

MANAGEMENT PRINCIPLES AND TECHNIQUES HSST COMMERCE (M3)

Topic 3: **Organisational Development and Behaviour**

Historical Development of Organisational Behaviour

The history of human relations is not new. It existed since the beginning of the time but its dealings is quite new with the development of art and science. In the early days people worked alone or in small groups where human relations were not problem because organisations were not as complicated as they are today.

Early Development:

- During 1900s, F.W. Taylor presented the concept of scientific management to the world. He awakened the management. He gave the new dimension in the management thought, that paved the way for the subsequent development of organisational behaviour.

Impact of Technology on Organisational Behaviour

Technology is considered as the basic factor in the process of economic development. In organisational environment, technological changes means the technical knowledge used in the production of capital and machinery.

Technology and Organisation:

The interface between organisation and technology can be explained under the following heads.

1. Technology Reaches through Organisation:

Organisation is an institution through which people expect new techniques to be converted into goods and services.

2. Increased Productivity:

- The primary role of technology is to increase productivity in terms of both quality and quantity. This is the main reason why most technology is adopted.

3. More Spent on Research and Development:

The investment in Research and Development (R and D) has increased from Rs. 20 crore in the First Five Year Plan to about Rs. 20,000 crore in the Eighth Five Year Plan. Presently, there are 214 universities, 400 national laboratories and 1,300 in-house R and D centres in the industrial sector.

4. Fast Changing Technology:

The changing global and national scenario is bound to make greater demands on science and technology. Our government policy for science and technology has to be geared to face this demand.

TECHNIQUES RELEVANT TO ORGANISATIONAL BEHAVIOUR

1. Re-engineering: Re engineering is the fundamental and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed.

2. Benchmarking: Benchmarking is the process of company work and service methods, against the best practices and outcomes for the purpose of identifying changes that will result in higher quality output.

3. Empowerment:

- Empowerment is the authority to make decisions within one's area of operations without having to get approval from anyone else.
- (a) The personnel are encouraged to use their initiative.
- (b) Employees are given not just authority but = resources, as well, so that they are able to make a decision and see that it is implemented.

Factors Influencing Organizational Conflict

1. Unclear Responsibility: If there is lack of clarity, regarding who is responsible for which section of a task or project, conflict takes place. And, to avoid this situation, the roles and responsibility of the team members should be stated clearly and also agreed upon by all.

1. Interpersonal Relationship: Conflicts at the workplace are often caused by interpersonal issues between the members of the organization. Every member of an organization possesses different person

2. Scarcity of Resources: One of the main reasons for occurrence of conflict in an organization is the inadequacy of resources like time, money, materials etc. due to which members of the organization compete with each other, leading to conflict between them.

3. Conflict of Interest: When there is a disorientation between the personal goals of the individual and the goals of the organization, conflict of interest arises, as the individual may fight for his personal goals, which hinders the overall success of the project.

Types of Organizational Conflict

1. Intra-individual/Interpersonal Conflict

- Conflict can be intra-personal, where an individual's objective and vision differs from his/her company's overall vision. Intrapersonal conflict occurs within an individual. The experience takes place in the person's mind. Hence, it is type of conflict that is E psychological

Involving the individual's thoughts, values, principles and emotions.

2. Inter-personal conflict

- Interpersonal conflict is the conflict between two individuals of the organization. Basically, this occurs because of some differences in people. We have varied personalities which usually lead to incompatible choices and opinions.

3. Intra-group Conflict

- Intragroup conflict occurs among individuals within a team. These are conflicts that typically involve more than one person within a group. The incompatibilities and misunderstandings between team members lead to intragroup conflict. It starts from interpersonal disagreements like team members have different personalities which may lead to tension or differences in views and ideas.

4. Inter-group conflict

- Intergroup conflict occurs when misunderstanding arises among different teams within an organization. This is due to the varied sets of goals and interests of these different groups. In addition, competition also contributes for intergroup conflict to arise. There are other factors which fuel this type of conflict.

5. Inter-organizational Conflict

- Inter-organizational conflict is the conflict that arises across different organizations. When different businesses are competing against one another, this is an example of inter-organizational conflict.

Causes of Organizational Conflict

- **Managerial Expectations:** Every employee is expected to meet the targets, imposed by his/her superior and when these expectations are misunderstood or not fulfilled within the stipulated time, conflicts arises

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Communication Disruption: . One of the major causes of conflict at the workplace is disruption in the communication, i.e. If one employee requires certain information from another, who does not respond properly, conflict sparks in the organization

Misunderstanding: Misunderstanding of information, can also alleviate dispute in organization, in the sense that if one person misinterpret some information, it can lead to series o conflicts.

Lack of accountability: • If in a project, responsibilities are not clear and some mistake has arisen, of which no member of the team wants to take responsibility can also become a cause of conflict in the organization.

Group dynamic and Team development

Concept of a Group

- A group refers to the association of two or more persons interacting among themselves for the achievement of common goals.
- According to Edgar H. Schien - "A Group may be defined as a social phenomenon in which two or more persons decide to interact with one another, share common ideology and perceive themselves as a group."
- A collection of individuals is called a group when:- They have a common goal.
- The members of the group constantly interact with each other.
- The action of one person affects another person or vice versa in a group.
- Each member of group identifies with other member of the group.
- Behaviour of the Members of a group is interdependent on each other.

FACTORS OF GROUP FORMATION

- Psychological Factors
- Social factors
- Security factors
- Economic factors
- Cultural factors 1
- Power factor

- Status and Recognition factors

There are different types of formal groups in an organisation

- Command Groups
- The Committees

The Committees:

it is the collection of people who are brought together by the organisation to accomplish a specific goal. Once the goal is achieved, the organisation disbands the committee. For example, in educational organisation we have seen admission committees, annual day committees, science fair committees etc

Command Groups

It is the collection of individuals who report to one manager. In school settings, it could be students in one class and their manager will be class teacher or group of all the science teachers reporting to the head of the department etc.

Informal Work Groups

- In an organisation, along with formal groups, informal groups do exist. Informal groups are not specifically formed by organisations but they occur naturally. It is just like the shadow of the formal organisation. It is difficult for the organisation to fulfill all the needs of the individuals, so

different informal groups arise to meet their needs on the basis of similarity in interest, customs, ideology etc..

• Types of Informal Groups

- Friendship Group
- Interest Group
- Cliques

• **Friendship Group :-** It is a group of individuals in an organisation who enjoy each other's company and love to socialise with each other on the job or off the job. For example, a group of teachers go for shopping, watch movies etc. Friendship groups help its members to meet the needs of social interaction and support. Interest Group :- Individuals may form interest groups when they have a common interest or goal to achieve in an organisation. For example, a group of teachers going for painting class.

Cliques: These groups consist of colleagues who normally observe certain norms and standards. They are closely intimate to each other. The object of this type of group is to provide recognition to each and exchange information of mutual interest. Example: A group of college principals sharing information on e-governance in college context with each others.