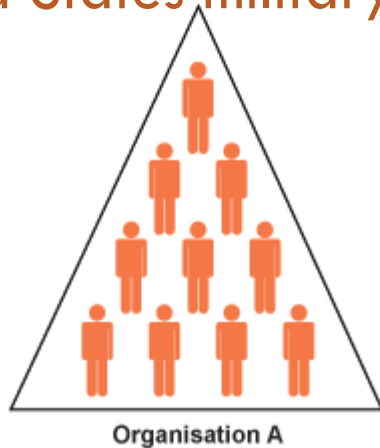Managers (Levels 1–6) = 1,365

Span of 8:
Operatives   = 4,096
Managers (Levels 1–4) = 585

Tall Vs. Flat Organizations

Tall Organizations

- Many levels of hierarchy
- Span of control is narrow
- Lines of communication are long
- Unresponsive to change
- Chain of command
- United States military

Organisation A

Flat Organizations

- Few levels of hierarchy
- A wide span of control
- Lines of communication are short
- Responsive to change.
- Empowering employees
- Google, Cipla

Organisation B
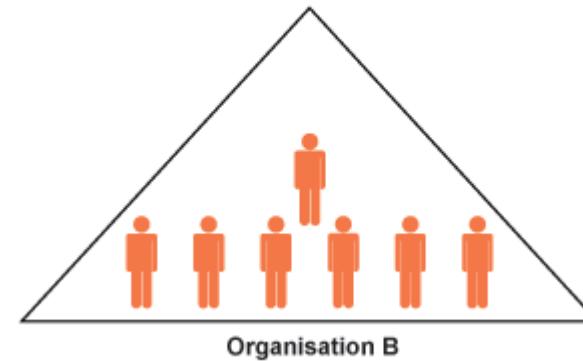
Determinants of Organization Structure

- Strategy

- Size (Large & Small)

- Technology (Routine & Non Routine)

- Environment(Stable & Dynamic)

Determinants of organization structure

❑ **Organization Size** can be defined as the total numbers of employees working in the organization. the physical capacity of an organization, organizational inputs & out-puts & financial resources.

❑ **Technology** refers to the information, equipment, techniques and processes required to transform inputs into outputs in the organization.

❑ **Environment** is defined as all the elements existing outside the boundary of the organization that have the potential to affect all or part of the organization. **(PESTLE)**

❑ **Strategy** can be defined as the determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.

Additional assignment

☐ Plan out organizational design & structure of an organization hypothetically.

☐ Discuss the components of organizational structure.

Type:
1. Simple structure
2. Functional structure
3. Divisional structure
4. SBU structure
5. Matrix structure
6. Network/virtual
7. Boundary less

Components
1. Complexity
2. Formalization
3. Centralization
4. Departmentalization
5. Chain of command
6. Span of control

Internal assessment

- Attendance & class participation (active and constructive involvement in discussions & activities)

- Personality & leadership assignment

- Movie assignment

- Group presentation

*additional organizational structure assignment