UNIT-I

Meaning of Workplace Dynamics

Workplace Dynamics refers to the way people **interact, communicate, cooperate, and behave** with one another in an organization. It explains how employees, managers, teams, and departments influence each other while performing their work.

Workplace dynamics includes employee relationships, communication, teamwork, leadership, motivation, conflict, organizational culture, diversity, and employee engagement. These factors influence the overall working environment of an organization.

In a workplace, employees have different personalities, attitudes, skills, experiences, and opinions. Therefore, the way they interact with each other can have either a **positive or negative effect** on organizational performance.

Example

Suppose employees in a company openly share information, help one another, respect different opinions, and work together to complete a project. This represents **positive workplace dynamics**.

On the other hand, poor communication, lack of cooperation, frequent arguments, office politics, and lack of trust represent **negative workplace dynamics**.

Definition of Workplace Dynamics

Workplace dynamics can be defined as:

"The patterns of interaction, relationships, communication, and behaviour among individuals and groups within a workplace."

It explains how people interact with each other and how their behaviour affects the workplace environment.

Workplace dynamics is not limited to individual behaviour. It also includes **group behaviour and organizational relationships**. For example, the relationship between a manager and employees, cooperation between departments, and interaction among team members are all part of workplace dynamics.

Scope of Workplace Dynamics

The scope of workplace dynamics is broad because it covers different aspects of employee behaviour and organizational relationships.

1. Employee Relationships

Employee relationships refer to the interaction between employees, managers, supervisors, and subordinates.

Employees spend a significant amount of time working with others. Healthy professional relationships create **trust, cooperation, respect, and mutual understanding**. Poor relationships may result in misunderstandings, stress, conflicts, and reduced performance.

Example:

When a manager listens to employees' problems and provides proper support, it helps develop a positive relationship between the manager and employees.

2. Communication

Communication is an important part of workplace dynamics. It involves the exchange of information, ideas, instructions, opinions, and feedback among employees.

Effective communication helps employees understand their responsibilities and reduces misunderstandings. Both **formal and informal communication** influence workplace relationships.

Example:

A manager clearly explaining the responsibilities of each team member before starting a project can improve coordination and performance.

3. Teamwork and Collaboration

Teamwork means employees working together to achieve a common objective. Collaboration involves sharing knowledge, skills, ideas, and responsibilities.

Effective teamwork improves productivity because employees can use their different skills and experiences to solve problems.

Example:

In a marketing project, one employee may prepare the research, another may design promotional material, and another may handle customer communication. Working together helps the team complete the project successfully.

4. Leadership

Leadership is the ability to guide, influence, and motivate employees towards achieving organizational goals.

Different leadership styles can create different workplace dynamics. A supportive leader can create trust and motivation, whereas an overly controlling leader may create stress and dissatisfaction.

Example:

A manager who encourages employees to share their opinions and recognizes their achievements can create a positive work environment.

5. Motivation

Motivation refers to the factors that encourage employees to work effectively and achieve their goals.

Employees may be motivated by **salary, incentives, promotion, recognition, job security, career development, and appreciation**. A motivated employee is generally more willing to contribute to organizational success.

Example:

An employee who receives appreciation for good performance may feel encouraged to improve further

6. Conflict Management

Conflict occurs when employees or groups have different opinions, interests, goals, or expectations.

Workplace dynamics includes understanding the causes of conflict and finding appropriate ways to resolve it. Effective conflict management prevents small disagreements from becoming serious workplace problems.

Example:

If two employees disagree about how to complete a project, the manager can discuss both viewpoints and help them reach a mutually acceptable solution.

7. Organizational Culture

Organizational culture refers to the **shared values, beliefs, attitudes, rules, and practices** followed by members of an organization.

A positive culture encourages respect, teamwork, ethical behaviour, learning, and innovation. Organizational culture strongly influences employee behaviour.

Example:

An organization that encourages employees to share new ideas and learn from mistakes creates a culture of innovation.

8. Diversity and Inclusion

Modern workplaces consist of people with different backgrounds, experiences, skills, ages, and perspectives. Diversity means having differences among employees, while inclusion means creating an environment where everyone feels **respected, valued, and accepted**.

Effective workplace dynamics ensures that differences do not become barriers to teamwork.

Example:

When employees are given equal opportunities to participate in meetings and decision-making, it promotes inclusion.

9. Employee Engagement

Employee engagement refers to the level of **interest, involvement, commitment, and enthusiasm** employees have towards their work and organization.

Engaged employees are more likely to take responsibility, contribute ideas, and work towards organizational goals.

Example:

When employees actively participate in organizational activities and willingly suggest ways to improve their work, it indicates high employee engagement.

10. Workplace Change

Organizations continuously experience changes due to **technology, competition, customer expectations, globalization, and changes in business practices**.

Workplace dynamics examines how employees respond to and adapt to these changes. Employees who are flexible and willing to learn can adjust more easily to new situations.

Example:

When a company introduces new software, employees may need training to learn and use the new system effectively.

Importance of Workplace Dynamics

Positive workplace dynamics is essential for creating a healthy and productive organization.

1. Improves Communication

Good workplace dynamics promotes **open, clear, and effective communication** among employees and management.

When employees can communicate freely, they can share information, ask questions, explain problems, and provide feedback. This reduces misunderstandings and improves coordination.

Example:

If an employee immediately informs the team about a delay in completing a task, the team can make alternative arrangements.

2. Increases Teamwork

Positive workplace relationships encourage employees to **cooperate and support one another**.

When team members trust and respect each other, they can share responsibilities and work towards common objectives. Good teamwork also helps organizations complete tasks more efficiently.

Example:

Employees from the finance, marketing, and production departments working together to launch a new product demonstrate effective teamwork.

3. Improves Employee Productivity

A positive work environment can improve employee productivity.

When employees receive proper support, communicate effectively, and understand their responsibilities, they can concentrate better on their work. Reduced workplace conflicts also allow employees to spend more time on productive activities.

Example:

An employee who has clear instructions, proper resources, and supportive colleagues can complete assigned work more effectively.

4. Reduces Workplace Conflicts

Workplace dynamics helps organizations understand and manage conflicts.

Good communication, active listening, mutual respect, and effective problem-solving can prevent unnecessary disagreements. When conflicts are managed properly, relationships among employees can improve.

Example:

A manager who listens to both employees involved in a disagreement can identify the problem and help them find a solution.

5. Increases Employee Motivation

Positive workplace dynamics can increase employee motivation.

Employees feel motivated when their efforts are **recognized, appreciated, and rewarded**. Supportive managers and friendly colleagues also create a sense of belonging.

Example:

An organization that recognizes employees through awards or appreciation programs can encourage better performance.

6. Builds a Positive Work Environment

Healthy workplace dynamics creates a workplace based on **trust, respect, cooperation, and fairness**.

Employees are more comfortable working in an environment where they are treated fairly and their opinions are respected. A positive environment can also reduce unnecessary stress and improve cooperation.

Example:

Regular team meetings, employee appreciation, and open communication can contribute to a positive work environment.

7. Improves Employee Satisfaction

Employee satisfaction refers to the level of contentment employees experience with their job and workplace.

Good relationships with colleagues and managers, fair treatment, opportunities for development, and recognition can improve job satisfaction.

Example:

An employee who receives support from the manager and has opportunities to learn new skills may feel more satisfied with the organization.

8. Supports Effective Leadership

Workplace dynamics helps leaders understand the **needs, expectations, attitudes, and behaviour of employees**.

Effective leaders use this understanding to motivate employees, manage conflicts, communicate effectively, and build strong teams.

Example:

A manager who understands that different employees require different types of support can adopt an appropriate leadership approach.

9. Encourages Innovation

A positive workplace encourages employees to **share new ideas, experiment, and suggest improvements**.

When employees are not afraid of criticism or failure, they are more likely to think creatively. Team collaboration can also generate new ideas and solutions.

Example:

A company that encourages employees to suggest new product ideas may develop innovative products based on employee suggestions.

10. Helps Achieve Organizational Goals

The ultimate importance of workplace dynamics is that it helps employees and organizations achieve their objectives.

When communication, teamwork, leadership, motivation, and relationships are effective, employees can work together towards organizational goals.

Example:

If employees from different departments coordinate effectively during a product launch, the organization can achieve its sales and marketing objectives more successfully.

Nature of Modern Workplaces

Technology-Driven Work Environment

Technology plays a major role in modern workplaces. Organizations use computers, the internet, cloud computing, artificial intelligence (AI), automation, and digital communication tools to perform work efficiently.

Employees are expected to use technology for communication, decision-making, data analysis, and completing tasks.

Example: Companies use tools such as email, video conferencing, cloud storage, and AI-based software to improve productivity.

2. Remote and Hybrid Work

Modern workplaces are no longer limited to a physical office. Employees may work from:

- Office
- Home
- Co-working spaces
- Other locations using digital technology

Remote work means working completely outside the traditional office, whereas **hybrid work** combines office work and remote work.

Example: An employee may work three days from the office and two days from home.

3. Flexible Working Hours

Traditional workplaces generally followed fixed working hours. Modern organizations increasingly provide flexibility in working schedules.

Employees may be allowed to choose their working hours based on organizational requirements.

Importance:

- Improves work-life balance
- Reduces employee stress
- Increases job satisfaction
- Improves productivity

4. Diverse Workforce

Modern workplaces consist of employees from different:

- Age groups
- Genders
- Educational backgrounds
- Cultures
- Regions
- Languages

Organizations are therefore expected to promote **diversity, equality, and inclusion**.

A diverse workforce brings different ideas, experiences, and perspectives, which can improve creativity and decision-making.

5. Teamwork and Collaboration

Modern organizations emphasize teamwork rather than individual work alone. Employees from different departments often work together to achieve common organizational goals.

Digital collaboration tools make it possible for employees to work together even when they are located in different places.

Example: Employees from marketing, finance, human resources, and technology departments may work together on a new project.

6. Knowledge-Based Work

In modern workplaces, knowledge and skills have become important organizational resources. Employees are expected not only to perform routine tasks but also to:

- Solve problems
- Generate new ideas
- Make decisions
- Use information effectively
- Develop innovative solutions

Therefore, organizations focus on developing the knowledge and skills of employees.

7. Continuous Learning and Skill Development

Technological and business changes require employees to continuously update their knowledge and skills.

Modern workplaces encourage:

- Training programmes
- Workshops
- Online courses
- Skill development programmes
- Professional development

Employees must continuously learn new skills to remain effective and competitive.

8. Employee Empowerment

Modern organizations give employees greater responsibility and involvement in decision-making.

Employee empowerment means providing employees with the **authority, confidence, resources, and freedom** to make decisions related to their work.

Benefits:

- Improves employee confidence
- Encourages innovation
- Increases job satisfaction

- Improves organizational performance

9. Focus on Work-Life Balance

Modern workplaces recognize that employees need a balance between their professional and personal lives.

Organizations may provide facilities such as:

- Flexible working hours
- Leave facilities
- Work-from-home options
- Employee wellness programmes
- Recreational activities

A good work-life balance helps employees maintain better physical and mental well-being and improves their productivity.

10. Use of Artificial Intelligence and Automation

Artificial Intelligence (AI) and automation are increasingly changing the nature of work.

Routine and repetitive tasks can be performed using automated systems, allowing employees to focus on more important activities such as:

- Problem-solving
- Creativity
- Decision-making
- Innovation

Example: AI chatbots can answer routine customer questions, while employees handle complex customer problems.

Nature of Modern Workplaces

Introduction

A modern workplace is a work environment that has changed significantly due to technology, globalization, changing employee expectations, diversity, flexible work arrangements, and new methods of management. Unlike traditional workplaces, modern workplaces focus not only on productivity and profit but also on employee well-being, innovation, collaboration, flexibility, and work–life balance.

The nature of modern workplaces can be understood through the following characteristics.

1. Technology-Oriented Workplace

Technology is an important part of modern workplaces. Organizations use **computers, smartphones, cloud computing, artificial intelligence (AI), automation, digital communication tools, and data analytics** to perform work efficiently.

Example: Employees can use Microsoft Teams or Google Meet to conduct meetings with colleagues in different locations.

2. Flexible Work Arrangements

Modern organizations increasingly provide flexibility in **where and when employees work**. Employees may work from the office, from home, or through a combination of both.

Common forms include:

- Work from Home (WFH)
- Hybrid Work
- Flexible working hours
- Remote work

Example: An employee may work from the office three days a week and from home for two days.

3. Global Nature of Work

Modern organizations operate across different **countries, cultures, and time zones**. Employees may communicate and work with customers and colleagues from different parts of the world.

Example: An Indian IT employee may work on a project for a company located in the United States.

4. Diverse Workforce

Modern workplaces consist of employees from different **ages, genders, educational backgrounds, cultures, regions, skills, and experiences**.

Workforce diversity can provide different ideas and perspectives and can support creativity and problem-solving.

Example: A team may include employees from different states and cultural backgrounds working together on the same project.

5. Team-Based Work

Modern organizations increasingly depend on **teams rather than individual employees working independently**. Employees from different departments may work together to achieve common objectives.

Example: A new product launch may involve employees from marketing, finance, production, human resources, and sales.

6. Emphasis on Employee Well-Being

Modern workplaces give greater importance to employees' **physical, emotional, and social well-being**. Organizations may provide wellness programmes, supportive working environments, leave facilities, counselling, and flexible working arrangements.

The objective is to create a workplace where employees can perform effectively while maintaining a healthy work life.

7. Continuous Learning and Skill Development

Rapid technological and business changes require employees to continuously update their knowledge and skills.

Organizations provide:

- Training programmes
- Workshops
- Online learning
- Skill-development programmes
- Leadership development

Example: Employees may receive training in AI tools, digital marketing, data analytics, or new software.

8. Innovation and Creativity

Modern workplaces encourage employees to **generate new ideas, experiment with new methods, and solve problems creatively**. Organizations understand that innovation is important for maintaining competitiveness.

Example: A company may conduct brainstorming sessions to develop new products or improve existing services.

9. Open Communication and Collaboration

Modern workplaces encourage **two-way communication** between employees and managers. Digital platforms such as email, video conferencing, instant messaging, and collaboration software make communication faster.

Employees are also encouraged to share their ideas, opinions, and feedback.

10. Performance-Based Work Culture

Modern organizations focus more on **results and performance** rather than merely the number of hours employees spend at the workplace.

Performance may be evaluated using:

- Key Performance Indicators (KPIs)
- Targets

- Quality of work
- Customer satisfaction
- Project completion
- Team contribution

Example: A sales employee may be evaluated based on sales targets and customer relationships.

11. Employee Empowerment

Modern workplaces encourage employees to take **responsibility and participate in decision-making**. Managers may delegate authority and encourage employees to solve problems independently.

Example: A team leader may allow employees to decide how to complete a project within the given deadline.

12. Work–Life Balance

Modern employees expect opportunities to balance their **professional and personal responsibilities**. Organizations may support work–life balance through flexible schedules, leave policies, hybrid work, and reasonable workloads.

A healthy work–life balance can contribute to employee satisfaction and organizational effectiveness.

Workplace Expectations and Professionalism

Introduction

Every organization expects employees to behave in a professional, responsible, ethical, and respectful manner. Workplace expectations are the standards of behaviour, performance, communication, and conduct that employees are expected to follow. Professionalism refers to the attitude, behaviour, appearance, skills, and work ethics that an employee demonstrates in the workplace.

In simple words:

Workplace expectations tell employees what the organization expects from them, while professionalism explains how employees should behave and perform at work.

Meaning of Workplace Expectations

Workplace expectations are the standards and requirements that an organization expects employees to follow while performing their duties.

These expectations may relate to:

- Work performance
- Attendance and punctuality
- Communication
- Teamwork

- Behaviour
- Responsibility
- Ethics
- Respect for others
- Following organizational rules

Example

An organization may expect employees to come to work on time, complete assignments within deadlines, communicate respectfully, and follow company policies.

Meaning of Professionalism

Professionalism is the way an employee demonstrates appropriate behaviour, attitude, responsibility, competence, communication, and ethical conduct in the workplace.

A professional employee:

- Performs duties responsibly
- Communicates respectfully
- Maintains discipline
- Meets deadlines
- Respects colleagues
- Accepts feedback
- Maintains ethical standards

Example

If an employee makes a mistake, a professional employee accepts responsibility, informs the manager, and takes corrective action instead of blaming others.

Major Workplace Expectations and Professional Practices

1. Punctuality and Regular Attendance

Employees are expected to **arrive at work on time and attend regularly** according to organizational policies.

Punctuality demonstrates:

- Discipline
- Responsibility
- Respect for colleagues
- Commitment to work

Example: An employee arrives at 9:00 a.m. when the official working time begins at 9:00 a.m.

2. Responsibility and Accountability

Employees should take responsibility for their assigned duties and be **accountable for their results**.

A responsible employee:

- Completes assigned work
- Accepts responsibility for mistakes
- Meets deadlines
- Reports problems promptly
- Takes corrective action

Example: If an employee cannot complete a task on time, the employee informs the supervisor in advance.

3. Effective Communication

Professional employees communicate information **clearly, respectfully, and appropriately**.

Effective workplace communication includes:

- Clear speaking
- Professional emails
- Active listening
- Appropriate body language
- Giving and receiving feedback

Example: An employee uses a polite and clear email when communicating with a manager.

4. Respectful Behaviour

Employees should treat colleagues, managers, customers, and other stakeholders with **respect, courtesy, and dignity**.

Professional behaviour includes:

- Listening to others
- Avoiding insulting language
- Respecting different opinions
- Maintaining appropriate workplace behaviour
- Treating people fairly

Example: During a disagreement, an employee listens to the other person's viewpoint rather than using disrespectful language.

5. Teamwork and Cooperation

Modern workplaces require employees to work effectively with others.

Professional employees:

- Share information
- Support team members
- Cooperate with colleagues
- Respect different ideas
- Contribute to team goals

Example: Employees from HR and Finance work together to organize an employee training programme.

6. Proper Workplace Appearance

Professionalism includes maintaining an **appropriate and neat appearance** according to the organization's workplace requirements.

This may include:

- Clean and neat clothing
- Proper grooming
- Appropriate identification badge, where required
- Maintaining personal hygiene

The specific dress expectations may differ according to the organization and nature of the job.

7. Positive Attitude

A professional employee demonstrates a **constructive and responsible attitude** toward work.

A positive attitude includes:

- Willingness to learn
- Readiness to accept challenges
- Cooperation with colleagues
- Being solution-oriented
- Remaining respectful during difficult situations

Example: Instead of only complaining about a problem, an employee suggests possible solutions.

8. Following Rules and Organizational Policies

Employees are expected to follow organizational **rules, procedures, policies, and safety requirements**.

These may include:

- Attendance policies
- Leave procedures
- Data security rules
- Workplace safety rules
- Confidentiality requirements
- Information technology policies

Example: An employee does not share confidential company information with unauthorized persons.

9. Ethical Behaviour and Integrity

Professionalism requires employees to act with **honesty, integrity, fairness, and responsibility**.

Employees should avoid:

- Dishonesty
- Misuse of organizational resources
- Conflict of interest
- Misrepresentation of information
- Unauthorized disclosure of confidential information

Example: An employee reports accurate sales figures instead of changing them to achieve a target.

10. Continuous Learning and Adaptability

Modern workplaces change continuously because of **technology, competition, customer expectations, and new business practices**.

Employees are therefore expected to:

- Learn new skills
- Accept constructive feedback
- Adapt to changes
- Attend training programmes
- Improve their knowledge

Example: An employee learns new software introduced by the organization instead of refusing to use it.

Current Workplace Challenges

Introduction

Modern workplaces are changing rapidly due to technology, globalization, changing employee expectations, competition, and new working methods. These changes create several challenges for employees and organizations. Managing these challenges is important for maintaining employee performance, satisfaction, productivity, and organizational effectiveness.

1. Technological Changes and Digital Transformation

Rapid developments in **Artificial Intelligence, automation, cloud computing, and digital tools** are changing the way work is performed.
Employees need to continuously develop new technical skills to use modern technologies effectively. Organizations need to provide training and support when new technologies are introduced. Failure to adapt to technological changes may affect productivity and competitiveness.

Example: Employees may need training when an organization introduces AI-based software.

2. Remote and Hybrid Work

Remote and hybrid work allow employees to work from home or combine office and remote working. These arrangements provide flexibility but may create challenges in communication and team coordination.
Managers may also find it difficult to maintain collaboration and monitor project progress. Organizations need clear communication systems and work policies to manage remote and hybrid teams effectively.

Example: Employees working from different locations may use video meetings and collaboration platforms.

3. Work–Life Balance

Employees need to manage their professional responsibilities along with personal and family responsibilities.
Long working hours, heavy workloads, and continuous work-related communication can make this difficult.
Poor work–life balance may affect employee satisfaction, productivity, and overall well-being. Organizations can support balance through reasonable workloads, flexible working arrangements, and appropriate leave policies.

Example: Flexible working hours can help employees manage both work and personal responsibilities.

4. Employee Stress and Well-Being

Work pressure, deadlines, workload, job uncertainty, and workplace conflicts can create stress among employees.

Continuous stress may affect concentration, motivation, productivity, and workplace relationships. Organizations need to create a supportive environment that promotes employee well-being. Counselling, wellness programmes, reasonable workloads, and supportive management can help address this challenge.

Example: An organization may provide employee counselling and wellness programmes.

5. Workforce Diversity and Inclusion

Modern workplaces consist of employees from different **cultures, age groups, genders, regions, abilities, and educational backgrounds**.
Diversity can bring different ideas and perspectives to the organization.
However, differences may sometimes create communication problems, bias, stereotypes, or misunderstandings.
Organizations should promote equal opportunities, respectful behaviour, and an inclusive workplace culture.

Example: Employees from different cultural backgrounds work together on a common project.

6. Skill Gaps and Continuous Learning

Changes in technology and business practices create demand for new knowledge and skills.
Employees may sometimes lack the skills required for newly created or changing job roles.
Organizations need to provide regular training, reskilling, and upskilling opportunities.
Continuous learning helps employees adapt to changing workplace requirements.

Example: Employees may receive training in data analytics, AI tools, or new business software.

7. Communication and Collaboration Problems

Effective communication is essential for successful teamwork and coordination.
Remote work, different time zones, cultural differences, and excessive digital communication can create misunderstandings.
Unclear instructions or poor listening can also result in errors and delays.
Organizations should encourage clear communication, active listening, feedback, and effective collaboration.

Example: A team may use regular online meetings to discuss project progress and responsibilities.

8. Employee Retention and Talent Management

Organizations need skilled employees to maintain productivity and achieve their objectives.
Employees may expect opportunities for career growth, learning, recognition, fair compensation, and a supportive work environment.
Difficulty in retaining skilled employees can increase recruitment and training costs.
Organizations can improve retention through career development, recognition, employee engagement, and supportive workplace practices.

Example: Providing promotion and training opportunities may encourage employees to remain with the organization.

9. Cybersecurity and Data Privacy

The increased use of digital systems creates challenges related to **data security and privacy**. Organizations need to protect employee information, customer information, financial data, and confidential business information.
Cyber threats such as phishing, unauthorized access, and data theft can cause financial and operational problems.
Employees should receive cybersecurity awareness training and follow organizational data-security policies.

Example: Employees should avoid opening suspicious email links or sharing passwords.

10. Ethical Issues and Changing Workplace Expectations

Modern workplaces face ethical issues involving **privacy, artificial intelligence, confidential information, discrimination, harassment, and conflicts of interest**.
Employees are expected to make responsible decisions and follow organizational ethical standards. Organizations need clear policies, appropriate training, and fair procedures to address ethical concerns. Maintaining ethical behaviour helps build trust among employees, customers, and other stakeholders.

Example: Employees should not share confidential company information through unauthorized AI or digital platforms.

Measures to Address Current Workplace Challenges

Organizations can address these challenges by:

1. Providing regular training and skill-development programmes.
2. Establishing clear communication and collaboration systems.
3. Supporting appropriate work–life balance practices.
4. Promoting employee health and well-being.
5. Creating a diverse and inclusive workplace.
6. Strengthening cybersecurity and data protection.
7. Providing career development and learning opportunities.
8. Developing clear ethical and workplace policies.
9. Encouraging teamwork and employee participation.
10. Regularly reviewing workplace practices according to changing business needs.

Organizational Structure and Roles

1. Meaning of Organizational Structure

Organizational structure is the formal arrangement of **jobs, departments, authority, responsibility, and reporting relationships** in an organization.

It explains:

- Who performs the work
- Who reports to whom
- Who has authority
- How departments are formed
- How different employees coordinate their activities

Example: In a company, Finance, Marketing, HR, Production, and IT may function as separate departments under top management.

2. Meaning of Organizational Roles

An **organizational role** refers to the duties, responsibilities, authority, and expectations associated with a particular position in an organization.

Example: An HR Manager's role includes recruitment, training, performance appraisal, employee welfare, and maintaining employee records.

Simple Difference

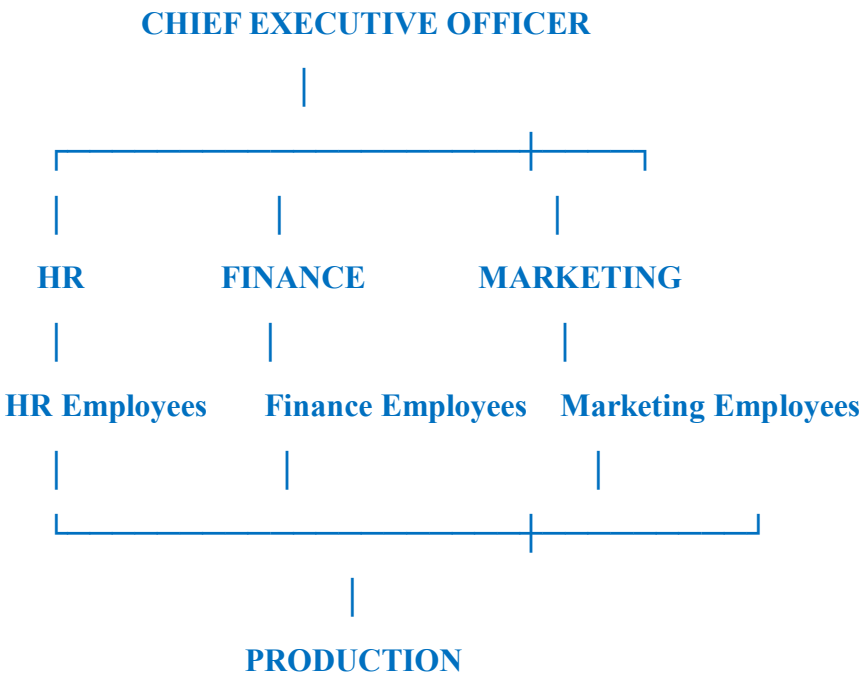
Structure = How the organization is arranged

Role = What each person is expected to do

Major Types of Organizational Structures

1. Functional Organizational Structure

In a **functional structure**, employees are grouped according to their specialized functions or activities.



Production Employees

Explanation

In this structure, employees performing similar activities are grouped into the same department. Each department is managed by a specialist manager. It promotes specialization and makes responsibilities clear. It is commonly used by organizations where activities can be clearly divided into functions.

Example

A manufacturing company may have separate HR, Finance, Marketing, Production, and IT departments.

Advantages

- Promotes specialization
- Clear responsibilities
- Efficient use of expertise
- Easier supervision

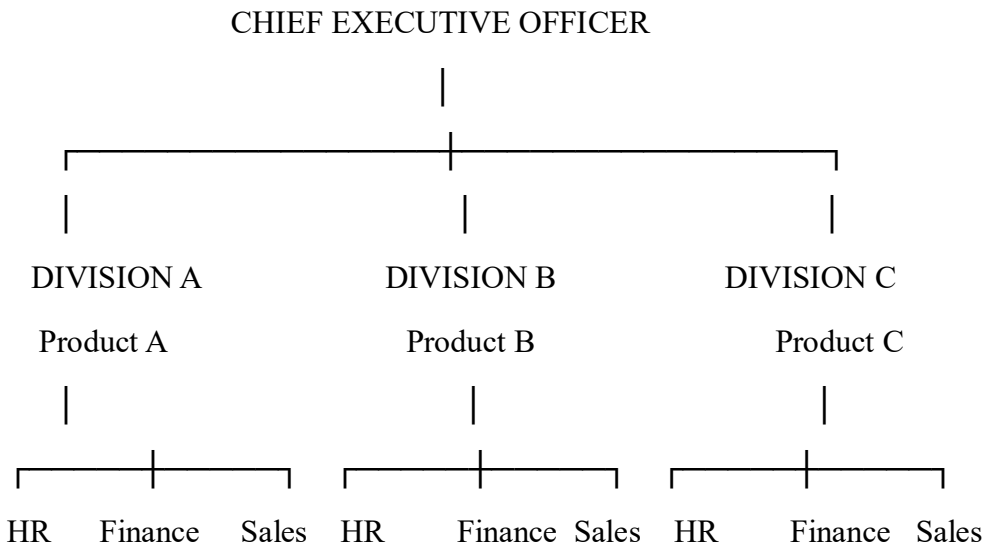
Limitation

Coordination between different departments may sometimes be difficult.

2. Divisional Organizational Structure

In a divisional structure, the organization is divided according to products, geographical areas, customers, or markets.

Chart – Product-Based Divisional Structure



Explanation

Each division operates as a relatively separate unit and focuses on a particular product, market, or geographical area. Each division may have its own HR, Finance, Marketing, and other functions. This structure helps managers focus on the specific requirements of their division.

Example

A company may have separate divisions for:

- Consumer Products
- Industrial Products
- Healthcare Products

Advantages

- Product or market focus
- Faster decisions within divisions
- Clear responsibility for divisional performance
- Better response to specific customer needs

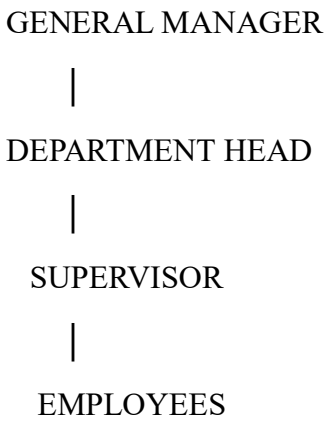
Limitation

Some activities may be duplicated across different divisions.

3. Line Organizational Structure

A **line structure** is one of the simplest organizational structures. Authority flows directly from the top level to lower levels.

Chart



Explanation

There is a direct chain of authority between managers and employees. Each employee generally receives instructions from one immediate superior. This makes authority and responsibility easy to understand.

Example

A small manufacturing unit may use a direct line structure.

Advantages

- Simple structure
- Clear authority
- Quick decisions
- Easy supervision

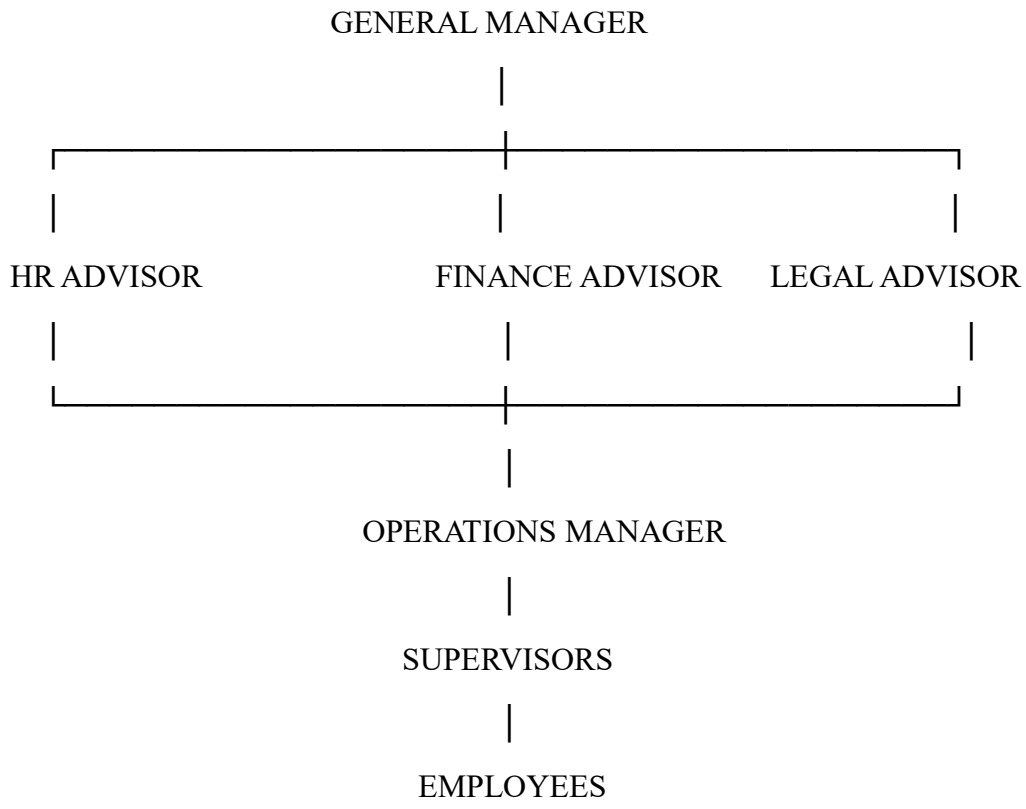
Limitation

Managers may have too many responsibilities because specialized staff support may be limited.

4. Line and Staff Organizational Structure

A **line and staff structure** combines direct line authority with specialist staff who provide expert advice.

Chart



Explanation

Line managers have direct authority over employees, while staff specialists provide advice and technical expertise. Staff departments support line managers in making better decisions.

Example

An Operations Manager may receive advice from HR, Finance, Legal, and IT specialists.

Advantages

- Expert advice is available
- Better decision-making
- Clear line authority
- Specialized knowledge

Limitation

Conflict may sometimes arise between line managers and staff specialists.

Organizational Roles at Different Levels

1. Top-Level Management

Examples: CEO, Managing Director, President

Main Roles

- Establish organizational objectives
- Develop strategies
- Make major decisions
- Allocate resources
- Provide overall direction

2. Middle-Level Management

Examples: Department Manager, Branch Manager, Divisional Manager

Main Roles

- Implement organizational strategies
- Coordinate departments
- Manage resources
- Supervise lower-level managers
- Monitor departmental performance

3. First-Line Management

Examples: Supervisor, Team Leader, Foreman

Main Roles

- Assign daily work
- Supervise employees

- Monitor performance
- Solve operational problems
- Report progress to higher management

4. Operational Employees

Main Roles

- Perform assigned tasks
- Follow organizational procedures
- Maintain quality
- Meet work targets
- Cooperate with team members

Unit 2 Communication and Interpersonal Skills

Forms of Communication – Verbal, Non-Verbal, Written - Business Communication Etiquette - Listening and Feedback Skills - Interpersonal Relationships at Workplace - Barriers to Effective Communication.

Forms of Communication

1. Introduction

Communication is the process of exchanging information, ideas, thoughts, opinions, feelings, and instructions between two or more people. It is an essential part of every organization because employees need to communicate with managers, colleagues, customers, suppliers, and other stakeholders.

Effective communication helps an organization achieve coordination, cooperation, better decision-making, productivity, and good workplace relationships.

Communication can take different forms depending on the method, medium, direction, and number of people involved. The major forms discussed here are Verbal, Non-Verbal, and Written Communication.

Verbal Communication

Meaning

Verbal communication is the exchange of information through spoken words. It is one of the most common forms of communication in the workplace.

It allows people to communicate information quickly and receive an immediate response.

Examples

- Face-to-face conversation
- Meetings
- Telephone calls
- Interviews
- Presentations
- Group discussions
- Seminars
- Video conferences

Types of Verbal Communication

A. Face-to-Face Communication

Communication takes place directly between two or more people.

Example: A manager discusses an employee's performance directly with the employee.

B. Telephone Communication

Information is exchanged through a telephone or mobile phone.

Example: A sales executive calls a customer to discuss an order.

C. Meetings

A group of people communicate to discuss issues, make decisions, and solve problems.

Example: Department staff conduct a meeting to discuss monthly targets.

D. Presentation

A person communicates information or ideas to an audience in a structured manner.

Example: An employee presents a new marketing plan to management.

E. Video Conferencing

People communicate through online platforms using audio and video.

Example: Employees in different cities participate in an online meeting.

Advantages of Verbal Communication

1. **Fast:** Information can be exchanged quickly.
2. **Immediate feedback:** The receiver can respond immediately.
3. **Personal:** Face-to-face communication can build relationships.
4. **Flexible:** The speaker can change the explanation according to the listener.
5. **Useful for discussion:** Questions and clarification are possible immediately.

Limitations of Verbal Communication

1. Information may be **forgotten**.
2. There may be **misunderstanding**.
3. It may not provide a permanent record.
4. Poor speaking skills can reduce effectiveness.
5. Noise and interruptions can affect communication.

Non-Verbal Communication

Meaning

Non-verbal communication is the exchange of messages **without using spoken or written words**. It includes body movements, facial expressions, gestures, posture, eye contact, appearance, and other physical signals.

Non-verbal communication often supports or modifies verbal communication.

Example

If a manager says **"Good work"** with a smile and a positive facial expression, the non-verbal behaviour supports the spoken message.

Types of Non-Verbal Communication

1. Facial Expressions

The face communicates emotions such as:

- Happiness

- Anger
- Surprise
- Sadness
- Interest
- Confusion

Example: A smile can indicate friendliness or satisfaction.

2. Eye Contact

Eye contact can show **attention, confidence, interest, and engagement**.

Example: Maintaining appropriate eye contact while listening shows attention.

3. Gestures

Gestures are movements of the hands, arms, head, or body that communicate meaning.

Example: Nodding the head may indicate agreement.

4. Posture

Posture refers to the way a person **sits, stands, or positions the body**.

An attentive posture can show interest, while constantly looking away may indicate distraction.

5. Body Movements

Body movements can communicate feelings and attitudes.

Example: Moving closer to a speaker appropriately can indicate involvement in a conversation.

6. Appearance

Dress, grooming, and general appearance can communicate information about a person's professionalism and suitability for a particular workplace situation.

Example: Formal business attire may be appropriate for a formal interview.

7. Paralanguage

Paralanguage refers to vocal features other than the actual words, such as:

- Tone
- Pitch
- Volume
- Speed
- Pauses

The same words can communicate different meanings depending on the tone used.

Example: Saying “That is fine” in a calm tone can express agreement, while an angry tone may communicate dissatisfaction.

8. Space

The physical distance maintained between people during communication can convey different meanings.

Example: Appropriate personal space is generally maintained during professional conversations.

Advantages of Non-Verbal Communication

- Communicates emotions effectively
- Supports verbal messages
- Provides visual information
- Helps understand attitudes
- Useful when words are not sufficient

Limitations

- Meaning can differ across cultures
- Can be misunderstood
- Difficult to interpret accurately without context
- Some expressions may be unintentional
- It may not provide detailed information

Written Communication

Meaning

Written communication is the exchange of information through **written words and symbols**. It provides a permanent record of communication and is widely used in organizations.

Examples

- Letters
- Emails
- Notices
- Reports
- Memos
- Circulars
- Business proposals

- Minutes of meetings
- Policies and manuals
- Text messages and official digital communication

Types of Written Communication

1. Business Letters

Formal written messages exchanged with customers, suppliers, government agencies, and other organizations.

Example: A company sends a letter to a supplier regarding an order.

2. E-Mail

Electronic mail is one of the most widely used forms of workplace communication.

Example: A manager sends an email informing employees about a meeting.

3. Reports

Reports provide organized information about a particular activity, problem, project, or investigation.

Example: An annual sales performance report.

4. Notices and Circulars

These are used to communicate information to a group of employees.

Example: An HR department issues a circular about a new leave policy.

5. Memos

A memo is a short formal communication used within an organization.

Example: A manager sends a memo regarding office procedures.

6. Minutes of Meetings

Minutes provide a written record of important discussions, decisions, and actions taken during a meeting.

Advantages of Written Communication

1. **Permanent record:** Information can be stored and referred to later.
2. **Clarity:** The writer has time to organize the message.
3. **Useful for formal communication:** Suitable for policies, instructions, and official decisions.
4. **Accountability:** Written records can establish what was communicated.
5. **Wide distribution:** The same message can be sent to many people.

Limitations

1. Feedback may be slow.

2. Preparing detailed documents can take time.
3. Written messages can be misunderstood.
4. Requires reading and writing skills.
5. Excessive written communication can create information overload.

BUSINESS COMMUNICATION ETIQUETTE

1. Introduction

Business communication etiquette refers to the **rules and standards of polite, professional, and respectful communication** followed in a workplace. It helps employees communicate clearly and maintain good relationships with colleagues, customers, managers, and other stakeholders. Proper communication etiquette creates a positive professional image and reduces misunderstandings.

2. Meaning of Business Communication Etiquette

Business communication etiquette means using appropriate language, behaviour, tone, manners, and communication methods while interacting in a professional environment.

It applies to:

- Face-to-face communication
- Telephone conversations
- E-mails
- Meetings
- Presentations
- Online meetings
- Business letters
- Text messages and workplace chats

Example: An employee should use polite language such as "Could you please send the report?" instead of "Send the report immediately."

Major Rules of Business Communication Etiquette

1. Use Polite and Respectful Language

Employees should communicate with courtesy and respect, even when they disagree with others. Words such as **please, thank you, sorry, and excuse me** can make communication more professional.

Example:
"Could you please share the sales report?" is more appropriate than "Give me the report."

2. Listen Carefully

Effective communication is not only about speaking; it also requires careful listening. Employees should pay attention to the speaker and avoid interrupting unnecessarily.

Example: During a meeting, an employee should listen completely before responding to a colleague's suggestion.

3. Use Appropriate Tone

The tone of communication should be professional, calm, and friendly. The same words can create different meanings depending on the tone used.

Example: A manager should give corrective feedback calmly instead of using an angry or insulting tone.

4. Be Clear and Concise

Business communication should be simple, direct, and easy to understand. Employees should avoid unnecessary words, confusing sentences, and irrelevant information.

Example: Instead of writing a long message, an employee can clearly state the task, deadline, and required action.

5. Choose the Correct Communication Channel

The communication method should be selected according to the nature and urgency of the message.

6. Follow E-mail Etiquette

Professional e-mails should have a clear subject line, appropriate greeting, concise message, and proper closing. Employees should check grammar and spelling before sending.

Example:
Subject: **Submission of Monthly Sales Report**

"Dear Sir/Madam,
Please find attached the monthly sales report for September. Kindly review the same."

7. Maintain Proper Body Language

Non-verbal behaviour is an important part of professional communication. Employees should maintain appropriate eye contact, posture, facial expressions, and gestures.

Example: Looking at the speaker and maintaining a professional posture shows attention and respect.

8. Avoid Interrupting Others

Interrupting while someone is speaking may appear disrespectful and can disturb the flow of communication. Employees should wait for the speaker to finish before responding.

Example: In a meeting, an employee should note down a point and speak when given an opportunity.

9. Respect Time

Employees should value the time of others by being punctual for meetings and keeping communication focused. Long and unnecessary conversations should be avoided during working hours.

Example: An employee attending a 10:00 a.m. meeting should arrive on time and be prepared.

10. Maintain Confidentiality

Business communication may contain confidential information about employees, customers, finances, or company activities. Such information should not be shared with unauthorized persons.

Example: An employee should not forward confidential company documents to a personal or unauthorized e-mail account.

BARRIERS TO EFFECTIVE COMMUNICATION

Introduction

Communication is the process of exchanging information, ideas, thoughts, and feelings between two or more people. **Effective communication** occurs when the receiver understands the message in the same way that the sender intended.

However, several factors can disturb or prevent the proper flow of information. These factors are called **barriers to communication**. Identifying and removing these barriers is essential for effective workplace communication.

Meaning of Barriers to Effective Communication

Barriers to effective communication are the obstacles or difficulties that prevent a message from being communicated clearly and understood correctly by the receiver.

Simple Definition

Communication barriers are factors that cause misunderstanding, distortion, delay, or failure in the communication process.

Example

A manager gives instructions using complicated technical words, but employees do not understand them. Here, **language and technical terminology** become barriers to effective communication.

Major Barriers to Effective Communication

1. Language Barrier

Language is one of the most common barriers to communication. People may speak different languages or use different levels of vocabulary. Difficult words, technical terms, abbreviations, and unfamiliar expressions may create misunderstanding.

Example: A manager uses highly technical financial terms while explaining a task to new employees who are not familiar with those terms.

How to overcome:

- Use simple language.
- Explain technical terms.

- Avoid unnecessary jargon.
- Consider the language ability of the receiver.

2. Physical Barriers

Physical barriers are environmental conditions that disturb communication. Noise, poor lighting, long distance, uncomfortable surroundings, and interruptions can affect communication.

Example: Employees cannot hear a speaker clearly during a meeting because of construction noise outside the office.

How to overcome:

- Choose a suitable communication environment.
- Reduce background noise.
- Use proper audio-visual equipment.
- Select an appropriate place for important discussions.

3. Psychological or Emotional Barriers

Emotions and mental conditions can affect the way people send and receive messages. Stress, anger, fear, anxiety, frustration, and lack of confidence may prevent effective communication.

Example: An employee who is angry may misunderstand a manager's normal suggestion as criticism.

How to overcome:

- Stay calm.
- Control emotions.
- Encourage an open work environment.
- Discuss problems at an appropriate time.

4. Perceptual Barriers

Different people may understand the same message differently because of their experiences, beliefs, attitudes, and perceptions. Therefore, the sender's intended meaning may not always match the receiver's interpretation.

Example: A manager's suggestion for improvement may be understood by one employee as helpful advice and by another employee as criticism.

How to overcome:

- Clarify important messages.
- Ask questions.
- Avoid making assumptions.
- Encourage feedback.

5. Cultural Barriers

People from different cultures may have different values, customs, communication styles, gestures, and social practices. These differences can sometimes lead to misunderstanding.

Example: A gesture considered polite in one culture may have a different meaning in another culture.

How to overcome:

- Respect cultural differences.
- Learn about different cultures.
- Avoid stereotypes.
- Use culturally appropriate communication.

6. Organizational Barriers

Organizational structure and policies can sometimes create communication difficulties. Too many levels of management, rigid rules, unclear authority, and poor information flow can delay or distort messages.

Example: Information passes through several managers before reaching employees, resulting in delay or changes in the original message.

How to overcome:

- Reduce unnecessary communication levels.
- Define responsibilities clearly.
- Encourage direct communication where appropriate.
- Improve information-sharing systems.

7. Status Barriers

Differences in position or authority can affect communication between employees. Junior employees may hesitate to communicate openly with senior managers because of fear or respect for authority.

Example: An employee notices a problem but does not inform the manager because the employee is afraid of being criticized.

How to overcome:

- Encourage open communication.
- Create a supportive environment.
- Allow employees to share suggestions and concerns.
- Use appropriate feedback systems.

8. Technological Barriers

Modern organizations depend heavily on technology for communication. Internet problems, poor network connections, software problems, lack of technical knowledge, and incompatible systems can interrupt communication.

Example: An online meeting is interrupted because of a poor internet connection, causing participants to miss important information.

How to overcome:

- Use reliable technology.
- Provide technical training.
- Maintain communication systems.
- Keep alternative communication methods available.

9. Information Overload

Information overload occurs when a person receives more information than they can process effectively. Too many e-mails, messages, reports, notifications, and instructions can make it difficult to identify important information.

Example: An employee receives 100 e-mails in one day and misses an important deadline mentioned in one of them.

How to overcome:

- Provide only relevant information.
- Prioritize important messages.
- Use clear subject lines.
- Organize information properly.

10. Poor Listening

Communication is incomplete if the receiver does not listen carefully. Distractions, lack of interest, multitasking, assumptions, and interruptions can result in poor listening.

Example: An employee checks their mobile phone while a manager is explaining an important assignment and later performs the task incorrectly.

How to overcome:

- Practice active listening.
- Avoid distractions.
- Maintain attention.
- Ask questions for clarification

UNIT-II

NTERPERSONAL RELATIONSHIPS AT WORKPLACE

Introduction

Interpersonal relationships refer to the **relationships and interactions between two or more people**. In a workplace, employees regularly interact with managers, colleagues, subordinates, customers, and other stakeholders.

Healthy interpersonal relationships create **trust, cooperation, respect, teamwork, and a positive work environment**. Poor relationships may lead to conflicts, stress, misunderstanding, and reduced productivity.

Meaning of Interpersonal Relationships

Interpersonal relationships are the connections and interactions that develop between individuals through communication, cooperation, mutual understanding, and shared experiences.

Simple Definition

An interpersonal relationship is a connection between two or more people based on communication, interaction, trust, and mutual understanding.

Workplace Example

A manager communicates respectfully with employees, listens to their problems, provides support, and appreciates their work. This helps develop a positive interpersonal relationship.

Types of Interpersonal Relationships at Workplace

1. Manager–Employee Relationship

This is the relationship between supervisors/managers and their employees. It should be based on **trust, respect, communication, guidance, and support**.

Example: A manager regularly provides feedback and helps employees solve work-related problems.

2. Employee–Employee Relationship

Employees working at the same level need to cooperate and support one another. Good relationships among colleagues improve teamwork and workplace harmony.

Example: Two employees share information and help each other complete a project.

3. Supervisor–Subordinate Relationship

Supervisors guide employees in performing their duties. A healthy relationship helps employees understand expectations and improve their performance.

Example: A supervisor explains how to improve an employee's work instead of simply criticizing mistakes.

4. Team Relationships

Team members work together to achieve common goals. Effective team relationships require cooperation, communication, trust, and respect.

Example: Members of a project team divide responsibilities and coordinate their work to complete a project on time.

5. Customer–Employee Relationship

Employees often interact directly with customers or clients. Professional and respectful relationships help create customer satisfaction and loyalty.

Example: A customer-service employee listens patiently to a customer's complaint and provides an appropriate solution.

Importance of Interpersonal Relationships at Workplace

1. Improves Communication

Good relationships encourage employees to communicate openly and clearly. Employees become more comfortable sharing information, ideas, and concerns.

Example: Employees are more likely to ask questions when they have a good relationship with their manager.

2. Builds Trust

Trust is an important foundation of workplace relationships. When employees trust each other, they are more willing to cooperate and share information.

Example: A team member confidently shares an important project update with colleagues.

3. Improves Teamwork

Healthy relationships encourage employees to support and cooperate with one another. This helps teams work towards common organizational goals.

Example: Team members help a colleague complete an urgent task before the deadline.

4. Reduces Workplace Conflicts

Good interpersonal relationships can reduce unnecessary disagreements and help employees resolve differences constructively.

Example: Two employees discuss their different opinions and reach a mutually acceptable solution.

5. Increases Employee Morale

Respect and recognition make employees feel valued and supported. This can improve their motivation and willingness to contribute.

Example: A manager appreciates an employee for successfully completing an important assignment.

6. Increases Productivity

Employees who cooperate and communicate effectively can complete tasks more efficiently. Good relationships reduce unnecessary delays and misunderstandings.

Example: Team members coordinate their activities instead of working on the same task unnecessarily.

7. Creates a Positive Work Environment

Respectful relationships help create a workplace where employees feel comfortable, valued, and supported.

Example: Employees greet one another politely and are willing to help colleagues when needed.

8. Encourages Knowledge Sharing

Employees with good relationships are more willing to share their knowledge, experience, and skills with others.

Example: An experienced employee teaches a new employee how to use an organizational software system.

9. Supports Problem Solving

Good relationships make it easier for employees to discuss problems and develop solutions together.

Example: Team members openly discuss the reason for a project delay and develop a corrective plan.

10. Improves Employee Retention

A supportive workplace relationship can contribute to employee satisfaction. Employees may be more comfortable staying in an organization where they experience respect and cooperation.

Example: Employees who receive support from colleagues and supervisors may have a more positive workplace experience.

Characteristics of Healthy Interpersonal Relationships

1. Mutual Respect

Employees should respect each other's opinions, responsibilities, backgrounds, and personal boundaries.

2. Trust

People should be able to depend on each other and keep appropriate commitments.

3. Open Communication

Employees should be able to communicate ideas, concerns, and feedback appropriately.

4. Empathy

Employees should try to understand the feelings and perspectives of others.

5. Cooperation

People should be willing to work together and support common goals.

6. Honesty

Communication should be truthful and responsible.

7. Support

Employees should provide appropriate assistance to colleagues when required.

8. Flexibility

Employees should be willing to adjust and cooperate when workplace situations change.

9. Professionalism

Personal relationships should be managed without affecting professional responsibilities.

10. Constructive Feedback

Feedback should focus on improving work rather than attacking a person's character.

LISTENING AND FEEDBACK SKILLS

1. Introduction

Effective workplace communication is not only about speaking and writing. **Listening and feedback** are equally important parts of communication. Listening helps a person understand the message correctly, while feedback helps the sender know whether the message has been understood.

Good listening and feedback skills improve **communication, teamwork, relationships, problem-solving, employee performance, and workplace productivity**.

Meaning of Listening

Listening is the process of receiving, understanding, interpreting, and responding to a spoken message.

Listening is different from simply hearing.

Hearing

Hearing is the physical ability to receive sound.

Listening

Listening involves **attention, understanding, interpretation, and response**.

Example

An employee may hear a manager explaining a task, but if the employee is using a mobile phone and does not understand the instructions, effective listening has not taken place.

Meaning of Active Listening

Active listening is the process of giving full attention to the speaker, understanding the message, and responding appropriately.

Active Listening Process

Hear → Pay Attention → Understand → Interpret → Respond → Confirm Understanding

Example

A manager explains a new assignment. The employee listens carefully, asks questions, repeats the important requirements, and confirms the deadline.

Importance of Listening Skills

1. Improves Understanding

Good listening helps employees understand instructions, ideas, and information correctly. It reduces confusion and mistakes.

Example: An employee carefully listens to instructions before starting an important project.

2. Reduces Misunderstandings

Careful listening helps employees understand the actual meaning of a message rather than making assumptions.

Example: An employee asks for clarification when the manager's instructions are unclear.

3. Builds Trust

When people listen attentively, others feel respected and valued. This helps create trust between employees and managers.

Example: A manager listens patiently to an employee's workplace concern.

4. Improves Workplace Relationships

Listening helps employees understand the opinions, feelings, and concerns of others. This supports healthy interpersonal relationships.

Example: Colleagues listen to each other's suggestions during a team discussion.

5. Supports Better Decision-Making

Managers need accurate information before making decisions. Listening carefully helps them collect relevant information from employees and other stakeholders.

6. Improves Teamwork

Team members need to listen to different ideas and coordinate their activities. Good listening improves cooperation and team performance.

7. Helps in Problem-Solving

Listening carefully helps identify the actual cause of a problem. It allows employees to understand different viewpoints before developing solutions.

8. Reduces Workplace Conflicts

Many conflicts arise because people misunderstand what others have said. Active listening allows people to understand different opinions and resolve disagreements calmly.

9. Improves Customer Service

Employees who listen carefully can understand customer needs and complaints more accurately.

Example: A customer-service executive listens completely to a customer's complaint before offering a solution.

10. Increases Productivity

When employees understand instructions correctly, they can complete their work with fewer mistakes and delays.

Types of Listening

1. Active Listening

The listener gives full attention and responds appropriately.

Example: Listening carefully to a manager's instructions and asking relevant questions.

2. Critical Listening

The listener evaluates and analyzes the information before accepting it.

Example: Evaluating a business proposal before making a decision.

3. Empathetic Listening

The listener tries to understand the feelings and emotions of the speaker.

Example: Listening patiently when a colleague discusses a personal or work-related difficulty.

4. Informational Listening

The listener focuses on understanding and remembering information.

Example: Listening to a training session to learn a new software system.

5. Appreciative Listening

The listener listens for enjoyment, interest, or appreciation.

Example: Listening to a motivational speech or professional presentation.

Characteristics of an Effective Listener

An effective listener:

1. Pays full attention.
2. Maintains appropriate eye contact.
3. Avoids unnecessary interruptions.
4. Shows interest through appropriate body language.
5. Asks relevant questions.
6. Avoids premature judgment.
7. Takes important notes when required.

8. Clarifies doubts.
9. Summarizes important points.
10. Gives appropriate feedback.

Barriers to Effective Listening

1. Physical Distractions

Noise, poor surroundings, mobile phones, and interruptions can reduce concentration.

2. Lack of Attention

If the listener is not interested or focused, important information may be missed.

3. Emotional State

Anger, stress, fear, or anxiety can affect the ability to listen effectively.

4. Prejudice and Bias

Personal opinions or assumptions may cause a listener to judge the speaker before understanding the message.

5. Information Overload

Too much information can make it difficult to understand and remember important points.

6. Interruptions

Interrupting the speaker can break the flow of communication.

7. Language Problems

Unfamiliar vocabulary, technical terms, or different languages may create difficulty.

8. Multitasking

Using a phone, checking e-mails, or doing other work while listening reduces attention.

Meaning of Feedback

Feedback is the response or information provided by the receiver to the sender about a message, activity, performance, or behaviour.

In communication, feedback helps the sender understand whether the message has been received and understood correctly.

Simple Example

A manager asks an employee:

Manager: "Do you understand the new procedure?"

Employee: "Yes, I understand. I will follow the new procedure from Monday."

The employee's response is **feedback**.

Importance of Feedback

1. Confirms Understanding

Feedback helps the sender know whether the receiver has understood the message correctly.

2. Improves Performance

Constructive feedback helps employees understand what they are doing well and what needs improvement.

3. Identifies Mistakes

Feedback can identify errors and provide opportunities for correction.

4. Encourages Employees

Positive feedback recognizes good work and can increase employee motivation.

5. Builds Better Relationships

Respectful feedback encourages open communication and trust.

6. Supports Learning and Development

Employees can learn from feedback and improve their knowledge and skills.

7. Improves Decision-Making

Feedback from employees, customers, and other stakeholders provides useful information for better decisions.

8. Reduces Misunderstanding

Feedback allows people to clarify unclear information.

9. Encourages Employee Participation

When managers ask for employee opinions and suggestions, employees feel that their views are valued.

10. Improves Organizational Performance

Regular and constructive feedback helps improve individual, team, and organizational performance.

Types of Feedback

1. Positive Feedback

Positive feedback recognizes good performance or behaviour.

Example:
"Your presentation was well organized and clearly explained."

2. Constructive Feedback

Constructive feedback identifies areas for improvement and suggests how to improve them.

Example:
"Your report contains good analysis. Adding more supporting data would make it stronger."

3. Negative Feedback

Negative feedback focuses on mistakes or poor performance. If delivered without respect or guidance, it may reduce motivation.

Example:
“The report was submitted late.”

A better approach is to explain the issue and discuss how to avoid it in future.

4. Formal Feedback

Formal feedback is given through structured processes such as performance appraisals, review meetings, or evaluation reports.

Example: Annual employee performance appraisal.

5. Informal Feedback

Informal feedback is given during normal workplace interactions.

Example: A manager immediately appreciates an employee for handling a customer effectively.

6. Verbal Feedback

Feedback provided through spoken communication.

Example: A supervisor discusses an employee's performance during a meeting.

7. Written Feedback

Feedback provided in written form.

UNIT 3:

GROUP DYNAMICS AND TEAMWORK

3.1 Introduction

Most work in organisations is performed in groups: departments, project teams, committees, shifts, task forces. Even tasks that appear to be done alone depend on others for information, resources and approval. A group is not simply a collection of individuals: when people interact over time, they develop shared expectations, relationships and a group identity that influence each member's behaviour. Understanding how groups form, work and fail helps managers to build productive teams and helps employees to contribute effectively.

3.2 Meaning and Definition of a Group

A **group** is two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. A crowd waiting at a bus stop is an aggregate, not a group, since the members do not interact or depend on each other.

Characteristics of a group:

1. Two or more people.
2. Interaction among members.
3. Interdependence: members' outcomes depend on one another.
4. Shared goals or interests.
5. Common norms and roles.
6. Group identity: members perceive themselves as belonging ("we").
7. Stability over time.

3.3 Types of Groups

3.3.1 Formal and Informal Groups

Formal groups are created by the organisation to perform tasks, defined by the structure. Two types:

- *Command groups:* a manager and the subordinates who report directly to him or her (for example, a department head and her staff).
- *Task groups (task forces, project teams):* people working together to complete a job or project, which may cut across departments. They may be temporary.

Informal groups are formed naturally by social relationships and common interests, not designated by the organisation:

- *Interest groups:* people who come together to pursue a shared concern (for example, an employees' welfare association).
- *Friendship groups:* formed on the basis of common characteristics or liking.

3.3.2 Other Classifications

- **Primary and secondary groups:** primary groups involve close, personal relations (family, close friends); secondary groups are larger and more impersonal.
- **Reference groups:** groups to which a person compares himself or herself and whose norms he or she adopts, even if not a member.
- **In-groups and out-groups:** members identify with one and consider the other as "them".
- **Membership groups:** groups to which a person belongs.
- **Cross-functional groups:** members from different functions.
- **Self-managed groups:** groups that make decisions about how to do their work without direct supervision.

3.4 Why People Join Groups

1. **Security:** strength in numbers; protection from threats such as job loss.
2. **Status:** membership of a prestigious group gives recognition.
3. **Self-esteem:** belonging gives a sense of worth.
4. **Affiliation (social needs):** friendship and companionship.
5. **Power:** groups can achieve what individuals cannot (for example, trade unions).
6. **Goal achievement:** tasks that require pooled talent, knowledge or effort.
7. **Proximity and similarity:** people interact more with those who work nearby or share backgrounds and attitudes.

3.5 Stages of Group Development

3.5.1 Tuckman's Five-Stage Model

Bruce Tuckman proposed that groups pass through predictable stages.

Stage	What happens	Typical behaviour	Manager's role
1. Forming	Members come together; uncertainty about purpose, structure and leadership	Polite, cautious, testing boundaries, dependence on leader	Give clear direction, introduce members, define goals
2. Storming	Conflict over roles, leadership, goals and methods resistance to the group's control	Disagreement, competition, tension, cliques	Manage conflict, encourage open discussion, clarify roles

Stage	What happens	Typical behaviour	Manager's role
3. Norming	Cohesion develops; norms and roles are accepted; close relationships	Cooperation, trust, shared responsibility, "we-feeling"	Support group-building, facilitate agreement on procedures
4. Performing	Group structure is fully functional; energy is directed to the task	High productivity, flexibility, problem solving, mutual support	Delegate, coach, let the group manage itself
5. Adjourning	For temporary groups, wrap-up and disbanding	Mixed feelings: pride and sadness; reflection	Recognise achievements, hold review, help members transition

(Adjourning was added in 1977 to the original four stages.) Not all groups progress neatly; they may repeat stages or stay stuck in storming. Larger groups may also cycle between stages as membership or tasks change.

3.5.2 Punctuated-Equilibrium Model

Connie Gersick observed that many temporary groups do not follow the linear model. Instead:

1. The first meeting sets the group's direction.
2. A period of inertia follows, during which little progress is made.
3. At about the midpoint of the group's time, there is a transition, a burst of change with new ideas and urgency.
4. A second phase of inertia follows, executing the plan.
5. A final burst of activity completes the task.

The lesson for project teams is that the midpoint is a critical moment for review and redirection.

3.6 Group Structure and Properties

3.6.1 Roles

A **role** is a set of expected behaviour patterns attributed to someone occupying a given position in a social unit. People play multiple roles (manager, colleague, team member, parent).

Role-related concepts:

- **Role perception:** one's view of how one is supposed to act.
- **Role expectations:** how others believe one should act.

- **Role conflict:** when compliance with one role makes it difficult to comply with another (for example, a manager asked by her boss to cut costs and by her team to maintain bonuses).
- **Role ambiguity:** lack of clarity about what is expected.
- **Role overload:** more expected than can be done.
- **Psychological contract:** mutual expectations (see Unit 1).

Task and maintenance roles in groups (Benne and Sheats):

- *Task roles:* initiator, information-seeker, information-giver, clarifier, summariser, evaluator.
- *Maintenance (relationship) roles:* encourager, harmoniser, gatekeeper (who ensures everyone participates), compromiser, standard-setter.
- *Self-centred (negative) roles:* blocker, aggressor, dominator, recognition-seeker, withdrawer, joker.

3.6.2 Norms

Norms are acceptable standards of behaviour shared by the group's members. They tell members what they ought and ought not to do. They are enforced by approval, ridicule or exclusion.

Types of norms:

- *Performance norms:* how hard to work, what output level.
- *Appearance norms:* dress codes, and showing loyalty.
- *Social-arrangement norms:* with whom to eat lunch, interactions.
- *Resource-allocation norms:* pay, assignments, equipment.

Why norms are important: they simplify behaviour, give predictability, protect the group and help it achieve its goals. A norm may support organisational goals (high quality) or work against them (restriction of output, as seen in the Hawthorne bank wiring room).

Conformity is the adjustment of one's behaviour to align with group norms. Solomon Asch's experiments showed that many people will go along with a group's clearly wrong judgement. **Deviant workplace behaviour** is voluntary behaviour that violates significant norms and harms the organisation or its members (for example, theft, bullying, absenteeism).

3.6.3 Status

Status is a socially defined position or rank given to groups or group members by others. It can be formal (title, grade) or informal (age, skill, popularity). Status differences influence communication: members tend to talk more to high-status members. Status inequity (a mismatch between perceived and given status) causes dissatisfaction.

3.6.4 Group Size

- Small groups (5 to 7) are faster at completing tasks and members are more satisfied.

- Large groups (12 or more) are better at fact-finding but more difficult to coordinate; they have more conflicts and more free-riding.
- **Social loafing:** the tendency of individuals to put in less effort when working in a group than when working alone, especially when individual contributions are not identifiable. (Max Ringelmann's rope-pulling experiment showed that the more people pulled, the less each exerted.)

Remedies for social loafing: set group goals; make individual contributions visible; keep groups small; assign specific tasks; reward both group and individual performance; select highly motivated members.

3.6.5 Group Composition

- **Diversity:** heterogeneous groups bring more perspectives and creativity but may have more conflict. Homogeneous groups agree faster and have less conflict but may lack ideas.
- **Abilities and personality:** a balance of skills and personality types improves performance.

3.6.6 Group Cohesiveness

Cohesiveness is the degree to which members are attracted to each other and motivated to stay in the group.

Factors that increase cohesiveness:

- Small size.
- Similarity of attitudes and backgrounds.
- Frequent interaction and proximity.
- Shared goals and agreement on them.
- Past success.
- Competition with other groups (an external threat).
- Difficult entry (high status of the group).
- Positive leadership and a supportive climate.

Factors that reduce cohesiveness: large size, disagreement about goals, domination by a few, unpleasant experiences, intra-group competition and failure.

Cohesiveness and productivity: the relationship depends on the group's norms.

	High cohesiveness	**Low cohesiveness**
Group norms support organisational goals	Very high productivity	Moderate productivity

	High cohesiveness	Low cohesiveness
Group norms oppose organisational goals	Low productivity	Low to moderate productivity

Cohesive groups share information well, are more satisfied and have lower absenteeism, but they may resist change and discourage dissent (see groupthink).

3.7 Group Processes and Effects

3.7.1 Social Facilitation

The presence of others tends to improve performance on simple, well-learned tasks and to worsen it on complex or new tasks (Zajonc).

3.7.2 Group Polarisation (Risky Shift)

Group discussion tends to move the group's decision to a more extreme position than the average of members' initial views, either riskier or more cautious.

3.7.3 Free-Rider Effect

Members who contribute less but share the benefits, a form of social loafing.

3.7.4 Synergy

The idea that the group's output is greater than the sum of individual outputs. Groups lacking cooperation may show the reverse: negative synergy.

3.7.5 Group Identity and Intergroup Relations

People categorise themselves and others into groups and tend to favour their own (in-group bias). In organisations, rivalry between departments (production versus sales) may harm coordination. Remedies: superordinate goals (shared goals that need both groups), job rotation, joint teams, communication and rewards for cooperation.

3.8 Group Decision Making

3.8.1 Groups versus Individuals

Strengths of group decisions	Weaknesses of group decisions
More complete information and knowledge	Time-consuming
Diversity of views	Pressure to conform
Increased acceptance and commitment	Domination by a few members
Greater legitimacy	Ambiguous responsibility
Better in complex, non-routine problems	Risk of groupthink and polarisation

In general: groups are more accurate and creative, but individuals are faster and more efficient. The choice depends on the importance of quality, acceptance and time available.

3.8.2 Groupthink

Groupthink (Irving Janis) is a mode of thinking in which the desire for harmony and conformity in a cohesive group results in irrational or poor decisions, because members suppress doubts and do not examine alternatives realistically. Famous examples include the Bay of Pigs invasion (1961), the space shuttle Challenger launch decision (1986) and various corporate failures.

Symptoms:

1. Illusion of invulnerability and excessive optimism.
2. Collective rationalisation: discounting warnings.
3. Belief in the group's inherent morality.
4. Stereotyping of outsiders as weak or evil.
5. Direct pressure on dissenters.
6. Self-censorship.
7. Illusion of unanimity.
8. Self-appointed "mind guards" who protect the group from adverse information.

Preventing groupthink:

- The leader should remain impartial and avoid stating a preference at the start.
- Encourage critical evaluation; appoint a **devil's advocate**.
- Invite outside experts.
- Divide the group into subgroups to discuss separately.
- Have a "second-chance" meeting before the final decision.
- Encourage members to discuss with their own colleagues and report back.
- Keep the group size moderate and the atmosphere open.

3.8.3 Group Decision-Making Techniques

1. **Brainstorming:** generating many ideas in a group without criticism during the idea-generation phase (Alex Osborn). Rules: quantity over quality; no criticism; welcome wild ideas; combine and improve ideas. *Limitation:* production blocking and social loafing.
2. **Nominal Group Technique (NGT):** members write their ideas independently, present them in turn, discuss for clarification, and then rank them privately; the highest-ranked idea is selected. It reduces domination and encourages participation.
3. **Delphi Technique:** a panel of experts answer questionnaires over several rounds; responses are summarised and fed back until consensus emerges. Suitable when experts are geographically dispersed, since it avoids face-to-face pressure.

4. **Electronic meetings:** participants type their contributions anonymously on computers; results are displayed on a screen. Faster and anonymous.
5. **Interacting groups:** typical face-to-face meetings.
6. **Consensus building and voting:** decisions by unanimity, majority or consensus.

Technique	Strength	Weakness
Interacting	Better social support	Pressure to conform; dominance
Brainstorming	Many ideas; low cost	Not good at evaluating ideas
NGT	Balanced participation	Limited to a single problem at a time
Delphi	Anonymous; geographically dispersed experts	Time-consuming; no interaction
Electronic	Anonymous, fast	Lack of richness and spontaneity

3.9 Teams

3.9.1 Meaning

A **work team** is a group whose members work intensely on a specific, common goal using their positive synergy, individual and mutual accountability, and complementary skills. Modern organisations (such as software firms and hospitals) rely on teams to be flexible and responsive.

3.9.2 Groups versus Teams

Basis	Work group	Work team
Goal	Share information; individual goals	Collective performance; shared goal
Synergy	Neutral or negative	Positive
Accountability	Individual	Individual and mutual
Skills	Random and varied	Complementary
Leadership	One strong leader	Shared leadership
Output	Sum of individual outputs	Greater than the sum of its parts
Purpose	Information sharing	Joint work and results

3.9.3 Types of Teams

1. **Problem-solving teams:** members from the same department meet briefly to discuss ways to improve quality, efficiency and the work environment (for example, quality circles).
2. **Self-managed (self-directed) work teams:** employees perform related jobs and take responsibility for their supervisor's former tasks, including planning, scheduling, and quality.
3. **Cross-functional teams:** employees from different areas work on a task (for example, product development).
4. **Virtual teams:** members use technology to collaborate across distance and time.
5. **Project teams:** formed for a specific project and disbanded afterwards.

6. **Management and executive teams.**
7. **Multi-team systems:** several teams collaborating on a large project.

3.9.4 Characteristics of Effective Teams

Research (for example, by Google's "Project Aristotle" and many academic studies) shows that effective teams share these features:

1. **Clear purpose and goals** that members understand and accept.
2. **Appropriate size:** generally 5 to 9 members.
3. **Competent members:** technical, problem-solving and interpersonal skills.
4. **Trust and psychological safety:** members feel safe to speak up, admit errors and disagree without fear (Amy Edmondson).
5. **Open communication and feedback.**
6. **Shared leadership** and clear roles.
7. **Mutual accountability.**
8. **Appropriate rewards and recognition** of team performance.
9. **Support from the organisation:** resources, training, information.
10. **Healthy conflict management.**
11. **A balance of personalities and roles.**
12. **Commitment to learning and improvement.**

3.9.5 Team Roles: Belbin's Model

Meredith Belbin identified nine team roles that contribute to effective teams.

Role	Contribution	Possible weakness
Plant	Creative, generates ideas	Ignores details; may be impractical
Resource Investigator	Explores opportunities; networker	Loses interest quickly
Co-ordinator	Clarifies goals; delegates; chairs	May be manipulative
Shaper	Driven, challenging; pushes the team forward	Can be aggressive
Monitor Evaluator	Strategic; sees all options; sound judgement	May lack drive; overly critical
Teamworker	Cooperative; builds team spirit; averts friction	Indecisive in a crisis
Implementer	Practical; turns ideas into action	Inflexible

Role	Contribution	Possible weakness
Completer Finisher	Painstaking; delivers on time	Perfectionist; reluctant to delegate
Specialist	Provides expert knowledge	Narrow focus

A good team needs a balance of roles, though one person may fill more than one.

3.9.6 Building Effective Teams

Steps:

1. **Select the right members** (skills, personality, diversity, fit).
2. **Define a clear purpose, goals and measures of success.**
3. **Clarify roles and responsibilities.**
4. **Establish ground rules and norms** (meeting times, decision rules, communication).
5. **Provide training** in teamwork, communication, conflict resolution and technical skills.
6. **Build trust:** through openness, keeping promises, team-building activities.
7. **Encourage communication:** regular meetings, feedback, use of collaboration tools.
8. **Reward team achievement** along with individual contributions.
9. **Provide resources and support;** remove obstacles.
10. **Monitor progress,** review and learn from mistakes.
11. **Celebrate success.**

Team-building activities: outdoor challenges, problem-solving games, workshops, simulations, social events, team charters, retrospectives after projects. They are effective only when linked to real work issues and followed up.

3.9.7 Problems in Teams

- Social loafing and free riding.
- Conflict and personality clashes.
- Unclear goals and roles.
- Poor communication.
- Domination by a few.
- Groupthink.
- Lack of leadership or support.
- Dissatisfaction with unfair rewards.
- Over-reliance on the team, which can delay decisions.

3.9.8 Virtual Teams

Virtual teams are groups whose members are geographically dispersed and communicate mainly through electronic tools such as email, video conferencing, messaging apps and shared documents.

Advantages: access to talent anywhere; reduced travel and office costs; round-the-clock work across time zones; flexibility.

Challenges: lack of social cues and informal contact; trust building; misunderstandings; time zone and cultural differences; technology problems; isolation; difficulty in monitoring.

Practices for success: clear goals and expectations; regular and structured communication; a mix of synchronous and asynchronous tools; documented decisions; occasional face-to-face meetings or virtual social time; clear norms about response times and availability; cultural sensitivity; inclusive meeting practices.

3.10 Interpersonal Relations, Trust and Communication in Groups

3.10.1 Trust

Trust is a positive expectation that another will not act opportunistically. Its three dimensions: **integrity** (honesty), **benevolence** (care), **ability** (competence). Trust is built slowly and destroyed quickly. It increases cooperation, information sharing and speed of work.

Building trust: be consistent and reliable; communicate openly; show concern; keep confidences; admit mistakes; give credit; follow through on commitments.

3.10.2 Johari Window

The **Johari Window** (Joseph Luft and Harry Ingham) is a model for understanding self-awareness and relationships. It has four areas:

	Known to self	**Unknown to self**
Known to others	**Open (Arena):** shared information	**Blind spot:** others see what I do not
Unknown to others	**Hidden (Façade):** I know but do not reveal	**Unknown:** neither knows

Teams improve by enlarging the open area, by self-disclosure (reducing the hidden area) and feedback (reducing the blind spot).

3.10.3 Transactional Analysis (Eric Berne)

TA analyses interactions in terms of three ego states: **Parent** (controlling or nurturing), **Adult** (rational), and **Child** (emotional, playful or rebellious). Communication is smooth when transactions are complementary (for example, Adult to Adult) and breaks down with crossed transactions. Life positions: “I’m OK, you’re OK” is the healthiest for work relationships.

3.10.4 Giving and Receiving Feedback

- Give feedback promptly, specifically, in private (for criticism), and focus on behaviour, not the person.

- Balance positive and constructive comments.
- Receive feedback with an open mind: listen, ask for examples, thank the giver and decide on actions.

3.10.5 Group Communication Networks

Communication patterns in groups: **chain, wheel, all-channel (star)**. The wheel is fast for simple tasks and gives satisfaction to the central person; the all-channel network is best for complex tasks needing full participation and for member satisfaction.

3.11 Emerging Issues in Teamwork

- **Agile and Scrum teams:** small, cross-functional teams working in short cycles (sprints), regular stand-up meetings and retrospectives.
- **Remote and hybrid teams,** and managing "proximity bias" (favouring those physically present).
- **Diversity in teams:** managing differences to create value.
- **AI as a team member or tool:** automating routine tasks, supporting decisions, but raising questions about roles and trust.
- **Psychological safety** as the top predictor of team learning and performance.

3.12 Case Study

The product launch team. A company formed a cross-functional team of eight members (marketing, production, finance, IT) to launch a new product in six months. In the first month, members hardly knew each other and waited for the leader's instructions. In the second month, marketing and production argued about the launch date, and two members threatened to leave. The leader met everyone separately, clarified roles, and set up a weekly review meeting and a shared dashboard. By the fourth month, the team started to solve problems on its own. In the final month, there was strong team spirit, and the launch succeeded. However, after the launch, some members said they did not feel they had been recognised.

Questions:

1. Identify the stages of group development reflected in the case.
2. What did the leader do to move the team from storming to performing?
3. What mistake was made at the adjourning stage, and how could it be corrected?
4. Which Belbin roles might be useful in this team?

UNIT 4:

LEADERSHIP, POWER, POLITICS, CONFLICT AND NEGOTIATION

4.1 Introduction

Workplaces are places of cooperation and also of competition. Leaders guide people towards goals; people use power to get things done; individuals and groups pursue their own interests, sometimes through politics; differences of opinion and interest produce conflict; and negotiation is used to settle differences. These elements are intertwined: a leader's effectiveness depends on his or her sources of power; politics arises when power and resources are scarce; conflict arises when interests clash; and negotiation and leadership skills settle it. This unit studies each in turn.

4.2 Leadership

4.2.1 Meaning and Definition

Leadership is the ability to influence a group towards the achievement of a vision or set of goals. Other definitions: "the process of influencing others to understand and agree about what needs to be done and how to do it, and facilitating individual and collective efforts to accomplish shared objectives" (Yukl); "the art of getting things done through others willingly".

Elements of leadership: a leader, followers, a goal, influence and a situation.

4.2.2 Leader versus Manager

Basis	Manager	Leader
Source of authority	Formal position	Personal influence (may or may not have a formal position)
Focus	Planning, organising, controlling; maintaining systems	Vision, direction, change
Orientation	Short-term; efficiency, "doing things right"	Long-term; effectiveness, "doing the right things"
Relationship	Subordinates	Followers
Approach	Controls risks	Takes calculated risks
Main tool	Authority, rules	Inspiration, trust
Stability	Order and consistency	Change and innovation

Both are needed: managers bring order, leaders bring direction. Good managers should also lead.

4.2.3 Importance of Leadership

- Gives direction and a sense of purpose.
- Motivates and inspires.
- Builds teams and a positive culture.
- Helps organisations adapt to change.
- Develops future leaders.

- Represents the organisation to outsiders.

4.2.4 Trait Theories

Early researchers asked: *what traits make a great leader?* The "great man" theory held that leaders are born. Research has identified traits associated with leadership, such as:

- Drive (achievement, ambition, initiative);
- Desire to lead;
- Honesty and integrity;
- Self-confidence;
- Intelligence;
- Job-relevant knowledge;
- Extraversion;
- Emotional intelligence; and
- Charisma and creativity.

Limitations: traits do not guarantee success; no list is universal; traits ignore the situation and the followers; and they cannot explain how leaders behave. Traits are better at predicting who emerges as a leader than who is effective.

4.2.5 Behavioural Theories

These theories focus on what leaders *do*, which implies that leadership can be learned.

A. Ohio State Studies. Two dimensions of leader behaviour:

- **Initiating structure:** defines and organises roles, goals and tasks (task orientation).
- **Consideration:** shows concern, trust and respect for followers (people orientation).

Leaders high in both generally have good results, but the situation matters.

B. University of Michigan Studies. *Employee-oriented* leaders (emphasise relationships, interpersonal concern) versus *production-oriented* leaders (emphasise task and technical aspects). Employee-oriented leaders were associated with higher productivity and satisfaction.

C. Blake and Mouton's Managerial Grid. Two axes: concern for people and concern for production, each on a scale of 1 to 9.

Style	Position	Description
Impoverished	1,1	Minimum effort; withdrawn
Authority-compliance (task)	9,1	High concern for production; low for people
Country club	1,9	High concern for people; low for production
Middle-of-the-road	5,5	Moderate for both; compromise

Style	Position	Description
Team management	9,9	High for both; committed people, shared goals

Blake and Mouton suggested that the 9,9 team style is the most effective.

D. Lewin's Leadership Styles (autocratic, democratic, laissez-faire).

Style	Features	Effects
Autocratic	Leader makes decisions alone; strict control	Quick decisions; low morale and creativity; dependence; suits crises and unskilled groups
Democratic (participative)	Leader consults, shares decisions	Higher satisfaction, creativity, commitment; slower decisions
Laissez-faire (free-rein)	Leader gives minimal direction; group decides	Works with skilled, motivated people; otherwise confusion and low output

E. Likert's Systems. System 1 (exploitative-authoritative), System 2 (benevolent-authoritative), System 3 (consultative) and System 4 (participative group); System 4 is considered the best.

4.2.6 Contingency (Situational) Theories

These theories hold that effective leadership depends on the match between the leader's style and the situation.

A. Fiedler's Contingency Model. Leadership effectiveness depends on the match between the leader's style and the favourableness of the situation. Style is measured by the **Least Preferred Co-worker (LPC)** scale: high LPC (relationship-oriented) or low LPC (task-oriented). Situational favourableness depends on three factors: **leader–member relations** (trust), **task structure**, and **position power**. Task-oriented leaders perform best in very favourable and very unfavourable situations; relationship-oriented leaders perform best in moderately favourable situations. Fiedler argues that style is fixed, so one should change the situation or the leader.

B. Hersey and Blanchard's Situational Leadership Theory. The leader's style should match the **readiness (maturity)** of followers (ability and willingness):

Follower readiness	Leader style	Behaviour
R1: unable and unwilling	Telling (directing)	High task, low relationship: give clear instructions
R2: unable but willing	Selling (coaching)	High task, high relationship: explain decisions, persuade
R3: able but unwilling	Participating (supporting)	Low task, high relationship: share decisions, encourage
R4: able and willing	Delegating	Low task, low relationship: give responsibility

C. House's Path-Goal Theory. The leader's job is to help followers achieve their goals by clearing the path and providing rewards. Four leader behaviours: **directive, supportive, participative and achievement-oriented**. The choice depends on follower characteristics (ability, locus of control) and environmental factors (task structure, authority system, work group). For example, directive leadership helps when the task is ambiguous, but irritates followers when the task is clear.

D. Vroom–Yetton–Jago Decision Model (Leader-Participation Model). Guides how much to involve subordinates in a decision (decide alone, consult individually, consult the group, delegate) by asking questions about decision quality, commitment, and time.

E. Leader–Member Exchange (LMX) Theory. Leaders form closer relationships with an in-group of followers and more formal relationships with an out-group; in-group members tend to receive more support and perform better.

4.2.7 Contemporary Leadership Approaches

A. Charismatic Leadership. Followers attribute heroic or extraordinary abilities to leaders when they see certain behaviours: a compelling vision, willingness to take personal risks, sensitivity to followers' needs, and unconventional behaviour. Charisma can inspire, but may also lead to dependence or misuse.

B. Transformational and Transactional Leadership (James MacGregor Burns; Bernard Bass).

Transactional leader	Transformational leader
Exchanges rewards for performance	Inspires followers to transcend self-interest
Contingent reward; management by exception	Idealised influence (charisma); inspirational motivation; intellectual stimulation; individualised consideration
Maintains the status quo	Brings change and innovation
Short-term goals	Long-term vision

Transformational leadership usually leads to higher commitment, satisfaction and performance, and builds on, rather than replaces, transactional leadership.

C. Servant Leadership (Robert Greenleaf). The leader's primary goal is to serve and develop others; characteristics include listening, empathy, stewardship, commitment to growth and building community.

D. Authentic Leadership. Based on self-awareness, transparency, ethical conduct and balanced processing; builds trust.

E. Ethical and Responsible Leadership. Leaders act as moral role models, treat people fairly and promote ethical behaviour.

F. Participative and Empowering Leadership. Delegating authority and involving employees in decisions.

G. Inclusive Leadership. Valuing diversity and ensuring that all voices are heard.

H. Digital and Virtual Leadership. Leading remote teams with trust, clear goals, and technology skills.

I. Level 5 Leadership (Jim Collins). Combines personal humility with strong professional will.

J. Emotional Intelligence and Leadership. Self-awareness, empathy and relationship management help leaders influence and retain people.

4.2.8 Leadership Styles in the Indian Context

Indian organisations often show paternalistic leadership with respect for hierarchy, emphasis on relationships and loyalty, and growing movement towards participative and transformational styles, especially in start-ups

and IT firms. Examples of leaders often cited in case studies include N. R. Narayana Murthy (Infosys), Ratan Tata, and Kiran Mazumdar-Shaw; students can study their leadership approaches from published biographies.

4.2.9 Developing Leadership Skills

- Self-awareness and feedback.
- Experience through challenging assignments.
- Mentoring and coaching.
- Training programmes and reflection.
- Learning to communicate a vision, to listen and to influence.
- Practising ethics and accountability.

4.2.10 Leadership Styles: A Quick Comparison Chart

Style	Control	Best used when	Risks
Autocratic	Leader	Emergency; novice team	Low morale
Democratic	Shared	Skilled team; need for buy-in	Slow
Laissez-faire	Followers	Highly competent, motivated team	Drift
Transformational	Shared vision	Change, innovation	Over-dependence on leader
Servant	Followers' growth	Knowledge work; long-term culture	May be slow in crises

4.3 Power and Influence

4.3.1 Meaning

Power is the capacity of A to influence the behaviour of B so that B acts in accordance with A's wishes. **Authority** is the legitimate right to give orders, which comes from position. **Influence** is the process of affecting someone's attitudes or behaviour. Power can be used well or badly; it is neither good nor bad in itself. Dependency is the key to power: the more B depends on A for something important, scarce and non-substitutable, the more power A holds.

4.3.2 Bases of Power (French and Raven)

Base	Source	Example
Legitimate power	Formal position or authority	A manager's right to assign work
Reward power	Ability to give or withhold rewards	Controlling bonuses and promotion
Coercive power	Ability to punish or threaten	Power to fire, reprimand
Expert power	Special knowledge or skill	A senior engineer or doctor
Referent power	Admiration, liking and identification	A respected, charismatic colleague

Base	Source	Example
Information power (added by Raven)	Control of valuable information	Executive secretary who controls access to information

The first three are **formal** (organisational) power; the last are **personal** power. Expert and referent power generally produce the most commitment, while coercive power produces compliance or resentment.

4.3.3 Dependency and Sources of Power

According to Pfeffer and Salancik, power arises from controlling **critical resources**, **uncertainty**, and from **centrality** in the workflow. Factors that increase the dependency of others: **importance** of the resource, **scarcity**, and **non-substitutability**.

4.3.4 Influence Tactics

Research (Kipnis, Yukl) identifies several influence tactics:

1. **Rational persuasion:** using logic and facts.
2. **Inspirational appeals:** appealing to values and emotions.
3. **Consultation:** inviting participation.
4. **Ingratiation:** using flattery, goodwill or friendly behaviour before a request.
5. **Exchange:** offering something in return.
6. **Personal appeals:** asking on the basis of friendship or loyalty.
7. **Coalitions:** seeking the support of others.
8. **Legitimating:** appealing to authority or rules.
9. **Pressure:** using demands, threats or persistent reminders.

Rational persuasion, inspirational appeals and consultation are generally most effective; pressure is least effective. Choice depends on direction (up, down, lateral) and the relationship. Upward influence usually relies on rational persuasion and coalitions, while downward influence may use more assertive tactics.

4.3.5 Empowerment

Empowerment means giving employees more authority, autonomy, information and resources to make decisions about their work. Conditions: the leader's trust, training, clear boundaries, information, rewards. Benefits: faster response, motivation, innovation. Risks: lack of clarity, errors, and managers' fear of losing control.

4.3.6 Abuse of Power and Harassment

Abuse of power includes bullying, favouritism, discrimination and sexual harassment. In India, the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** requires employers with ten or more employees to constitute an **Internal Committee** to address complaints and to conduct awareness programmes. (See also Unit 5.)

4.4 Organisational Politics

4.4.1 Meaning

Organisational politics refers to activities taken by employees to acquire, enhance and use power and other resources to obtain preferred outcomes in a situation in which there is uncertainty or disagreement about choices. **Political behaviour** is outside the formal job requirements and attempts to influence the distribution of advantages and disadvantages within the organisation. Politics is not always negative: it can be a normal part of getting things done when resources are limited and interests differ.

4.4.2 Causes of Political Behaviour

Individual factors: high need for power, internal locus of control, Machiavellian personality, high self-monitoring, investment in the organisation, expectations of success, perceived job alternatives.

Organisational factors:

- Scarce resources.
- Ambiguous roles, goals and performance criteria.
- Subjective performance evaluation.
- Pay and promotion systems that are competitive.
- Democratic decision making and unclear decision processes.
- High performance pressure.
- Self-serving senior managers (role models).
- Reorganisations and change.

4.4.3 Common Political Tactics

- Building a network of alliances; forming coalitions.
- Controlling information (withholding or distorting).
- Image building and impression management.
- Attacking or blaming others; scapegoating.
- Ingratiation and flattery.
- Selective use of rules.
- Managing the agenda; timing.
- Cultivating a mentor or sponsor.
- Spreading rumours.
- Creating obligations (favour exchange).

Impression management is the process by which individuals attempt to control the impression others form of them: conforming, excuses, apologies, self-promotion, flattery, favours, association.

4.4.4 Effects of Politics

Negative effects: distrust, reduced morale, higher stress, wasted time, turnover, poor decisions, unfair rewards, lower performance. **Possible positive effects:** coalition building for needed change; getting things done in rigid systems; the exposure of organisational problems.

Employees who perceive organisational politics as high usually report lower satisfaction, more anxiety and greater intention to quit.

4.4.5 Managing Politics

1. Clarify goals, roles and expectations.
2. Make decision criteria and processes transparent.
3. Use objective, fair performance appraisal and rewards.
4. Provide open communication and reduce secrecy.
5. Reduce competition for scarce resources by clear allocation rules.
6. Management should set an ethical example.
7. Penalise manipulative and unethical behaviours.
8. Encourage cooperation and teamwork.
9. Provide grievance mechanisms.
10. Develop employees' political skill, in the sense of understanding how to build relationships honestly and ethically.

4.4.6 Ethical Aspects of Political Behaviour

Questions to ask before using a political tactic: Does it respect the rights of all parties? Does it serve organisational goals as well as personal interests? Is it fair? Would I be comfortable if everyone knew about it?

4.5 Conflict

4.5.1 Meaning

Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about. It arises when people have incompatible goals, values, interests, or perceptions. Conflict is natural and inevitable in organisations. It is not always harmful.

4.5.2 Views of Conflict

1. **Traditional view:** conflict is bad and should be avoided; it results from poor communication and bad management.
2. **Human relations view:** conflict is natural and inevitable and may be beneficial.
3. **Interactionist view:** conflict is not only a positive force but an absolute necessity for effective performance; too little conflict causes stagnation.

4.5.3 Functional and Dysfunctional Conflict

- **Functional (constructive) conflict** supports group goals and improves performance: it stimulates creativity, clarifies issues, leads to better decisions, and prevents stagnation and groupthink.
- **Dysfunctional (destructive) conflict** hinders performance: it lowers morale, creates hostility, wastes energy and damages relations.

The right level of conflict: too little leads to complacency; too much leads to chaos; moderate, task-focused conflict is best.

4.5.4 Types of Conflict

By content:

1. **Task conflict:** about goals and content of the work.
2. **Relationship conflict:** about interpersonal relations (personality clashes); almost always dysfunctional.
3. **Process conflict:** about how the work gets done (who does what, who decides).
4. **Value conflict:** about differences in beliefs or principles.

By level:

1. **Intrapersonal conflict:** within an individual, such as a role conflict or choice between two attractive options (approach–approach), two unattractive options (avoidance–avoidance) or one with both good and bad features (approach–avoidance).
2. **Interpersonal conflict:** between two individuals.
3. **Intragroup conflict:** within a group.
4. **Intergroup conflict:** between groups or departments (for example, marketing versus production).
5. **Inter-organisational conflict:** between organisations (competitors, supplier and buyer).

By direction: **vertical** (between levels), **horizontal** (between peers) and **line–staff** conflict.

4.5.5 Causes (Sources) of Conflict

1. **Communication factors:** misunderstanding, semantic problems, noise, lack of information.
2. **Structural factors:** size, specialisation, ambiguous jurisdiction, reward systems, interdependence, competing departmental goals, and authority relationships.
3. **Personal factors:** personality, differences in values, perceptions, attitudes, and emotions.
4. **Limited resources:** budget, equipment, staff, promotions.
5. **Role conflict and ambiguity.**
6. **Unfair treatment:** perceived inequity.
7. **Change:** uncertainty, threat to status or interests.

8. **Diversity:** cultural and generational differences.
9. **Differences in goals and time orientation.**

4.5.6 The Conflict Process (Pondy; Robbins)

1. **Latent conflict (potential opposition):** conditions that create the opportunity for conflict (communication, structure, personal variables).
2. **Perceived and felt conflict (cognition and personalisation):** parties become aware and emotionally involved (anxiety, tension).
3. **Manifest conflict (intentions and behaviour):** open conflict behaviour (arguing, sabotage, strikes) through competing, collaborating, compromising, avoiding or accommodating.
4. **Conflict aftermath (outcomes):** functional outcomes (improved decisions) or dysfunctional outcomes (resentment). Unresolved issues may become the conditions for later conflict ("conflict aftermath").

4.5.7 Conflict-Handling Styles (Thomas–Kilmann)

Kenneth Thomas and Ralph Kilmann describe five conflict-handling modes on two dimensions: **assertiveness** (concern for own interests) and **cooperativeness** (concern for others' interests).

Style	Assertiveness	Cooperativeness	When to use	Drawback
Competing (forcing)	High	Low	Emergencies; unpopular but vital decisions; protecting against exploitation	Damages relationships
Collaborating (problem solving)	High	High	Important issues needing integrated solutions; commitment required	Time-consuming
Compromising	Medium	Medium	Equal power; time pressure; temporary solution	Neither side fully satisfied
Avoiding	Low	Low	Trivial issues; cooling off; low power	Issues remain unresolved
Accommodating (smoothing)	Low	High	Preserving harmony; the issue is more important to the other party	Own interests suffer; may be exploited

No single style is best; effective managers use different styles in different situations.

4.5.8 Managing and Resolving Conflict

Conflict resolution techniques:

1. **Problem solving (confrontation):** face-to-face meeting to identify the problem and find a solution.

2. **Superordinate goals:** a common goal that cannot be achieved without the cooperation of the conflicting parties.
3. **Expansion of resources:** if scarcity causes the conflict, increase the resources.
4. **Avoidance:** withdrawal or suppression (temporary).
5. **Smoothing:** playing down differences and emphasising common interests.
6. **Compromise:** each party gives up something.
7. **Authoritative command:** management uses formal authority to resolve (fast but may not remove causes).
8. **Altering the human variable:** training, job rotation, counselling.
9. **Altering structural variables:** redesign the jobs, transfer, create coordinating roles, or restructure.
10. **Third-party intervention: mediation** (neutral third party facilitates, with no power to decide), **arbitration** (third party decides, binding), **conciliation** and an **ombudsperson**.

Conflict stimulation (when there is too little conflict): encourage competition, bring in outsiders, appoint a devil's advocate, restructure, use different perspectives.

Steps in handling a conflict:

1. Recognise and acknowledge the conflict.
2. Define the problem and its causes.
3. Gather information.
4. Listen to each party.
5. Identify interests, not only positions.
6. Generate options.
7. Evaluate and agree on a solution.
8. Implement and monitor.

Guidelines: stay calm; focus on issues, not personalities; listen actively; use "I" statements ("I feel concerned when deadlines are missed") instead of "you" accusations; seek win–win outcomes; take a break if emotions run high; follow up.

4.5.9 Conflict in Industrial Relations (brief)

Conflicts between labour and management may lead to strikes, lockouts, gheraos and go-slow tactics. They are managed through collective bargaining, grievance procedures, conciliation, adjudication and workers' participation in management. These are regulated by labour laws; India has consolidated several laws into four labour codes (on wages, industrial relations, social security, and occupational safety, health and working conditions), which came into force on 21 November 2025, with the central rules notified in May 2026 (state

rules are notified separately). Students should check current notifications for details. (Industrial relations are studied in HR courses.)

4.6 Negotiation

4.6.1 Meaning

Negotiation is a process in which two or more parties who have different preferences exchange goods or services and attempt to agree on the exchange rate for them. Negotiation is a way of resolving conflicts and making deals: salary, contracts, budgets, project deadlines, resource allocation and supplier terms.

(Communication skills for negotiation are also covered in the Managerial Communication course.)

4.6.2 Bargaining Strategies

Distributive bargaining (win–lose): the parties divide a fixed amount of resources, so one party's gain is the other's loss. Features: each party has a *target point* and a *resistance (reservation) point*; the area between the two resistance points is the **settlement range** (bargaining zone). Success depends on getting the other party to agree to a point near your target.

Integrative bargaining (win–win): the parties look for one or more settlements that can create a win–win solution; the "pie" can be expanded. Conditions that help: open information sharing, trust, concern for the other party's needs, willingness to maintain a long-term relationship.

Basis	Distributive	Integrative
Resources	Fixed pie	Expandable pie
Interests	Opposed	Convergent or congruent
Focus	Positions	Interests
Relationship	Short-term	Long-term
Outcome	Win–lose	Win–win
Information	Withheld	Shared

4.6.3 The Negotiation Process

1. **Preparation and planning:** define objectives and priorities; assess your **BATNA** (Best Alternative to a Negotiated Agreement); find out about the other party; plan strategy and concessions; select team and venue.
2. **Definition of ground rules:** who negotiates, where, time limits, procedures.
3. **Clarification and justification:** each side explains its demands and the reasons.
4. **Bargaining and problem solving:** exchange of offers and concessions.
5. **Closure and implementation:** formalise the agreement and agree on monitoring.

4.6.4 Principles of Win–Win Negotiation (Fisher and Ury)

1. Separate people from the problem.
2. Focus on interests, not positions.

3. Invent options for mutual gain.
4. Insist on using objective criteria.
5. Know your BATNA.

4.6.5 Negotiation Skills

- **Preparation:** know your goals, limits and alternatives.
- **Active listening and questioning.**
- **Clear communication.**
- **Emotional control and patience.**
- **Creativity in generating options.**
- **Reading non-verbal cues.**
- **Concession management:** do not concede without getting something in return, and make decreasing concessions.
- **Ethical conduct:** honesty, respect.
- **Cultural sensitivity.**
- **Closing skills:** summarise and confirm the agreement in writing.

4.6.6 Individual Differences in Negotiation

Personality (agreeableness, extraversion, risk tolerance), mood, culture and gender can influence negotiation behaviour, but the effect of preparation and skill is larger than any of these. Moods and emotions can influence bargaining; a calm demeanour helps.

4.6.7 Third-Party Negotiations

- **Mediator:** neutral, facilitates communication and suggests solutions; effective when parties are willing to resolve the dispute.
- **Arbitrator:** hears both sides and imposes a binding settlement. Under Indian law, the Arbitration and Conciliation Act, 1996 governs commercial arbitration.
- **Conciliator:** acts as a communication link and trusted friend of both.
- **Consultant:** a skilled impartial third party who tries to facilitate problem solving.

4.7 Putting It Together: Handling Difficult Situations at Work

Situation	Suggested approach
A colleague takes credit for your work	Gather facts; talk privately and calmly using “I” statements; document; if repeated, involve the manager
A manager makes unreasonable demands	Seek clarity on priorities; propose alternatives; explain consequences; use rational persuasion with data

Situation	Suggested approach
Two team members are in conflict	Meet each separately; then jointly; focus on interests; agree on behaviour changes; follow up
You must say no to a request	Be respectful; explain reasons; offer alternatives
You feel there is favouritism in the team	Collect facts; raise through the proper channel; ask for clear criteria
Competing for scarce resources	Use transparent criteria; seek common goals; escalate with data

4.8 Case Study

The merged department. After a merger, two sales teams were combined under a new head, Mrs. Sharma. The teams, formerly rivals, kept to themselves. The more senior members of the larger team assumed control of the best accounts, and the other team felt sidelined. Rumours spread that some people would be laid off. Two high performers from the smaller team resigned. Mrs. Sharma first gave orders and set high targets, but results fell. She then held individual meetings, clarified the account-allocation rules with the help of both teams, set joint targets with a shared bonus pool, and formed mixed teams for key accounts.

Questions:

1. Identify the types and sources of conflict in this case.
2. Which leadership styles did Mrs. Sharma use at first and later? Why was the second approach more effective?
3. What bases of power and political behaviours can you identify?
4. Which conflict-handling styles and techniques were used?

UNIT 5:

ORGANISATIONAL CULTURE, CHANGE, ETHICS AND CONTEMPORARY WORKPLACE ISSUES

5.1 Introduction

The preceding units examined individuals, groups, leaders and conflict. This final unit takes a wider view: the culture within which these interactions take place, the change that organisations constantly undergo, the ethical and legal standards that govern conduct, and the new challenges created by technology, remote work and changing employee expectations. A workplace that has a healthy culture, handles change thoughtfully, acts ethically and cares for its people is more likely to attract talent and perform well.

5.2 Organisational Culture

5.2.1 Meaning and Definition

Organisational culture is a system of shared meaning held by members that distinguishes the organisation from others. Edgar Schein defined it as "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel". Informally, culture is "the way we do things around here".

5.2.2 Characteristics (Robbins's Seven Dimensions)

1. **Innovation and risk taking:** the degree to which employees are encouraged to be innovative and take risks.
2. **Attention to detail:** precision, analysis and attention.
3. **Outcome orientation:** focus on results rather than on techniques and processes.
4. **People orientation:** the extent to which decisions consider the effect on people.
5. **Team orientation:** work organised around teams rather than individuals.
6. **Aggressiveness:** competitiveness rather than easy-going style.
7. **Stability:** emphasis on maintaining the status quo versus growth.

5.2.3 Levels of Culture (Schein)

Level	Description	Examples
Artefacts	Visible structures, processes and behaviours	Dress code, office layout, logos, rituals, language

Level	Description	Examples
Espoused values	Stated strategies, goals and philosophies	Mission statement, "customer first"
Basic underlying assumptions	Unconscious, taken-for-granted beliefs	Belief that people are trustworthy or that hierarchy must be respected

5.2.4 Types of Culture

Cameron and Quinn's Competing Values Framework:

Type	Orientation	Features
Clan (collaborative)	Internal focus; flexible	Family-like, teamwork, mentoring, loyalty
Adhocracy (creative)	External focus; flexible	Innovation, risk-taking, entrepreneurship
Market (competitive)	External focus; stable	Results, competition, achievement
Hierarchy (controlling)	Internal focus; stable	Rules, procedures, efficiency, control

Other classifications:

- **Strong and weak cultures:** in a strong culture, core values are intensely held and widely shared; it increases cohesion and predictability, but may resist change.
- **Handy's four cultures:** power, role, task and person cultures.
- **Dominant culture and subcultures:** subcultures arise in departments or locations; countercultures oppose the dominant culture.

5.2.5 Functions of Culture

1. Gives members an **identity** and a sense of belonging.
2. Generates **commitment** to something larger than self-interest.
3. Enhances **social system stability**: it is the "social glue".
4. Acts as a **sense-making and control mechanism** that guides attitudes and behaviour.
5. Gives **boundaries**: distinguishes the organisation from others.
6. Supports **strategy implementation**.

Dysfunctions: barrier to change, barrier to diversity (pressure to conform), barrier to mergers and acquisitions (culture clash).

5.2.6 Creating and Sustaining Culture

Origin: the founder's vision and values; early experiences.

Sustaining through:

1. **Selection:** hiring people who fit the culture.
2. **Top management:** what leaders say, reward and do.
3. **Socialisation:** the process by which new employees adapt to the culture: *pre-arrival*, *encounter* and *metamorphosis* stages. Induction, mentoring and training are tools.
4. **Rituals, stories, symbols and language:** for example, awards ceremonies, founders' stories, jargon.
5. **Reward systems and policies.**

Changing culture: it is difficult and slow. Steps: assess the existing culture; define the desired culture; show commitment from top management; change symbols, rewards and role models; select and develop people; communicate consistently; involve employees; measure progress.

5.2.7 Organisational Climate

Organisational climate is the shared perception of employees about the work environment: the policies, practices, relationships and rewards in the organisation. Culture is deeper and more stable; climate is more immediate and measurable (through surveys). Dimensions include autonomy, trust, support, recognition, fairness, pressure and innovation. A positive climate improves satisfaction and performance.

Culture versus climate:

Basis	Culture	Climate
Nature	Deep values and assumptions	Surface perceptions and feelings
Duration	Long-lasting	Changes more quickly
Study	Qualitative (observation, stories)	Quantitative surveys
Role	Why people behave as they do	How people feel about the workplace

5.2.8 Culture in the Indian Context

Indian workplaces often reflect high power distance, respect for seniority, strong group loyalty and relationship orientation, along with diversity of language and region. Family businesses and public-sector organisations tend to have hierarchical cultures, while start-ups often follow flatter, more informal cultures. Multinationals in India blend global practices and local norms.

5.3 Organisational Change

5.3.1 Meaning and Forces for Change

Organisational change is any alteration of the work environment, structure, technology, tasks, people or strategy. Change is constant.

External forces: technology, competition, market and customer demands, economic conditions, government regulation, social trends, globalisation, pandemics.

Internal forces: new strategy, leadership change, employee expectations, poor performance, restructuring, mergers, new technology.

5.3.2 Types of Change

1. **Planned versus unplanned (reactive) change.**
2. **First-order (incremental)** and **second-order (transformational)** change.
3. **Structural** (reporting lines, departments), **technological** (new systems), **people-centred** (attitudes, skills) and **strategic** (mission, products).

5.3.3 Models of Change

A. Lewin's Three-Step Model.

1. **Unfreezing:** creating awareness of the need for change and reducing forces that maintain the status quo. (Use data, show dissatisfaction, create a sense of urgency.)
2. **Changing (moving):** introducing the new methods, structures or behaviours; training and support.
3. **Refreezing:** stabilising the new state through reinforcement, rewards, policies and culture.

Force-field analysis: Lewin viewed any situation as a balance between **driving forces** (pushing for change) and **restraining forces** (resisting it). Change occurs by increasing driving forces or, better, by reducing restraining forces.

B. Kotter's Eight-Step Model.

1. Create a sense of urgency.
2. Build a guiding coalition.
3. Form a strategic vision and initiatives.
4. Enlist a volunteer army (communicate the vision).
5. Enable action by removing barriers.
6. Generate short-term wins.
7. Sustain acceleration (consolidate gains).
8. Institute change in the culture.

C. Action Research. A systematic process of diagnosing, collecting data, feedback, joint action planning, action and evaluation, with the participation of those affected.

D. ADKAR Model (Prosci). Awareness, Desire, Knowledge, Ability, Reinforcement: an individual-level model of change.

5.3.4 Resistance to Change

Meaning: behaviour that attempts to reduce the effects of, or stop, a change. Resistance may be open (strikes, complaints), implicit (loss of motivation, absenteeism, increased errors) or deferred.

Sources of resistance:

Individual:

- **Habit:** preference for familiar routines.
- **Security:** fear of job loss or loss of income.
- **Economic factors:** fear of lower pay.
- **Fear of the unknown.**
- **Selective information processing:** hearing only what supports existing views.
- **Loss of status, power or relationships.**
- **Lack of skills.**

Organisational:

- **Structural inertia:** built-in mechanisms for stability.
- **Limited focus of change:** a change in one subsystem is nullified by the larger system.
- **Group inertia:** group norms.
- **Threat to expertise and established power relationships.**
- **Threat to resource allocations.**
- **Poor timing and weak communication.**

Overcoming resistance (Kotter and Schlesinger):

Approach	When commonly used	Advantage	Drawback
Education and communication	Resistance due to lack of information	Persuades people	Time-consuming
Participation and involvement	Resisters have power or expertise	Builds commitment	Slow; may produce poor solution
Facilitation and support	Adjustment problems, fear	Reduces anxiety	Time-consuming, costly
Negotiation and agreement	Resistance by a powerful group	Avoids major resistance	May be expensive
Manipulation and co-optation	Other methods fail or cost too much	Quick, inexpensive	Can backfire; unethical if deceptive

Approach	When commonly used	Advantage	Drawback
Coercion	Speed is essential; change leaders have power	Fast	Resentment; risky

Overall, honest, early communication and involvement of employees are the best foundations for lasting change.

5.3.5 Managing Change: Practical Guidelines

1. Explain the reasons clearly and early.
2. Involve those affected in planning.
3. Provide training and resources.
4. Support leaders and role models.
5. Address fears honestly and listen.
6. Pilot test and show early successes.
7. Monitor and adjust.
8. Reinforce new behaviours through rewards.
9. Respect the psychological contract.
10. Manage "change fatigue" by pacing changes.

5.3.6 Stress and Culture during Change

Mergers, restructuring and technology changes create uncertainty and stress, so organisations should offer counselling, communication and fairness in selection decisions (for example, in layoffs).

5.4 Organisational Development (OD)

Organisational development is a planned, organisation-wide, long-term effort, supported by top management, to increase organisational effectiveness and health through interventions in the organisation's "processes", using behavioural-science knowledge (Warren Bennis, Richard Beckhard).

Values of OD: respect for people, trust and support, power equalisation, confrontation of problems, and participation.

OD interventions:

Level	Intervention	Description
Individual	Sensitivity (T-group) training	Unstructured group sessions that increase awareness of self and others
Individual	Coaching and counselling, career planning	One-to-one development
Interpersonal	Process consultation	Consultant helps manager understand and act on process events
Interpersonal	Third-party peacemaking	Resolve conflict

Level	Intervention	Description
Group	Team building	Improve team effectiveness through goal setting, role clarification and problem solving
Intergroup	Intergroup development	Improve relations between groups
Organisation	Survey feedback	Questionnaire data shared with employees for action
Organisation	Appreciative inquiry	Building on strengths: discovery, dream, design, destiny
Organisation	Large-group interventions	Many stakeholders work together on organisational issues
Organisation	Structural and job redesign	Changing roles and structure

Effectiveness: OD is more effective with strong top-management support, readiness, careful diagnosis and follow-up. It is less effective if used for quick fixes or imposed on unwilling participants.

5.5 Workplace Ethics

5.5.1 Meaning

Ethics are the rules or principles that define right and wrong conduct. **Workplace ethics** are the moral principles that guide behaviour at work: honesty, fairness, respect, responsibility, integrity and accountability.

5.5.2 Why Ethics Matter

- Build trust with employees, customers and investors.
- Protect reputation.
- Improve morale and retention.
- Reduce legal risk and fraud.
- Support long-term performance.

5.5.3 Common Ethical Issues at the Workplace

1. **Discrimination and unfair treatment** (gender, caste, religion, age, disability).
2. **Harassment and bullying.**
3. **Conflict of interest:** personal interests that interfere with duties.
4. **Misuse of company resources and time.**
5. **Dishonesty:** falsifying records, expense claims, credentials.
6. **Confidentiality breaches** and insider trading.
7. **Bribery and corruption:** giving or accepting gifts to influence decisions.
8. **Unsafe working conditions.**
9. **Employee privacy and surveillance.**
10. **Plagiarism and intellectual property misuse.**

11. **Misleading advertising or customer treatment.**
12. **Environmental harm.**

5.5.4 Ethical Decision Making

Approaches to ethical reasoning:

- **Utilitarian view:** decisions based on the greatest good for the greatest number.
- **Rights view:** respecting fundamental rights such as privacy and free speech.
- **Justice view:** fair and impartial enforcement of rules, distributive and procedural justice.
- **Virtue ethics:** acting as a person of good character would.

A practical test: (1) Is it legal? (2) Is it fair to all? (3) Does it respect people's rights? (4) How would I feel if it were published in the newspaper? (5) Would I be comfortable explaining it to my family?

Factors affecting ethical behaviour: individual (values, moral development, locus of control), organisational (code of ethics, leadership, culture, reward systems), and issue-related (intensity of the issue).

5.5.5 Promoting Ethics in Organisations

1. **Code of ethics and conduct:** written statement of values and rules.
2. **Top management commitment and role modelling.**
3. **Ethics training.**
4. **Ethics hotlines and whistle-blowing channels.**
5. **Fair performance and reward systems:** do not reward results achieved by unethical means.
6. **Ethics committees and audits.**
7. **Protection of whistle-blowers.**
8. **Consistent enforcement.**

5.5.6 Whistle-Blowing

Whistle-blowing is the disclosure by employees of illegal, immoral or illegitimate practices under the control of their employers, to persons or organisations that may be able to take action.

In India, the **Whistle Blowers Protection Act, 2014** provides a mechanism to receive complaints on disclosures of corruption or wilful misuse of power by public servants and protects the whistle-blower. (Check current status of enforcement.) The Companies Act, 2013 requires listed companies and certain others to establish a vigil mechanism, and SEBI regulations require listed companies to have a whistle-blower policy.

Guidelines for the employee: use internal channels first; document facts; keep to facts, not opinions; seek advice; understand the legal protection.

Guidelines for the organisation: provide confidential channels, investigate promptly and fairly, and prohibit retaliation.

5.5.7 Corporate Governance and Corporate Social Responsibility (in brief)

Corporate governance is the system by which companies are directed and controlled: board accountability, transparency, disclosure and protection of stakeholders' interests (Companies Act, 2013; SEBI Listing Regulations). **Corporate social responsibility (CSR)** is the organisation's responsibility towards society and the environment. Under Section 135 of the Companies Act, 2013, companies meeting prescribed thresholds must spend at least two per cent of average net profits on CSR activities. These topics are studied in detail in the Business Ethics and Corporate Governance course in Semester IV.

5.6 Workplace Harassment and the Legal Framework

5.6.1 Sexual Harassment at the Workplace: The POSH Act, 2013

The **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**, following the Supreme Court's *Vishaka* guidelines (1997), protects women from sexual harassment at the workplace.

Sexual harassment includes unwelcome acts or behaviour, directly or by implication, such as physical contact and advances; a demand or request for sexual favours; making sexually coloured remarks; showing pornography; or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. Circumstances such as promise of preferential treatment, threat of detrimental treatment, threat about present or future employment status, interference with work or creating an intimidating or hostile work environment, or humiliating treatment likely to affect health or safety, may amount to sexual harassment.

Key provisions:

1. **Internal Committee (IC):** every employer with ten or more employees must constitute an IC at each office or branch, headed by a senior woman employee, with at least half its members women, one member from an NGO or association committed to women's cause or familiar with legal issues, and not fewer than two members from among employees. Where there are fewer than ten employees, or the complaint is against the employer, the **Local Committee** at the district level acts.
2. **Complaint:** within three months of the incident (extendable by three months for reasons).
3. **Conciliation** may be attempted at the request of the complainant (but no monetary settlement as a basis for conciliation).
4. **Inquiry** to be completed within 90 days; report within 10 days; the employer must act within 60 days.
5. **Interim relief,** such as transfer or leave.
6. **Penalties** for the employer for non-compliance, including a fine.
7. **Employer's duties:** a safe workplace, display of penal consequences, awareness programmes, organising workshops, and providing assistance.
8. **Confidentiality** of the complainant's identity and proceedings.

False or malicious complaints are also addressed in the Act. Students should read the Act and the latest rules; the legal position may also be affected by amendments and court decisions.

5.6.2 Bullying and Mental Harassment

Workplace bullying: repeated unreasonable behaviour directed at an employee, such as humiliation, exclusion, excessive criticism, shouting or spreading rumours. Effects: stress, absenteeism, turnover and ill health. Prevention: clear anti-bullying policies, training, confidential reporting channels and consistent action.

5.6.3 Equality, Inclusion and Related Laws (Overview)

- Constitution: Articles 14, 15, 16 and 21.
- **Maternity Benefit Act, 1961** (as amended in 2017): paid maternity leave of 26 weeks for the first two children, crèche facility for establishments with 50 or more employees, and provisions for work from home where feasible.
- **Rights of Persons with Disabilities Act, 2016:** non-discrimination and reservation in jobs.
- **Transgender Persons (Protection of Rights) Act, 2019.**
- The **four labour codes** (wages, industrial relations, social security, and occupational safety, health and working conditions), in force since 21 November 2025, include provisions on equal remuneration without discrimination, safety, working hours, social security including coverage for gig and platform workers, and women's employment (with conditions). Check the Central and State rules for details.

5.7 Workplace Discipline and Grievance Handling

5.7.1 Discipline

Discipline is the orderly conduct of employees in accordance with the rules and norms of the organisation. It may be **preventive** (employees follow rules voluntarily) or **corrective** (action taken after a violation).

Types of misconduct: absence without leave, insubordination, theft, fraud, violence, harassment, intoxication, negligence, breach of confidentiality.

Principles of fair discipline (the "hot stove rule"): the penalty should be immediate, with warning, consistent, and impersonal (like touching a hot stove). **Natural justice** requires that the employee be informed of the charge, given a fair opportunity to explain, and that the inquiry be unbiased.

Progressive discipline: verbal warning, written warning, suspension, demotion or dismissal, depending on the seriousness. Records should be maintained.

Typical procedure for serious misconduct: show-cause notice or charge sheet; reply; domestic enquiry by an impartial officer; findings; punishment; right of appeal.

5.7.2 Grievance Handling

A **grievance** is a feeling of dissatisfaction, expressed or not, that an employee perceives as unfair, relating to the job, conditions, pay, supervision or treatment.

Causes: pay and benefits, working conditions, supervision, discrimination, promotion, work load, bullying.

Grievance procedure: a multi-step process: employee to immediate supervisor (step 1); to department head (step 2); to a grievance committee or HR (step 3); to top management or arbitration (final). Time limits at each step; written records; protection from retaliation.

Principles: accessible, prompt, fair, confidential, with proper recording and follow-up. Under the Industrial Relations Code, 2020, establishments with 20 or more workers must have a grievance redressal committee. Students should check the current rules.

Benefits: prevents small problems growing into disputes; gives management feedback; improves morale and trust.

5.8 Work-Life Balance, Wellbeing and Mental Health

5.8.1 Work-Life Balance

Work-life balance is the extent to which a person is equally engaged in and satisfied with work and non-work roles. Imbalance leads to stress, burnout and conflict between work and family. Technology has blurred boundaries: email and messaging reach employees at any hour.

Causes of imbalance: long hours, heavy workload, rigid schedules, commute, constant connectivity, dual-career families, caregiving duties.

Organisational practices:

- Flexible hours and remote work.
- Compressed work weeks.
- Part-time and job sharing.
- Leave policies, including parental and sabbatical leave.
- Childcare or eldercare support.
- Respect for off-hours: “right to disconnect” policies.
- Realistic workload and staffing.
- Wellness programmes.

Individual practices: setting boundaries, time management, prioritising, using leave, delegation, and making time for health and family.

5.8.2 Employee Wellbeing and Mental Health

Wellbeing has physical, mental, social and financial dimensions. Employers have a role in:

- Reducing stressors (workload, role ambiguity, bullying).
- Providing access to counselling or Employee Assistance Programmes.
- Training managers to recognise signs of distress, burnout and depression.
- Creating a culture where seeking help is not stigmatised.

- Ensuring safe and healthy working conditions.
- Supporting physical health: ergonomics, health check-ups, activity programmes.

Signs of burnout: exhaustion, cynicism, reduced efficiency, irritability, absenteeism. Under the Mental Healthcare Act, 2017, persons with mental illness have rights, including non-discrimination. Employees who are in distress should be encouraged to seek help from qualified professionals.

5.8.3 Employee Engagement and Retention

Employee engagement is the individual's involvement with, satisfaction with and enthusiasm for work. Drivers: meaningful work, good leadership, recognition, growth opportunities, autonomy, trust, fair rewards and a supportive team. Consequences: higher productivity, customer satisfaction, innovation and lower attrition.

Retention strategies: fair and competitive pay; career pathways; training; recognition; flexible work; good management; a positive culture; exit interviews to learn from departures.

Quiet quitting (doing only the minimum required) and the **Great Resignation** are terms used to describe disengagement and high attrition; they often reflect unmet expectations about pay, respect, flexibility and growth.

5.9 Remote and Hybrid Work

5.9.1 Models

- **Fully remote:** all work from home or elsewhere.
- **Hybrid:** a mix of office and remote days.
- **On-site:** all in the office.
- **Flexible and asynchronous:** employees choose hours or work at different times.

5.9.2 Benefits

- Savings in commuting time and cost.
- Flexibility and better autonomy.
- Wider talent pool.
- Savings in office space.
- Productivity gains for some tasks.

5.9.3 Challenges

- Isolation and weaker social ties.
- Communication gaps and slower informal learning.
- Blurred boundaries and longer working hours.
- Difficulty in building culture and onboarding new employees.

- Proximity bias in promotions and assignments.
- Unequal home work conditions and technology access.
- Monitoring and privacy concerns.
- Cyber-security risks.

5.9.4 Good Practices

1. Clear expectations, goals and measures focused on outcomes, not hours.
2. Regular structured communication and team rituals.
3. Appropriate tools for messaging, video and shared documents.
4. Planned in-person days for collaboration and relationship building.
5. Equal treatment of remote and on-site employees.
6. Training managers in leading remote teams.
7. Respect for boundaries and wellbeing; encourage breaks.
8. Security training and policies.
9. Policies on expenses and equipment.

5.10 The Digital Workplace, Technology and AI

5.10.1 Technology and Behaviour

Digital tools such as email, messaging platforms, video meetings, project dashboards, and HR systems change how people communicate and are managed. Issues include information overload, “always on” culture, “Zoom fatigue” and the loss of informal interactions. Digital etiquette includes clear subject lines, respecting working hours, thoughtful use of group messages, and security awareness.

5.10.2 Artificial Intelligence at Work

AI tools can automate routine tasks, assist in drafting, analysis, customer service and scheduling, and support decisions. Impacts on workplace dynamics:

- **Changing jobs and skills:** some tasks are automated; new roles and skills emerge; employees need continuous learning.
- **Fear of job loss and change resistance.**
- **Algorithmic management:** AI used for scheduling, monitoring and performance evaluation; concerns about transparency, bias and fairness.
- **Bias in AI-supported recruitment and appraisal** if training data are biased.
- **Privacy and data protection:** employee and customer data.
- **Human–AI collaboration:** trust, oversight and accountability.

- **Ethical use:** transparency, human review of important decisions, and compliance with law.

Data protection in India: the Digital Personal Data Protection Act, 2023 and the DPDP Rules, 2025 (notified in November 2025, with a phased implementation over about 18 months) set rules for the processing of personal digital data, including that of employees, based on consent and defined legitimate uses. Organisations should follow current compliance dates.

5.10.3 Employee Monitoring

Employers monitor email, internet use, location and productivity for security and performance. Ethical and legal issues arise regarding privacy, proportionality and transparency. Good practice: have a clear policy, inform employees, monitor only what is needed, and protect data.

5.11 The Future of Work

Trends that are likely to shape workplaces:

1. **Skills-based hiring and lifelong learning:** reskilling and upskilling.
2. **AI and automation** working alongside humans.
3. **Hybrid and flexible models** as a norm.
4. **Gig, freelance and platform work,** and new legal protections for gig workers (for example, provisions on social security for gig and platform workers in the Code on Social Security, 2020).
5. **Diversity, equity and inclusion** as business priorities.
6. **Wellbeing and mental health** as part of employee value proposition.
7. **Purpose and sustainability:** employees want meaningful work and responsible employers.
8. **Four-day work week experiments and outcome-based work.**
9. **Multigenerational and global teams.**
10. **Greater emphasis on soft skills:** communication, empathy, critical thinking, adaptability, teamwork.

Skills needed by young professionals: emotional intelligence, collaboration, adaptability, digital fluency, critical thinking, ethical judgement, cross-cultural competence, and resilience.

5.12 Case Study

Project Phoenix. A mid-sized firm decided to adopt hybrid work and to introduce a new project-management and AI-assisted reporting system. Management announced the change by email and expected adoption within a month. Some long-serving employees were afraid that the AI tool would replace them and delayed using it. Younger employees preferred remote work but felt excluded from informal discussions on office days. Managers started rating performance mainly by visible presence. A woman employee reported to HR that a senior colleague made repeated inappropriate comments on a video call; her complaint was ignored for three weeks. Within six months, attrition rose and engagement scores fell.

Questions:

1. Apply Lewin's or Kotter's model to explain what went wrong in the introduction of the change.
2. Identify the sources of resistance and suggest ways to reduce them.
3. What cultural and ethical problems does the case reveal? Which legal provision applies to the harassment complaint, and what should the organisation have done?
4. Suggest a plan to improve engagement in the hybrid model.