**Organizational Behavior**

**UNIT-1**

Organizational Behaviour – Concept – Nature - Models - Other similar fields of study –

Disciplines contributing to Organizational Behaviour - Individual Behaviour –

Perception.

**Meaning**

“Organizational behavior is the study and application of knowledge about how people act within an organisation.

**Definition**

It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organisation.”— Newstrom and Davis.

“Organisational behavior is directly concerned with the understanding, production and control of human behaviour in organisations.”—Fred Luthans.

**Characteristics or Nature of OB**

**1.[Organizational behavior is the study](https://iedunote.com/organizational-behavior) :**

and participation of knowledge about human behavior in organizations as it relates to other system elements, such as structure, technology, and the external social system

**2.An Interdisciplinary Approach**

Organizational behavior is essentially an interdisciplinary approach to study human behavior at work.

It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology, and anthropology to make them applicable for studying and analyzing organizational behavior.

**3.An Applied Science**

The very nature of OB is applied. What OB basically does is the application of various research to solve the organizational problems related to human behavior.

## 4.A Normative Science

Organizational Behavior is a normative science also. While the positive science discusses the only cause-effect relationship, OB prescribes how the findings of applied research can be applied to socially accepted organizational goals.

## 5.A Humanistic and Optimistic Approach

Organizational Behavior applies a humanistic approach towards people working in the organization. It deals with the thinking and feeling of human beings. OB is based on the belief that people have an innate desire to be independent, creative and productive.

## 6.A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning.

The systems approach has been developed by the behavioral scientists to analyze human behavior in view of his/her socio-psychological framework.

**Objectives of Organizational Behavior**

We have identified 8 objectives of organizational behavior;

1. Job Satisfaction
2. Finding the Right People
3. Organizational Culture
4. Leadership and Conflict Resolution
5. Understanding the Employees Better
6. Understand how to Develop Good Leaders
7. Develop a Good Team
8. Higher Productivity

## Job Satisfaction

Job satisfaction, in turn, can foster higher productivity and reduced turnover, while providing more leverage for the recruitment of top talent.

## Finding the Right People

Organizational behavior can be helpful for finding the right mix of talents and working styles required for achievement of the task at hand.

This can assist in deciding who to include in a team or task force, as well as in deciding who to promote to a leadership position or even the ideal profile for new hires.

**Organizational Culture**

As organizations grow larger, it may become difficult to keep a sense of common purpose and unity of direction.

Organizational behavior is useful for understanding and designing the communication channels and leadership structures that can reinforce organizational culture.

## Leadership and Conflict Resolution

Organizational behavior can assist in fostering leadership, pro-activity and creative problem-solving.

When creativity is allowed, the divergence of opinions is unavoidable, but- organizational behavior can provide the leadership and the arbitrage dynamics required for turning conflicts into constructive idea exchanges.

## Understanding the Employees Better

Organizational behavior patterns help in predicting who among the employees have the potential to become leaders.

They also teach us how to mold these employees so that their leadership potential is utilized to its fullest.

## Develop a Good Team

An organization is only as good as the weakest member of its team.

It is essential that all members of the team work in coordination and are motivated to work together to achieve the best results.

The teamwork theories of organizational behavior are an essential tool in the hands of any manager.

## Higher Productivity

All of this leads us to the most important goal of achieving the highest productivity in realizing the visions and goals of any organization.

**These key elements of OB**

1. People.
2. Structure.
3. Technology.
4. Environment

**People**

People make up the internal social system of the organization. That system consists of individuals and groups and groups may be large and small, formal and informal. Groups are dynamic.

## Technology

Technology provides the resources with which people work and affects the tasks that they perform. They cannot accomplish work with their bare hands.

**Structure**

The technology used has a significant influence on working relationships.

The structure defines the formal relationship and use of people in the organization. There are managers and employees, accounts assemblers in order to accomplish a different kind of activities.

They are related in a structural way so that their work can be effectively coordinated. Because there is no organization can be successful without proper coordination.

**Environment**

All organizations operate within an internal and an external environment. A single organization does not exist alone.

An organization is a part of a lager system that contains many other elements, such as government, the family, and other organizations. Numerous changes in the environment create demands on organizations.

# Organizational Behavior – Models

**Autocratic Model**

* The employee to do work as per his specification
* Not given freedom to act
* Employees to work like as a machine
* Employee may develop frustration and stress condition
* Organization face some behavioural problems like hgh rate of absenteeism labor turn over morale

**Custodial Model**

* The employee depends on the organization.
* Organization take care all needs of the employee.
* Provider some welfare measures like rent, free accommodation, food, free education for their children’s.
* The employee is happy because the organization satisfaction needs.
* No gurantee for performance level will be high.

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**Supportive Model**

* The managers support his employees in the performance of the task.
* Does not make a unilateral decision, the employees also involved in the decision making.
* Employees are self-motivated
* It gives a greater relevance in operative level then managerial level workers.

**Collegial Model**

* **It is also** known as participatory model.
* **Manager** and employees work as a team
* Better interaction among the members
* Employees are self-disciplined

**Comparison of four models of OB**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BASIC** | **AUTOCRATIC** | **CUSTODIAL** | **SUPPORTIVE** | **COLLEGIAL** |
| **Basic difference in approach** | Authoritative nature of the management | Organization  Takes care of  The needs of  employees | The employee  Is assisted by  The manager | The employee  And the  Manager work as a team |
| **Position of**  **The**  **subordinate** | Total dependence on the manager | safe and  secured | Can get help from the superior | Can secure the  Participation of  The superior n  Work |
| **Needs of the**  **employees** | Subsistence | Security | Recognition | Self fulfillment |
| **Performance**  **Level of**  **Subortinates** | Minimum | Passive co-  operation | Greater scope  To perform well | Higher  Performance  Level |

**Impotance of OB**

**1. Skill Improvement:**

Helps to improve skills (ability to employees and use of knowledge to become more efficient). Improves managers as well as employees work skill.

**2. Understanding Consumer Buying Behaviour:**

 It also an important part to improve marketing process by understanding consumer (buying) behaviour.

**3. Employee Motivation:**

OB helps to understand basis of Motivation and different ways to motivate employees properly.

**4.Nature of Employees:**

Understanding of personnel/employee nature is important to manage them properly. With the help of OB, we can understand whether employees/people are Introvert, Extrovert, Motivated, Dominating etc.

**5.Anticipating Organizational events:**

The scientific study of behaviour helps to understand and predict organizational events. For.e.g. Annual Business Planning, Demand Management, Product line management, Production Planning, Resources Scheduling, Logistics etc.

**6.Efficiency & Effectiveness**:

Helps to increase efficiency and effectiveness of organization

**7. Better Environment of Organisation:**

It helps to create healthy, ethical and smooth environment in organization.

**8.Optimum/Better Utilization of Resources**:

Study of OB helps to understand employees and their work style and skill better way. By understanding this, management can train and motivate employees for optimum utilization of resources.

1. **Goodwill of organization:**

OB helps to improve Goodwill of organization.

**Contributing Disciplines to the Organization Behavior**

6 Contributing Disciplines to the Organization Behavior Field are

1. Psychology.
2. Sociology.
3. Social Psychology.
4. Economics.
5. Anthropology.
6. Political Sciences.

**Psychology:**

Psychology has perhaps the first influence on the [field of organizational behavior](https://iedunote.com/organizational-behavior) because it is a science of behavior. A psychologist studies almost all aspects Of behavior.

* the learning process,
* motivation techniques,
* personality determinants and development,
* perceptual process and its implications,
* training process,
* leadership effectiveness,

**Sociology:**

The major focus of sociologists is on studying the social systems in which individuals fill their roles. The focus is on group dynamics.

Psychologists are primarily interested in focusing their attention on the individual behavior.

* People or actors
* Acts or Behavior
* Ends or Goals
* Norms, rules, or regulation controlling conduct or behavior
* Beliefs held by people as actors
* Status and status relationships
* Authority or power to influence other actors

**Social Psychology:**

It has been defined as the scientific investigation of how the thoughts, feelings, and behavior of individuals are influenced by the actual, imagined or implied the presence of others.

Social psychologists making significant contributions to measuring, understanding and improving attitudes, communication patterns how groups can satisfy individual needs and group decision-making process

**Anthropology:**

The main aim of anthropology is to acquire a better understanding of the relationship between the human being and the environment. Adaptations to surroundings constitute culture. The manner in which people view their surroundings is a part of the culture

**Political Sciences:**

Contributions of political scientist are significant to the understanding of behavior in organizations. Political scientists study the behavior of individuals and groups within a political environment

**Economics:**

Economics contributes organizational behavior to a great extent in designing the organizational structure. Transaction cost economics influence the organization and its structure.

**Individual behavior**

**Individual behavior** can be defined as how an **individual** behaves at work. A person's **behavior** is influenced by the following factors − Attitude. Perception. Personality

**Factors influencing individual behavior:**

**1.Personal factor:**

* **Age**
* **Gender**
* **Education**
* **Married status**
* **Potential**

**Age:**

Among the personal factors influencing behavior the most important is a person’s age. Generally speaking as an employee grows older his level of enthusiasm for work may decline. This happens either because the employee feels saturated or because he lacks physical fitness. It is for this reason that for certain jobs as those of sales representatives youngsters are always preferred.

**Gender:**

Men in the workplace generally show greater interest in union activities. Women employees, on the other hand, may be reluctant to even join trade unions. Employers, generally feel that women employees are more sincere and will show greater commitment towards the job. Many organization prefer women employee for this reason.

**Education:**

The level of education of an individual does influence behavior. The general belief is that education disciplines a person. An educated employee knows how to get things done in the workplace without incurring anyone’s displeasure. He does not lose temper but quietly achieves his goals.

**Marital Status:**

The need for a secured job and stable income is greater in case of married employees. A married employee has greater domestic commitments and therefore adapts himself to the needs of the organization. He cannot resign his job in case he derives less or no job satisfaction or finds the [work environment](https://accountlearning.com/understanding-business-environment-nature-features/) not conducive.

**Potentials**

Needless to say, the potentials of an individual influence his behavior. A person with the ability to perform any task effortlessly is able to be emphatic. He is in a position to demand better status in the organization.

**2.Psychological Factors:**

* **Personality**
  + - **Perception**
    - **Attitude**
    - Values
    - Learning

**Personality:**

The personality of a person, as misunderstood by many, is not just determined by his physical appearance alone. The physical characteristics of a person, no doubt, are important but these get noticed only if accompanied by certain intellectual qualities.

**Perception:**

Perception is the process of knowing or understanding. A given situation is perceived differently by different people. If the perception of a person is correct he/his organization stands to benefit. If it turns out to be incorrect he/his organization loses

**Attitudes:**

In the context of the workplace, attitude is the feeling of an employee about his job, his superiors and fellow-employees. Attitude may be positive or negative. An employee with a positive attitude likes his job, carries out the tasks assigned by his superior and maintains friendly relationships with the fellow-employees.

**Values:**

The ‘values’ of a person indicate to him as to what is good and what is bad. Different people have different values. For example, some people are spendthrifts while others consciously save. Some contribute to charity while others do not.

**Learning:**

Learning is the process of bringing about changes in an individual’s behavior. Employee absenteeism, for example, may be a problem faced in many organizations. As employees are eligible for certain types of leave, e.g., casual leave, sick leave, earned leave etc., they may be willing to avail the same. But this affects employee attendance.

**3.Organizational factor**

* Nature of job
* Job security
* Work environment
* Pay benefits
* Leadership style

**Nature of job:**

The **nature** of this work may be summed up in the employee's title. For example, a human resources manager is someone who manages a human resources department and performs all of the tasks required of such a position.

**Job security:**

**Job Security** is an assurance that an individual will keep his or her **job** without the risk of becoming unemployed. S/he will have continuity in employment and it may be from the terms of a contract of employment, collective bargaining agreement, or labor legislation that prevents arbitrary termination

**Work environment:**

A good **working environment** is one of the most important elements in making you   
feel good and for our activities to function and develop.

**Pay benefits:**

Prominent examples of benefits are **insurance** (medical, life, dental, disability, unemployment and worker's compensation), vacation pay, holiday pay, and maternity leave, contribution to retirement (pension pay), profit sharing, stock options, and bonuses

**Leadership style:**

**Leadership style** is the manner and approach of providing direction, implementing plans, and motivating people. As seen by the employees.

**4.Environment factors:**

* Economic condition
* Technological changes
* Government policies
* Cultural environment

**Economic condition:**

**Economic conditions** refer to the present state of the **economy** in a country or region. ... **Economic conditions** are considered to be sound or positive when an **economy** is expanding and are seen as adverse or negative when an **economy** is contracting

**Technological changes:**

In economics, a **technological change** is an increase in the efficiency of a product or process that results in an increase in output, without an increase in input. In other words, someone invents or improves a product or process, which is then used to get a bigger reward for the same amount of work.

**Government policies:**

The term ‘government policy’ can be used to describe any course of action which intends to change a certain situation. Think of policies as a starting point for government to take a course of action that makes a real life change..

**Cultural environment:**

A **cultural environment** is a set of beliefs, practices, customs and behaviors that are found to be common to everyone that is living within a certain population. **Cultural environments** shape the way that every person develops, influencing ideologies and personalities.

**Perception**

It can be defined as process by which individual organize and interpret their sensory impression in order to give the meaning to the environment.

**UNIT – II**

Personality – Definition - Determinants - Group Dynamics – Formal and Informal

Groups, Group Norms, Group Cohesiveness, Group Behaviour and Group Decision –

making.

**Personality:**

Personality refers to the physical attributes of a person (I,e) skin, color, hair style, body structure.

(OR)

It can be defined as the characteristics pattern of behavior and mode of thinking that determine a person adjustment to the environment.

**FACTORS DETERMINNG PERSONALITY :**

**Hereditary:**

In the simplest of words, heredity refers to the passing of traits or characteristics through genes from one generation (parent) to the other generation. Like as,

* Height & weight
* Colour & skin
* Capacity
* Enthusiasm

**Social :**

From the point of view of personality development the most significant aspect of the individual’s world is his social environment. All human beings live in a society, an interacting group of people and each society has a distinctive culture, a body of stored knowledge, characteristic way of thinking, feel­ing attitudes, goals, ideals and value system. Like as family, teacher, peer group.

**Situational:**

**Situational Factors** (also known as External **Factors**) are influences that do not occur from within the individual but from elsewhere like the environment and others around you. Examples of **situational factors** are your environment, work and school, and the people around you

**Meaning of group:**

A group is a cluster of persons who have come together to pursue activities of common interest.

**Definition**

A group is a aggregations of people who interact with each other aware of one another a have common objectives and perceive them selves to be a group.

**Group dynamics:**

GD refers to interaction of forces between the group members in a social situation.

**Types of group:**

Group can be classified into 2 types

1. **Formal group**
2. **Informal group**

|  |  |  |
| --- | --- | --- |
| Basic comparison | Formal group | Informal group |
| Meaning | Groups created by the Organization for the purpose of accomplishing a specific task are known as formal group | Group created by the peoples themselves for their own sake are known as informal group |
| Formation | Deliberately | Voluntarily |
| Size | Large size | Comparatively small |
| Life | Depends upon the types of group | Depends upon the types of members |
| Structure | Well – depended structure | Ill – depended structure |
| Relationship | Professional | Personal |
| Direction | Moves in defined direction | Moves in all the direction |

**Group norms:**

Group norms are the rules and regulation prescribed for the group members.

**Group cohesiveness**:

Group cohesiveness refers to the degree of attachment of the group members in their group.

**Group behavior**:

Group behavior is the behavior of human group from the formation to dissolution.

**Group decision making:**

Decision making means select the best choice from the available option.

**Process of decision making:**

**1. Identify the decision**

To make a decision, you must first identify the problem you need to solve or the question you need to answer. Clearly define your decision. If you misidentify the problem to solve, or if the problem you’ve chosen is too broad, you’ll knock the decision train off the track before it even leaves the station.

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**2. Gather relevant information**

Once you have identified your decision, it’s time to gather the information relevant to that choice. Do an internal assessment, seeing where your organization has succeeded and failed in areas related to your decision.

**3.Identify the alternatives**

With relevant information now at your fingertips, identify possible solutions to your problem. There is usually more than one option to consider when trying to meet a goal—for example, if your company is trying to gain more engagement on social media, your alternatives could include paid social advertisements, a change in your organic social media strategy, or a combination of the two.

**4.evaluating the alternative solution**

Once you have identified multiple alternatives, weigh the evidence for or against said alternatives. See what companies have done in the past to succeed in these areas, and take a good hard look at your own organization’s wins and losses.

**5. selecting the best solution**

Here is the part of the decision-making process where you, you know, make the decision. Hopefully, you’ve identified and clarified what decision needs to be made, gathered all relevant information, and developed and considered the potential paths to take. You are perfectly prepared to choose.

**6. implementing the decision**

Once you’ve made your decision, act on it! Develop a plan to make your decision tangible and achievable. Use [Lucidchart diagrams](https://www.lucidchart.com/blog/four-diagrams-to-streamline-project-planning) to plan the projects related to your decision, and then set the team loose on their tasks once the plan is in place.

**7. Review your decision**

After a predetermined amount of time—which you defined in step one of the decision-making process—take an honest look back at your decision. Did you solve the problem? Did you answer the question? Did you meet your goals?

**UNIT – III**

**Leadership – Concept – Qualities of effective Leadership – Leadership Styles - Definition**

**of Power – Types of Power - Sources of power – Power and Politics.**

**Leadership**

**Meaning of leadership**:

Leader is a person one who guides and motivate with other people.

**Definition**

According to koontz, “leadership is an ability of the manager to induce subordinate, to work with confidence and zeal”

**Importance of leadership**

* **Continuous process***:*

Leadership is a continuous process. A leader has to guide his employees every time and also monitor them in order to make sure that their efforts are going in the same direction and that they are not deviating from their goals.

* **Initiating Action***:*

Leadership starts from the very beginning, even before the work actually starts. A leader is a person who communicates the policies and plans to the subordinates to start the work.

* **Providing Motivation:**

A leader motivates the employees by giving them financial and non-financial incentives and gets the work done efficiently. Motivation is the driving force in an individual’s life.

* **Providing guidance***:*

A leader not only supervises the employees but also guides them in their work. He instructs the subordinates on how to perform their work effectively so that their efforts don’t get wasted.

* **Creating confidence:**

A leader acknowledges the efforts of the employees, explains to them their role clearly and guides them to achieve their goals. He also resolves the complaints and problems of the employees, thereby building confidence in them regarding the organization.

**Qualities of leader**:

* **Personality:**

A pleasing personality always attracts people. A leader should also friendly and yet authoritative so that he inspires people to work hard like him.

* **Knowledge***:*

A subordinate looks up to his leader for any suggestion that he needs. A good leader should thus possess adequate knowledge and competence in order to influence the subordinates.

* **Integrity:**

A leader needs to possess a high level of integrity and honesty. He should have a fair outlook and should base his judgment on the facts and logic. He should be objective and not biased.

* **Initiative:**

A good leader takes initiative to grab the opportunities and not wait for them and use them to the advantage of the organization.

* **Communication skills***:*

A leader needs to be a good communicator so that he can explain his ideas, policies, and procedures clearly to the people. He not only needs to be a good speaker but also a good listener, counsellor, and persuader.

* **Motivation skills:**

A leader needs to be an effective motivator who understands the needs of the people and motivates them by satisfying those needs.

* **Self-confidence and Will Power:**

A leader needs to have a high level of self-confidence and immense will-power and should not lose it even in the worst situations, else employees will not believe in him.

* **Intelligence:**

A leader needs to be intelligent enough to analyze the pros and cons of a situation and take a decision accordingly. He also needs to have a vision and fore-sightedness so that he can predict the future impact of the decisions taken by him.

* **Decisiveness:**

A leader has to be decisive in managing his work and should be firm on the decisions are taken by him.

* **Social skills***:*

A leader should possess empathy towards others. He should also be a humanist who also helps the people with their personal problems. He also needs to possess a sense of responsibility and accountability because with great authority comes great responsibility

**Functions of leadership:**

* **Setting Goals:**

A leader is expected to perform creative function of laying out goals and policies to persuade the subordinates to work with zeal and confidence.

* **Organizing:**

The second function of a leader is to create and shape the organization on scientific lines by assigning roles appropriate to individual abilities with the view to make its various components to operate sensitively towards the achievement of enterprise goals.

* **Initiating Action:**

The next function of a leader is to take the initiative in all matters of interest to the group. He should not depend upon others for decision and judgment. He should float new ideas and his decisions should reflect original thinking.

* **Co-Ordination:**

A leader has to reconcile the interests of the individual members of the group with that of the organization. He has to ensure voluntary co-operation from the group in realizing the common objectives.

* **Direction and Motivation:**

It is the primary function of a leader to guide and direct his group and motivate people to do their best in the achievement of desired goals, he should build up confidence and zeal in the work group.

* **Link between Management and Workers:**

A leader works as a necessary link between the management and the workers. He interprets the policies and programmes of the management to his subordinates and represents the subordinates’ interests before the management. He can prove effective only when he can act as the true guardian of the interests of his subordinates.

# Different Types of Leadership Styles

**Autocratic or Authoritarian leadership**

1. **Autocratic leader wants his subordinates to work in the manner he wants (what they should do, where, when, how)**
2. **Does not offer any suggestion to the follower.**
3. **Specifiy the goals make available resources to complete the task.**

**Democratic or Participative leadership**

1. It is also known as participative leadership
2. In this leadership style require guidance and control by a specific leader.
3. It can courages to take better ideas more creative solutions that lead to more productivity..

**The Laissez-faire or Free-rein leadership**

1. All the rights and power is fully given to the worker to make a decisions (full freedom) till.
2. Highly skilled, experienced, educated, outside, trust worthy.
3. Will not provide regular feed back.

**Paternalistic leadership**

1. Paternalistic leader is a father figure to his subordinate
2. Control and protects subordinates to be loyal and obedient.
3. Leaders take cares of his subordinates as a father take care of his childrens.

**Functional leadership**

1. A functional leader is one who is an expert in a particular field of activity.
2. Helps the subordinates to develop their knowledge and skllds.
3. Provide guidance to perform better..

**Types of power:**

* **Coercive Power-**

This kind of power involves the usage of threat to make people do what one desires. In the organizational set up, it translates into threatening someone with transfer, firing, demotions etc. it basically forces people to submit to one’s demand for the fear of losing something.

* **Reward Power-**

As the name suggests, this type of power uses rewards, perks, new projects or training opportunities, better roles and monetary benefits to influence people. However an interesting aspect of this type of power is that, it is not powerful enough in itself, as decisions related to rewards do not rest solely with the person promising them, because in organizations, a lot of other people come into play like senior managers and board.

* **Legitimate Power-**

This power emanates from an official position held by someone, be it in an organization, beurocracy or government etc. The duration of this power is short lived as a person can use it only till the time he/she holds that position, as well as, the scope of the power is small as it is strictly defined by the position held.

* **Expert Power-**

This is a personal kind of power which owes its genesis to the skills and expertise possessed by an individual, which is of higher quality and not easily available. In such a situation, the person can exercise the power of knowledge to influence people. Since, it is very person specific and skills can be enhanced with time; it has more credibility and respect.

* **Referent Power-**

This is a power wielded by celebrities and film stars as they have huge following amongst masses who like them, identify with them and follow them. Hence, they exert lasting influence on a large number of people for a large number of decisions; like from what car to buy to which candidate to choose for a higher office in the country.

**Differences between manager and leader**

|  |  |  |  |
| --- | --- | --- | --- |
| **s.no** | **Basic** | **Manager** | **Leader** |
| 1 | Meaning | A person responsible for controlling | A person is responsible for guide and motivate of other |
| 2 | Effectiveness | Do things right | Do right things |
| 3 | Nature | Planning, budgeting, evaluating, facilitating. | Motivating coaching building trust |
| 4 | Relationship | Basically formal | Informal |
| 5 | Responsibility | Comes from organizational hierechy | Comes from leadership qualities |
| 6 | Qualities | Managerial qualities are acquired | Leadership qualities are inherent in or born |
| 7 | Focus | Control of people supervision things | Build trust and confidence people. |

**Sources of power:**

* By definition, power is the ability to influence the behavior of others to get what you want. According to Bauer and Erdogan (2009), there are six sources of power:



* **Legitimate power** is power that comes from one’s organizational role or position. For example, a manager can assign tasks to his subordinates, a policeman can arrest a citizen, and a teacher assigns grades to his students. Others comply with the requests these individuals make because they accept the legitimacy of the position, whether they like or agree with the request or not.
* **Reward power** is the ability to grant a reward, such as an increase in pay, a perk, or an attractive job assignment. Reward power tends to accompany legitimate power and is highest when the reward is scarce.
* **Coercive power** is the ability to take something away or punish someone for noncompliance. Coercive power often works through fear, and it forces people to do something that ordinarily they would not choose to do of coercion is government dictators who threaten physical harm for noncompliance.
* **Expert power** comes from knowledge and skills. Technology companies are often characterized by expert, rather than legitimate power.
* **Information power** comes from the ability to access to specific information. For example, knowing price information gives a person information power during negotiations
* **Referent power** comes from the personal characteristics of the person such as the degree to which we like, respect, and want to be like them. Referent power is often called charisma—the ability to attract others, win their admiration, and hold them spellbound.

**UNIT-IV**

**Definition of Authority – Characteristics – Types of Authority - Morale – Concept –**

**importance – Measurement of Morale – Steps to improve Morale in an organization.**

**Definition of Authority:**

Authority is the official right of a person to do and make things happened in an organization.

**Characteristics of Authority**:

**Getting things done through the people:**

Authority provides the basis of getting things done in the organisation. It refers to the right to affect the behaviour of others in the organisation with a view to performing certain activities to accomplish the defined objectives.

**Legitimacy:**

Authority is accepted as it has certain legitimacy about it, that is to say it implies a right to secure performance from others. Such right may be legal or formal, or it may be supported by tradition. Custom or accepted standards of authenticity. The right of a manager to affect the behaviour of his subordinates is given to him by virtue of his position or office in the organisation

#### Decision-Making:

It is a prerequisite of authority. The manager can command his subordinates to act or abstain from acting in a particular manner only when he has made decisions as regards the course of activities to be performed by them

### Types of Authority:

### 1. Legal Authority.

2. Traditional or Formal or top-down Authority.

3. Acceptance or Bottom-up Authority.

4. Charismatic Authority.

5. Competence or personal Authority.

#### 1. Legal Authority:

The authority is based upon the rank of the person in the organisation and such authority may be given by law or by social norms, rules and regulations protected by law. For example, law has granted a place officer, the authority to arrest anyone who has committed a crime. Similarly, the president of a company has the right to fire an employee because that is how the rules and policies of the company have been established.

#### 2. Traditional Authority:

This authority is based upon the belief in traditions and the legitimacy of the status of people exercising authority through those traditions. Such traditions have evolved from a social order and communal relationships in the form of the ruling **“Lord”** and the obedient **“subjects”.**

#### 3. Acceptance Theory of Authority:

The acceptance theory of authority presents a contrast to the traditional formal view of authority. According to the acceptance theory, authority in the ultimate analysis depends on the acceptance or consent of the people who are managed (subordinates) rather than legitimacy, or any legal, social or cultural norms.

If the subordinates don’t accept the command of their superior, the superior cannot be said to have any authority with reference to them.

#### 4. Charismatic Authority:

The Charismatic Authority rests on personal charisma of a leader who commands respect of his followers on the basis of his personality and his personal traits such as intelligence and integrity. This is especially true of religious and political leaders. The followers become highly attached to the leader partly because the leader’s goals seem to be consistent with their own needs

#### 5. Competency Theory of Authority:

This is also known as **“technical authority”** and is implicit in person’s special knowledge or skill. For example, when doctor advises you to rest, you accept his **“order”** because you respect his knowledge and his skills as a doctor. Again, this order will not get results unless you accept and obey and in that sense it rests on acceptance theory of authority.

**Meaning of Morale**:

Morale means aggregation of attitudes and feelings of employees and its reflects their mental health.

**Definition of morale:**

According to Michael j.j. jucious morale is a state of mind or willingness to work which in turn affects individual and organizational objectives.

**Chacterstics of Morale:**

1. It is a psychological concepts
2. It is intangible
3. It may be high or low
4. It relevance only for human resources

**Determinatants of morale:**

#### 1. The Organization:

The first factor affecting the employee morale is the organization itself. The organization influences the worker’s attitudes to their jobs. The public reputation of an organization may build up for better or worse, their attitudes towards it.

#### 2. The Nature of Work:

The nature of the work, the worker is expected to perform also affects his attitude towards the job as well as his morale. If the employee is expected to perform routine or specialized jobs, he will feel bored and alienated. Repetition of the same task again and again makes the working situation worse for the employees

#### 3. The Level of Satisfaction:

The level of satisfaction, a worker derives from his job is another determinant of morale. If the job factors and the satisfaction they bring is perceived to be favourable by the employee morale will tend to be higher than if there factors seem to be unfavourable

#### 4. Worker’s Perception of Rewards System:

The worker’s perception of past rewards and future opportunities for rewards affect their morale to a substantial extent. If the workers regard the rewards as fair and satisfactory, their morale will tend to by higher than if the perception is in the opposite direction

#### 5. The Employee’s Age:

Studies have reported that age and morale are directly related. Other things being equal, elder employees seem to have higher morale. This is because of the reason that perhaps younger workers are more dissatisfied with higher expectations than their elders

#### 6. The Employee’s Educational Level:

Studies have concluded an inverse relationship in the educational level of the employee and his morale. Higher the educational level lower will be the job satisfaction and vice versa. The higher he thinks he should be the more dissatisfied he will be.

#### 7. The Employee’s Occupational Level:

The occupational level of the employee also influences his level of morale. The higher up in organisational hierarchy an employee is higher will be his morale. The morale of the people who are lower in the levels of hierarchy is generally low because they compare their own attainments with those of others.

**Consequences of low morale:**

1. Lack of enthusiasm
2. Poor quality of work
3. High rate of absenteeism
4. High rates of labor turn over
5. Low performance level
6. Complaints and grievances
7. Loss due to miss-handling of tools and machine
8. Increase conflict in work place

**MORALE AND PRODUCTIVITY**

**Meaning of productivity:**

Productivity is an average measure of the efficiency of production, it can be expressed as ratio of output into inputs.

**Relationship between morale and productivity:**

|  |  |
| --- | --- |
| **HIGH MORALE**  **HIGH PRODUCTIVITY** | **LOW MORALE**  **HIGH PRODUCTIVITY** |
| **HIGH MORALE**  **LOW PRODUCTIVITY** | **LOW MORALE**  **LOW PRODUCTIVITY** |

**High morale and high productivity:**

1. There is no clas between personal and organizational goals.
2. Superior and subordinate relationship in cordial
3. Perfect understanding between employees.
4. Employees do not feel the work pressure

**High morale and low productivity:**

1. Lack of planning and execution
2. Un availablility of raw material
3. Lack of working capital
4. Falling demand

**Low morale and high productivity:**

1. Fear of disciplinary action
2. Fear of losing job
3. Fear of pay cut
4. Enter price relying more an machines

**Low morale and low productivity:**

1. Poor superior and subordinate relationship
2. Mis-understanding between employees
3. Work pressure
4. inadequate supervision
5. personal worries

**steps to improve employee morale:**

1. **selection of right man for the right job:**

**proper care** must taken while recruiting persons for various jobs. Persons without attitude and aptitude for work should not be selected.

1. **Satisfactory conditions of services:**

All those who have been appointed in the organization should be provided with job security. They should given decent pay. Social security beefits like provident funds, insurance etc.

1. Conducive working environment:

The working environment should be made informal. Undue importance need not be given to hierechy. The organization should make use of both formal and informal chennals of communication.

1. Proper superior subordinate relationship:

The relationship between the superior and the subordinate should always be cordial. The superior style of functioning must be democratic.

1. Evaluation of employee performance:

The performance of employees needs to be assessed at regular intervals. Such an assessment will reveal their level of efficiency. Such of those employees who are found to be highly efficient may be given suitable regards.

1. Job rotation:

If certain jobs are by nature dull and monotonous job rotation may help to break the monotony of workers such jobs may be assigned to workers operating at a certain level by rotation.

1. Grievance redressal machinery:

Employees are bound to have certain grievances over the work environment, physical condition etc. proper machine shall be established in the organization for the redressal of all such grievances.

1. Counseling:

Employees do undergo stress owing to domestic and work-related problems. With such a condition, they will not able to concentratrate in their work.

**Measurement of morale:**

1. company records and reports
2. observation
3. attitudes survey

**Company records and reports:**

1. rate of absenteeism
2. frequency leave availed
3. remarks superior about subordinate
4. Target attainment
5. Complants made against superior and fellow-employees

**Observation:**

By making a close observation of their activities the manager will be able to know whether their actions and reactions are normal.

1. Find their target unattainment
2. Blame the tools and equipment
3. Show arrogance
4. Complaints about the fellow employees

**Attitudes survey:**

Attitudes survey conducted in work place to the evaluate the job of satisfaction of employees. The survey may the conducted with help of questionnaire. The questionnaire containts statements relating to job often employees.

**Differentiate between authority and power:**

|  |  |  |
| --- | --- | --- |
| **Basic** | **Authority** | **Power** |
| **Meaning** | Official right of a person | Capacity of a person |
| **Position** | The person is determine by his official position | The person is to determine by his personal position |
| **Transferring status** | It can be transferred by the process of delegation | It cannot be transferred to any person |
| **Chart** | Authority relationship can be shown in organization charts | It cannot be shown in organization chart |
| **Direction** | Flow of direction is down ward | Flow in all direction |

UNIT – V

**Motivation – Concept – Nature – significance - Theories of Motivation – Maslow’s need**

**hierarchy theory – Mc Gregor’s Theory X and Theory Y – Herzberg Two Factor Theory -**

**Stress Management – Concept - Sources - Effects of stress - Management of Stress.**

**Define motivation**

Motivation is the process of induce the people to accomplish the desired goal of the organization

**Concept of motivation:**

1. Primary vs secondary
2. Positive vs negative
3. Financial vs non – financial
4. Rational vs emotional
5. Internal vs external

**Nature of motivation:**

1. It is a psychological concept
2. Continous process
3. May be financial and non financial
4. May be positive and negative

**Significance of motivation:**

1. Higher efficiency
2. Optimum use of resources
3. Avoids of loss and demage, strikes
4. No complaints
5. Better human re;lationship

**Theories of motivation:**

Maslow ‘s needs hierarchy theory

Herzberg’s two factor theory

MC Gregor’s x and y theory

**significance of motivation?**

1. Higher efficiency
2. Optimum use of resources
3. Avoids of loss and demages, strikes
4. No complaints
5. Better human relationship
6. Reduction of labour turn over
7. Inducement of employee

**consequences os stress.**

**Physical problems**

I headache

Ii hyper-tension

Iii lack of appetite

Iv sleeplessness

V indigestion

**Psychological problems:**

I frustration

Ii emotional instability

Iii nervous