

GROUP BEHAVIOUR

Organization Structure, Formation – Groups in Organization – Influence – Group Dynamics – Emergence of Informal Leaders and Working Norms – Group Decision Making Techniques – Team Building – Interpersonal Relations – Communication – Control.

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PART - 1

1. Group

1.1 Definition and meaning

According to Stephen Robbins, “A group may be defined as two or more individuals. Interacting and interdependent, who have come together to achieve particular objectives”.

1.2 Group Dynamics

- The social process by which people interact face to face in smaller groups is called group dynamics. Thus group dynamics is concerned with the face to face interaction of individual.

1.3 Nature or characteristics of group or group dynamics

- ✦ **Two or more persons:** - To form a group, there should be atleast two persons because a single individual cannot interact. However, there cannot be any specific limit on the maximum number of persons in a group but the size of the group, will be determined by rules and regulations of the organization.
- ✦ **Collective identify:** - Members of the group must be aware about the membership of the group. Each member of the group must believe that he is the member of, is a participant in, some specific group.
- ✦ **Interaction:** - Interaction means the each members share his ideas with others through communication and this communication can take place face to face, in writing, over the telephone, across a computer network, or in any other manner which allows communication among group members. However, it is not necessary for all members of the group to interact simultaneously, but each member must interact, atleast occasionally with one or more members of the group.
- ✦ **Shared goal interested:** - Members of the group should give to the attainment of some common objectives. However, it is not necessary that each member promise to or agrees with all the objectives of the group. If groups have a variety of objectives or interest, each member of the group must share atleast one of the group concerned. The shared goal interest joins the group member together.

1.4 Types of group

a. **Primary and Secondary groups:** -

Primary groups are those characterized by intimate, face to face association and cooperation. These are clusters of people like families or close friendship circles where there is close, face to face and intimate interaction. **For example:** - Family and peer group.

Secondary groups are characterized by large size and individual's identification with values and beliefs established in them rather than actual interaction. There are often large and usually formally organized. **For example:** - Occupational association and ethnic groups etc.

b. **Membership and Reference groups:-**

Membership group are those to which the individual actually belongs. **For example:** - Clubs, cooperative societies, workers unions etc.

Reference groups are those with which an individual identifies or to which he would like to belong.

c. **Temporary or Permanent group:-**

Groups are formed for achieving certain objectives. They have a very short life. After attaining the objectives, they are dissolved. Meetings, committees, and small groups are example for temporary groups.

They have group activities, group performance, and job assignment and so on. A team is a permanent group. Trade union is an example for permanent group

d. **Nominal and Non – performing group:-**

Nominal groups are presented with problems to be solved. Members of the group share their ideas in a structured format. The alternative suggestions are discussed for arriving at more effective suggestions. This is a nominal group because the employees are members of the group for name sake only

Non – performing groups are formed and developed without any performances. They have certain goals but there is no attempt to achieve those goals.

e. **Formal and Informal group**

Formal groups— Established by the organization to perform organizational work.

- Command group—Specified by the organization chart and comprised of employees who report directly to a supervisor.
- Task group—Comprised of employees who work together to compete a particular Task/project; **e.g.**, self managed teams (SMTs).

Informal groups—Natural groupings of employees that form to fulfill social needs

- Interest group—Established to meet a mutual objective (a group formed for more fringe benefits).
- b. Friendship group— Formed because members have something in common.

Characteristics	Formal group	Informal group
Origin	It is deliberate and planned	It is voluntary and spontaneous
Purpose	It serves as means to formal ends	It provides social satisfaction
Authority	Authority means from superior to subordinate it flows downwards	As authority is derived from peers it flows horizontally or even upwards
Communication system	All messages pass through properly for commands	All the communications are informal channels
Behavior of members	Behavior is regulated by rules and regulation to attain organization objectives	Behavior of member is regulated by norms, values and beliefs of the group
Status	It is determined by position or responsibilities of a job	It depends on feelings and sentiments of the members
Size	It depends upon the organization generally larger size	It is smaller size
Nature of group	It is stable and continues for	It is unstable

	a larger period	
Control	Management control	Only by members
Direction	Given by management	Only by members
Power	Given by manager	Given by members
Primary focus	Position	Person

1.5 Reason for form a group

- a. **The satisfaction of needs:** - Feelings is high one is self respect
 - The respect on an individual increase by his association with a group of high status
 - The respect group provides safety, encouragement and self expression
- b. **Economic reasons:** - Join groups because they believe membership will result in economic betterment. (e.g., a labor union with a record of securing members higher wages.)
- c. **Safety and security:** - Groups provide protection to their members. That is why workers join trade unions to feel safe and secure. New employees are particularly helpless to sense of separation and turn to the group for guidance and support
- d. **Power:** - One of the appealing aspects groups is that they represent power
 - Groups additionally provide opportunities for individuals to exercise power over others
 - workers enjoy much greater power to joining than they do as individual
- e. **Goal achievement:** - A person as an individual cannot achieve certain goals
 - There is a need to talents, knowledge and power to accomplish a goal
 - Hence, people join to groups to achieve such goals
- f. **Status:** - By joining the group of a person gets identify with the group

- He claims that, he is a member of a particular group which gives some identity in the organization or in the society

1.6 Stages of group development

- Forming:** - Members first get together during this stage. Individually, they are considering questions like, “What am I here for?”, “Who else is here?” and “Who am I comfortable with?” It is important for members to get involved with each other, including introducing themselves to each other. Clear and strong leadership is required from the team leader during this stage to ensure the group members feel the clarity and comfort required to evolve to the next stage.
- Storming:** - During this stage, members are beginning to voice their individual differences, join with others who share the same beliefs. Therefore, it is important for members to continue to be highly involved with each other, including to say any uneases in order to feel represented and understood. The team leader should help members to say their views, and to achieve agreement (or commonality of views) about their purpose and priorities.
- Norming:** - In this stage, members are beginning to share a common commitment to the purpose of the group, including to its overall goals and how each of the goals can be achieved. The team leader should focus on continuing to clarify the roles of each member, and a clear and workable structure and process for the group to achieve its goals.
- Performing:** - In this stage, the team is working effectively and efficiently toward achieving its goals. During this stage, the style of leadership becomes more indirect as members take on stronger participation and involvement in the group process. Ideally, the style includes helping members to reflect on their experiences and to learn from them.
- Adjourning or closing and celebration:** - At this stage, it is clear to members and their organization that the team has achieved its goals (or a major milestone along the way toward the goal).

1.7 Group influence on organization

- Hierarchies and leaders:** - People in groups influence each other they may develop their own hierarchies and leaders. This affects the working of the organization, there working guidelines and working patterns.
- Group pressures:** - Group pressures can have a major influence of the behaviour of individual members and the work performance. If the group created significant pressure on the individuals working then it effects the organizational goals and aims

- c. **Leadership selection:** - The activities of the group are associated with the process of leadership. If the group selects a leader then are unwilling to follows other leaders that have been selected by organization.
- d. **Interaction:** - Selection of a group can create interaction in the organization. In the group is affective then that will give higher production or if the group is ineffective then it can create many problems in working of the organization
- e. **Goal accomplishment:-** A group can help in the accomplishment of the organization group where as the dissatisfied group has power to destroy the organizational working and its goal accomplishment process.

1.8 Theories of group

- ✦ **Propinquity Theory:** - The term propinquity means nearness. This theory appears to explain the group formation based on nearness. Nearness is only a facilitating factor for group formation and not the reason for it.
- ✦ **Homan's interaction theory:** - It is based on activities, interaction and sentiments. All these elements are directly related to one another. The members of the group share activities and interact with one another not just because of physical nearness, but also to accomplish group goals. The key element is interaction because of which they develop common sentiments for one another. This theory explains the basic idea behind forming groups. Scott observes that interaction not only helps in attaining goals but also to solve problems facilitates co-ordination reduce tension, and achieve a balance. Participants interacting in this manner tend to form powerful groups.
- ✦ **Balance theory:** - Balance theory of group formation propounded by NEWCOMAB has suggested similarity of attitudes towards relevant objectives and goals has the basic for group formation. Newcomab has stated, persons are attracted to one another on the basis of similar attitudes towards commonly relevant objects and goals.
- ✦ **Exchange theory:** -Exchange theory states that outcome of the interaction as a basis for group formation. The outcome of the relationship should be rewarding in order to have attraction or affiliation among the persons or members of the group. This theory is known as exchange theory or reward and cost outcome.

1.9 Group Behaviour

Meaning: - Group behaviour refers to the situation where people interact in large or small groups. The study of group behaviour is essential for an organization to achieve its goals.

1.10 Group Cohesiveness (Interrelation)

Group in which individuals generally agree and cooperate would be relatively more effective at completing the task

1.10. A. Consequence or Importance of group cohesiveness

- **High productivity** :- Under Hawthorne studies high degree of cohesiveness is both a cause and effect of high productivity
- **More personal satisfaction:** - High group cohesiveness also offers job satisfaction to its members. Group provides self respect, reward, support, opportunity, achievement, Protection and feeling of security.
- **More participation:** - In group cohesiveness involves close interpersonal relationship, among members. Members also quality to assistant support other members of the group in term of need and this strengthens the links of friendship. The members are actively involved in meetings and group activities as it gives them an opportunity of social indention for achieving individual and group goals. Generally members absentees and turnover rate is very low in groups
- **More success:** - High degree of cohesiveness (interrelation) leads for high degree of coordination, communication, participation and this result in a high degree of achievement of goals. In general cohesiveness groups are more successful in achieving the goals. Thus high degree of coordinated efforts of members of group tend to result in success in achieving such goals
- **More communication:** - Better communication reduces conflict and misunderstanding among members of the group. Increases communications leads for the depth in personal relationship among members in group.

1.11 Determinants influence of (group behavior or group cohesiveness or group dynamics) / structural dynamics of group

- **External factors** :- The organization system influence the group through corporate strategy, organizational structure, rules and regulations, organizational resources, staffing policies, appraisal and reward system, organizational culture, physical work environment such as layout, lighting, interior decoration, seating arrangement, temperature etc.
- **Group members' resources**
 - a. Ability of members: - The performance of group may be influenced by the task relevant academic abilities of each of its members.
 - b. Personality characteristics: - The personality qualities of group members can shape group attitude and behaviour. These include qualities such as sociality, self reliance and independence.
- **Group structure**: - In a simple term structure is a model in which various parts or components of an object or interrelated or interconnected. Therefore, the structure of the work group has to been realized from its various components and how they work
- **Group process**: - Group process refers to the communication pattern used by members. Group decision process, leader behaviour, power dynamics, and conflict interactions. Group process are significant as they can create outputs greater than the some of the inputs because of the effect of interaction
- **Group tasks**: - Groups are created to accomplish some tasks. Group tasks can range from simple to complex task. Generally, the more complex task, the more group will benefit from decision among members on various alternatives. If the task is simple and search for alternatives and thus discussion between group members would be limited.
- **Performance and satisfaction**: - The group task requires members to take initiative. Difficult task is perceived as meaningful.

1.12. Emergence of information leaders

- ✦ **Selecting their leaders**: - The individuals within the group help determine the way the group will operate by selecting their leaders from those who the special skills or abilities have needed by their group.

- ✦ **An informal leader in organization:** - An informal leader is someone within an organization or work unit who, by good value of how he or she is perceived by his peers (or others in the organization) is seen as worthy of paying attention to, or following. The major thing that distinguishes an informal leader does not hold a position of power or formal authority over those that choose to follow him or her
- ✦ **The ability of informal leader:** - The ability of informal leader to influence or lead others on the ability of that person to suggest respect, confidence, and trust in others.
- ✦ **Informal leaders can be exceedingly valuable to organizations :-** Informal leaders can be exceedingly valuable to organizations, and to the success of formal leaders, or, if informal leaders do not support the formal leaders and their agendas and vision, they can function as barriers in the organization
- ✦ **A successful leader:** - However, a successful leader of one group will not necessarily be the acknowledged leader in another. Although elected to an office, a person may not have the required capabilities or be seen by others as directing the group activities. In this situation, the other individuals can be helpful to the established leadership

1.13 Working Norms or group norms

- Group norms are the informal rules adopt to regulate member's behavior. Norms have powerful influence on group behavior. If each individual in a group decided how to behave in each interaction, no one would be able to predict the behavior of any group member. Norms guide behavior and reduce doubt in group
- A work group with the norm that its proper role is to help management will be far more productive than one whose norm is to be opposed to management. Manager can play a part in setting and changing norms by helping to set norms that facilitate tasks.

Types of group norms

- a **Performance norms:** - Workgroups typically provide the members with open dues on how hard they should work. How to get the job done, the level of output, appropriate level of delay and so on. These norms regulate the performance and productivity of the individual members.
- b **Appearance norms:** - These include things like appropriate dress, loyalty to the work group or organizational etc. some organization has formal dress codes. Other appearance

norms might involve dress code. Other appearance norms might involve loyalty or confidentiality on the part of member.

- c. **Arrangement norms:** - These norms come from informal work groups and primarily regulate social informal work. Groups and interaction with in the group.
- d. **Resources allocation norms:** - These norms can originate in the group or in the organization and cover things like pay. Assignment of difficult job and allocation of new tools and equipments.
- e. **Behavioral norms:** - These are the rules and guidelines defining the day to day behaviour of people at work. These norms include day to day behavior of people at work. Punctually as a habit, completing any given assignments with in the required time frame work, not losing temper, showing respect for other members opinions and soon. Certain professionalism is expected from all members.

Advantage and disadvantages of Working in Group (Self Study) (For Reference)

Advantage

- a. **Perform difficult task:** - Group can be a means of working on a difficult and independence task that are too difficult for an individual to perform and that cannot be easily broken down into independence task.
- b. **Generate new ideas:** - Groups can be a means of generating new ideas or creating solutions to solve problems that required input from number of people. A multi various skills required for the performance of a difficult job is available within a group
- c. **Problem solving mechanism :-** Groups can serve as problem solving mechanism when problem requires the process of difficult information interaction among members with different information and critical assignment of possible alternative solutions
- d. **Facilities complex decision making:** - Groups can be used to facilitate the implementations of the difficult decisions. A group composed of representatives from various working group co-ordinating activities of these interrelated groups. In a large organization there will be a number of problems conflicting views, etc. for decision making. one needs a vehicle to air this views after due considerations only a powerful group can provide this as “union is strength”

Disadvantages

- a. **Potential for Conflict:** - If the group is too large or low on interaction and sometimes even if none of these factors are present, there is the potential for conflict which may reduce output.
- b. **Costly:** - The cost in terms of time, money and resources is high where group decision making is involved which may not always be practical.
- c. **Time consuming:** - With too many people involved, more time is required to reach a decision which reduces efficiency.
- d. **Leads to competition:** - If individual performance is also rewarded in groups in a manner that is not motivational. Group decision making may by mistake lead to competition among individual members
- e. **Lack of objective direction:** - In a group without a leader there may be a lack of direction and decision arrived at may be vague.

1.14 Decision Making

1.14. a. Definition

- ✦ “Decision Making is the selection based on some criteria from two or more possible alternatives”.

1.14. b Group decision making

Meaning and definition

Group decision making is defined as a decision situation in which there is more than one individual involved. These group members have their own attitudes and motivations, recognize the existence of a common problem, and attempt to reach a collective decision.

1.14. C Nature of group decision making

- ✦ **There is active interaction:** - There is active interaction among group members. This is possible through participation decision making. Thus, participation is the backbone of decision making.

- **It is related to situation:** - It is related to situation. It is always related to the situation. A manager may take one decision in a particular set of circumstances and another in a different set of circumstances.
- **There is joint responsibility:** - All the members are jointly responsible for the decision made by the group. Even if some of the members do not agree with the decision still they are responsible for the decision because of operation of the concept of joint responsibility.
- **There may be conflicting opinions:** - There may be conflicting opinions in the group decision making among the group members.
- **Goal oriented process:** - Decision making is goal oriented process. It aims at achieving certain desired goals or objectives. The intention of decision making is to move towards some desired state of associations.
- **Selection of best possible Alternative:** - Decision making is a selective process. This is the only best possible alternative chosen out of many alternative available

1.14.d. Group decision making process / Effectiveness of group decision making

- **Identifying or defining the problem:** - Decision making process begins with the defining of the problem they means recognition of the problem. The manager has to identify the problem which is not an easy task. In order to recognize the problem quickly managers must continuously observe the organization
- **Analyzing the problem:** - Second step of decision making is to analyze the problem. Analyses of the critical factors provide a sound basis for making effective decision.
- **Developing alternatives:-** The success of decision making process depends in developing alternative solutions to a given p[problem
- **Evaluating alternatives:** - The next step in the decision making process involves evolution of alternative course. The positive and negative of each alternatives are compared and analyzed on the basis of risk involved, resources available, accomplishment of certain goals, economy of efforts, timing, etc. each alternative solution may have its own merits and demerits.
- **Select the best possible solutions:** - One the various alternatives have been evaluated, a clear picture is presented has to how each one of them contributes towards solving problem.

- ✦ **Implementing the decisions:** - Once the best alternative is selected it must be implemented. At this stage the decision is converted into action. All the employees should be informed the decision. The decision must be implemented in the right time and that for in a proper way.
- ✦ **Follow up and actions:** - Once the decision is implemented, it has to closely monitored. Adequate follow up measures have to be taken in the course of implementation. Such a follow up enables to identify the short coming on negative consequence of decisions.

1.14.e. Techniques of decision making

- ✦ **Brainstorming:** - This is approach to improve problem discovery and solving by encouraging subordinates to give their ideas and solutions in a free environment. Continuous interaction through free discussion may result in natural and creative thinking. Established research groups that one hour brain storming system is likely to generate 50 to 150 ideas.
- ✦ **Nominal group technique:** - Individuals are brought together and presented with the problem. The develop solution independently often working them on cards. Their ideas are shared with others in a structural format. Brief time is allotted so that questions can be asked but only for clarification. Group members individually designated their preference for their best alternative by secret vote. The group decision is announced.
- ✦ **Electronic meeting:** - It is called the computer assisted group or electronic meetings. Once the technology is in place, the concept is simple, Upto 50 people sit around a horse shoe shaped table, empty expect for a series of computer terminal. Issues are presented to participants and they type the responses on to their computer screens. Individual's comments, as well as aggregate votes, are displayed on a projection screen in the room.
- ✦ **Delphi technique:** - A panel of people who are knowledgeable about the particular problem is selected. The members of the group never actual meet. The panel can have members both inside and outside the organization and individual members may or may not know who the other members are. A questionnaire about the problem to be solved is sent to each members of the panel. Each person is asked to make secret suggestions. These suggestions are pooled, and feedback report is developed. The feedback report and a more advanced second stage questionnaire are sent back to the panel members. Each panel members independently evaluate the feedback report votes on the priority of the ideas continued in it and generates new ideas based on it. A final summary feedback report is developed and set back the group members.

- ✦ **Simulation:**-It is a qualitative procedure which describes a process by developing a model of that process and then conducting a series of organized trial and error experiments to predict the behaviour for the process over time. To find out how the real process would react certain changes, we can produce this changes in our model and stimulate the reaction to them

1.14.f. Advantages

- a. **More information:** - Since many individuals in group decision making, more data and the information can be brought to stand on the decision.
- b. **Personnel development:** - Group decision making is the source of development of individuals in the organization. Learning is enhanced when one observes others, practices what has been seen, and experiences the positive rewards received for successfully repeating a new behaviour.
- c. **Different perspective:** - Individuals with different experiences and interest help the group to see the decisions situations, and problems from different angles.

1.14.g. Disadvantage

- a. **Time consuming:** - More ideas and opinions are held by the group members who must be discussed for decision making. The result is that groups more time to reach a solution.
- b. **Pressure to confirm:** - There is a social pressure in group. The desired by group members to be accepted and considered as an asset to the group can result in control any clear disagreement thus encouraging the conformity some view points.
- c. **Domination:** - Group decision can be dominated by one or few members. If dominant is high the group's overall effectiveness will suffer.

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Part - 2

2. Organizational Structure

2. Organizational structure

2.1 Definition

- ✦ “Organization structure is the establishment of authority relationships with provision for co-ordination between them, both vertically and horizontally in the enterprise structure.”

2.2 Meaning

It refers to the hierarchical arrangement of various positions in an organization. It also defines the relationship between various positions, departments and persons. It helps in allocating authority and responsibility formally and decides who is to report and who his subordinates are. An organizational structure consists of activity, such as task allocation, co-ordination and supervision, which are directed towards the achievement of organization aims.

2.3 Formation or Types of organization structure or modern organization designs

- ✦ Line / Military organization
- ✦ Functional organization
- ✦ Line and staff organization
- ✦ Committee organization
- ✦ Project organization
- ✦ Matrix organization

A. Line / Military organization

Line Organization (also called Military/Scalar Organization) is the oldest and the simplest form of internal Organization structure. It was first developed by the Roman army and later adopted by armies all over the world. Factory owners also used line Organization structure in its purest form in the nineteenth century in England.

In the line Organization, the line of authority moves directly from the top level to the lowest level in a step-by-step manner. The general manager, for example, issues order to various departmental managers. Thereafter, the departmental manager issues instructions to works manager. The works manager will issue instructions to foreman. In this manner, the orders and instructions will be issued to the workers working at the lowest level. Thus authority moves downward and also step-by-step. The responsibility, on the other hand, moves in the upward direction.

Line Organization structure is given in the following charts:



Advantages of Line Organization Structure

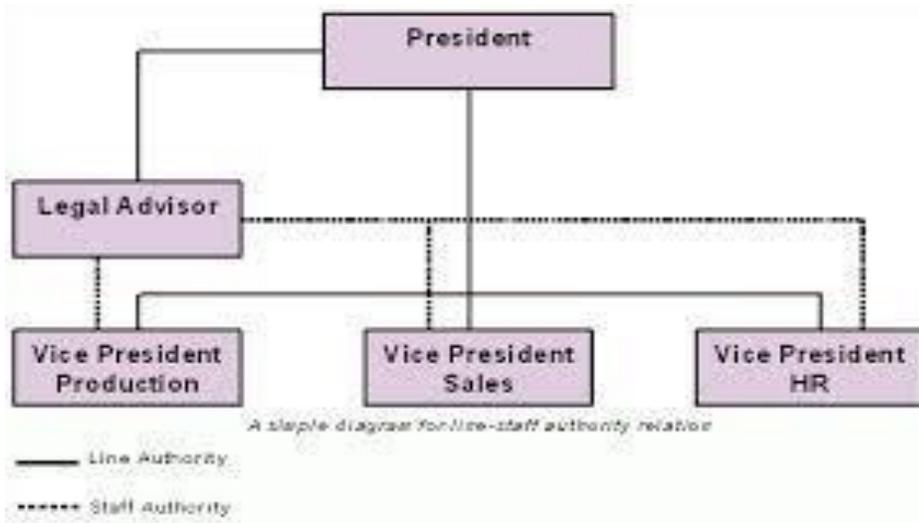
- a. **Simplicity:** Line Organization structure is easy to understand and follow by superiors and subordinates. It is simple and clear as regards authority and accountability.
- b. **Discipline:** It brings discipline in the Organization due to unity of command, delegation of authority and direct responsibility.
- c. **Economical:** Line Organization is economical as experts are not appointed.
- d. **Quick communication, high efficiency, flexibility and high employee morale** are some more advantages of line Organization structure.

Limitations of Line Organization Structure

- a. **Heavy burden on line executives:** The line executives are given too many duties and responsibilities. Even the quality of the decisions of executives may suffer due to heavy burden of duties and responsibilities.
- b. **Non-availability of services of experts:** There is absence of skilled experts in line organization. Expert assistance is not available promptly when needed by line executives.
- c. **Too much dependence on limited executives:** In the line organization, all powers are concentrated in the hands of a few executives. Naturally, the success and stability of the entire organization depends on their personal skill, initiative and interest. Special difficulties arise when one executive is to be transferred/replaced/promoted.
- d. **Delays in communication, limited freedom to employees and unsuitability to modern large business units** are some more demerits of line Organization.

B. Line and Staff Organization Structure

According to Louis Allen, "Line refers to those positions and elements of the Organization, which have the responsibility and authority and are accountable for accomplishment of primary objectives. Staff elements are those which have responsibility and authority for providing advice and service to the line in attainment of objectives".



Merits of Line and Staff Organization

- Fewer burdens on executives: Line executives get the assistance of staff specialists. This reduces the burden of line executives. This raises overall efficiency and facilitates the growth and expansion of an enterprise.
- Sound decision-making: Line and staff Organization facilitates sound management decisions because of the services of experts and specialists.
- Limited tension on line managers: The pressure of work of line bosses is brought down as they are concerned only with production management.

Demerits of Line and Staff Organization

- Delay in decision-making: The process of decision-making is delayed, as line executives have to consult staff experts before finalizing the decisions. The decisions of line managers are likely to be delayed due to this lengthy procedure.
- Buck passing among executives: The line bosses are concerned with actual execution of work. However, they depend on staff experts for guidance. If something goes wrong, the attempt is made to pass on the blame by one party to the other. Thus, there is shifting of responsibility or buck-passing.

- c. Conflicts between line and staff executives: In this Organization, conflicts between line managers and staff specialists are quite common. The line managers are generally not interested in the advice offered by experts. Secondly, specialists feel that the line bosses lack knowledge of new ideas. Such conflicts lead to bitterness.
- d. Costly Organization: Line and staff Organization is a costly Organization as the line executives are supported by highly paid staff executives who are experts. All this adds to the overhead expenses and the cost of production increases.

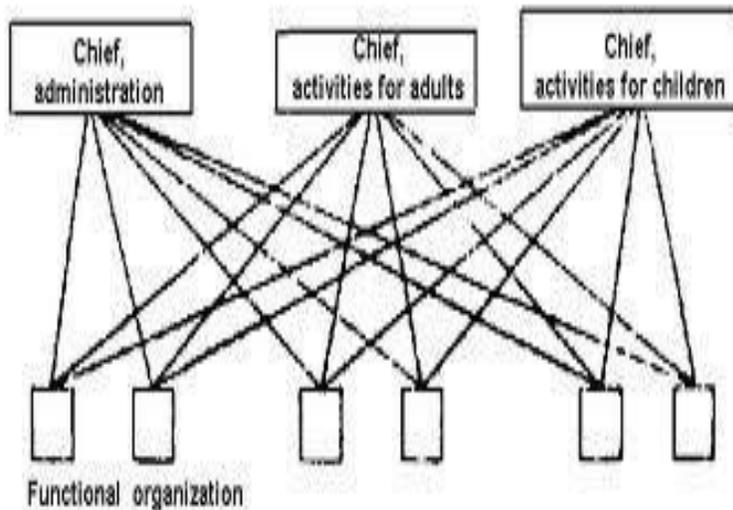
C. Functional organization

In the functional Organization suggested by **F.W.Taylor**, the job of management is divided according to specialization. As a result, functional departments are created. For example, the personnel department will look after the recruitment, selection, training, wage payment, etc. of all persons of the Organization. Similar will be the position of other departments like production, sales, etc.

In the functional Organization structure, there will be separation of planning of work and execution of the plan prepared. The basis of division is the function and naturally the Organization structure created will be called "Functional Organization".



Example: Functional Organizational Structure.



Merits of Functional Organization Structure

- Facilitates specialization: Functional Organization structure facilitates division of work and specialization. Each boss has specialized knowledge of his functional area. He is in a better position to guide and help the workers.
- Facilitates effective coordination: Functional Organization facilitates effective coordination within the function. This is possible as one boss is in-charge of a particular function and he looks after all activities, which come within that function.
- Ensures effective supervision: Functional Organization facilitates effective supervision by the functional heads and foremen. Due to specialization, they concentrate on the specific functional area and also keep effective supervision on their subordinates.

Demerits of Functional Organization Structure

- Absence of unity of command: Unity of command is absent in the functional Organization as each worker gets orders and instructions from several bosses.
- Fixing responsibility is difficult: In functional Organization, responsibility is difficult to fix on a specific person. This is because the responsibility itself is divided among many.
- Costly: Functional Organization is costly, as more specialists are required to be appointed.

- d. Creates confusion among workers: Functional Organization is based on specialization as function is taken as a base for dividing the work. The authority is overlapping the responsibility is divided. This confuses workers.

D. Committee organization

A committee is a group of person who are consciously and deliberately formed to discuss a problem and provide solutions to overcome it.

A committee consists of a group of a people with a minimum or at least two people and there is no limit for the maximum number of people. The member of a committee arrive at a decision on the basis of one member one vote provided they have authority to go into the problem assigned to them. Generally committee classified as executive and non executive committee.

Executive committee takes decision and implements them. Non-executive committee only provides suggestions and recommendations.

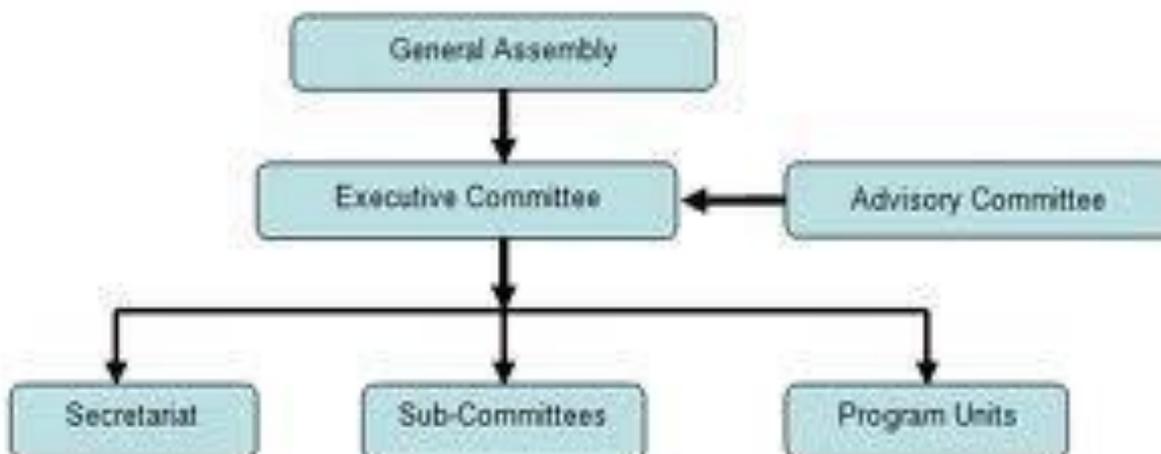
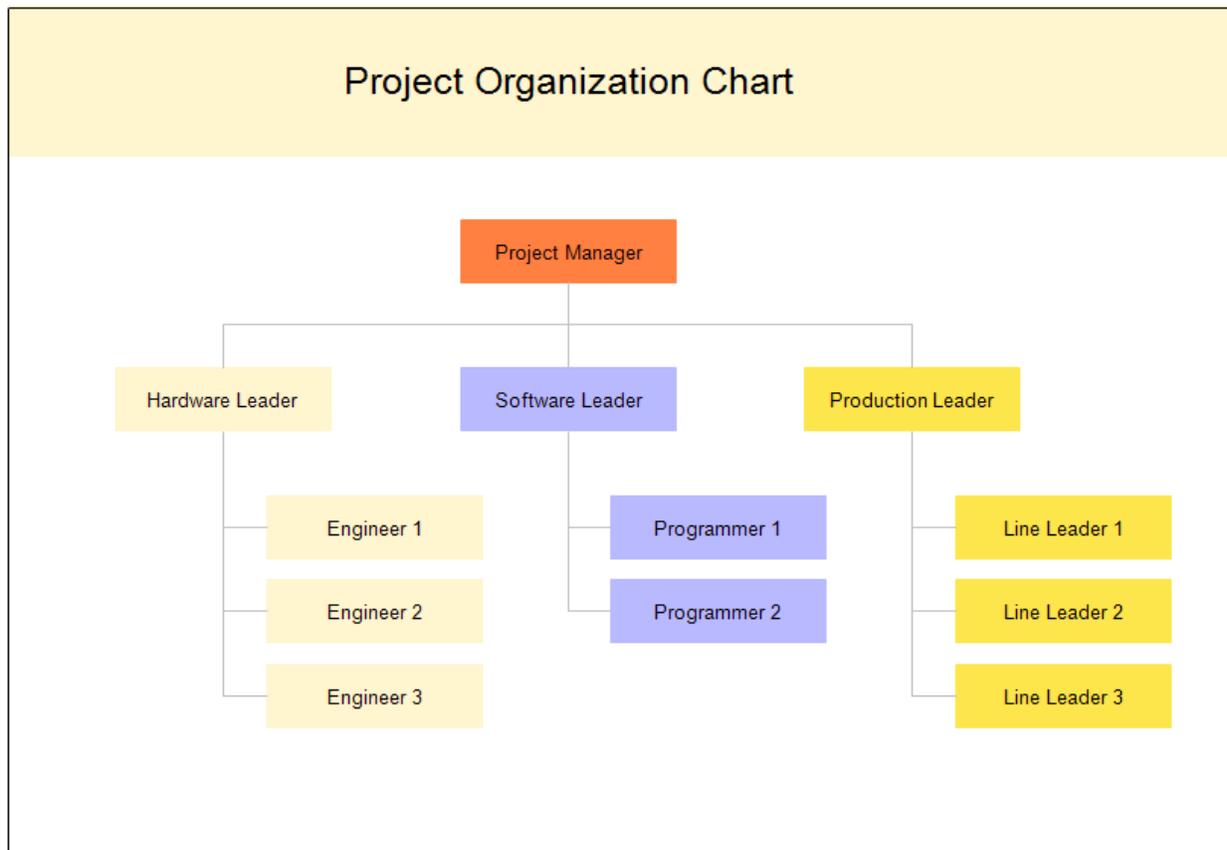


Fig: Organization structure of REMREC

E. Project organization

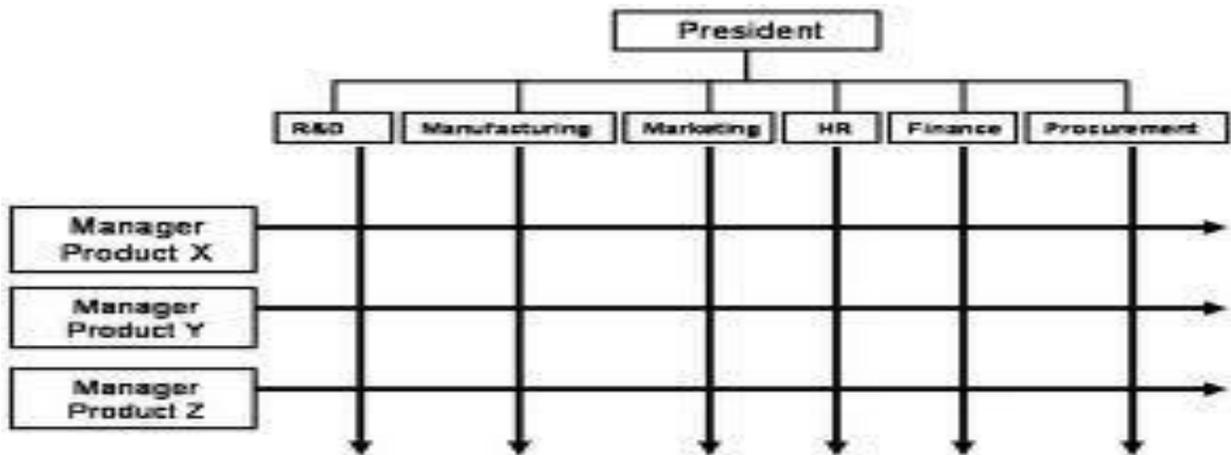
A project organization is composed of a core of functional departments; through its main units are specific programs or projects.

In project structure separate groups are created for taking and managing projects and complete responsibility from top to bottom is assigned to one project manager.



F. Matrix organization

In matrix organization managers is usually not assigned complete responsibility for resourced instead shares them with others in the organization. It contains characteristics of project and functional organizational structure.



Merits

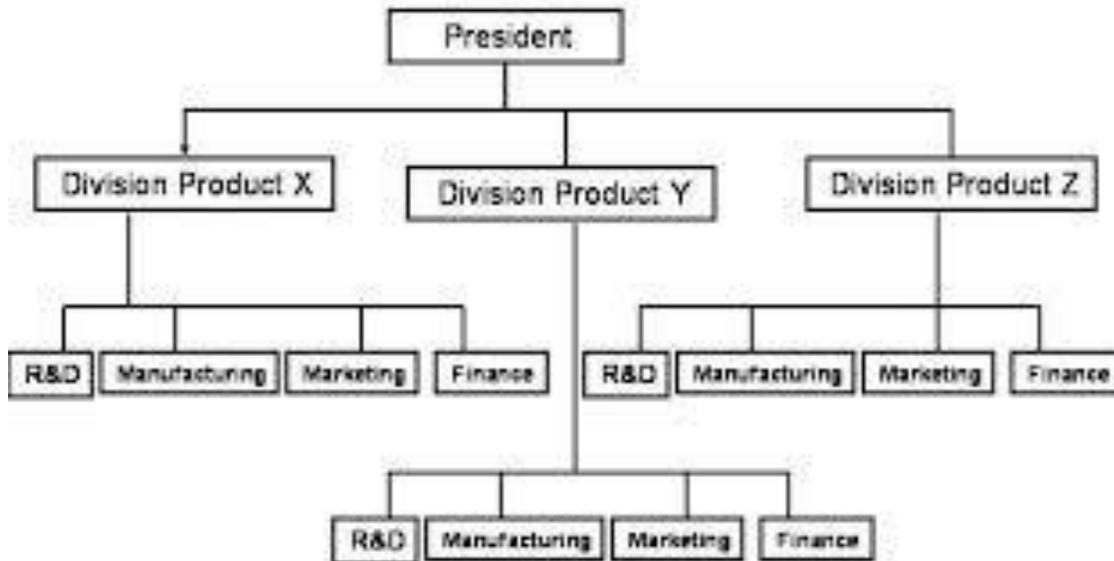
- It is more flexible
- It facilitates better planning and control
- This structure better balance between time, cost and performance.

Demerits

- This structure creates to power struggle
- Creates confusion to the organization

F. Divisional organization structure

It is also called profit decentralization is build around business units. In this form, the organization is dividing into several fairly autonomous units. Each unit is relatively self- contained in that it has the resources to operate independently of other divisions.



2.4 Importance of organizational structure

- **Coordination:** - The organizational structure serves as a mechanism for coordination and unification of efforts of people. Harmony of work brought about by higher level managers exercising their authority over interconnected activities of lower level managers.
- **Source of support and security:** - Organizational structure is a sources of support, security and satisfaction to managers and employees in performing their assigned tasks. It recognizes the relative status levels of members; each one of the member enjoys a definite status and position in the organization.
- **Chain of command:** - The role of the organizational structure is to set up a chain of command or reporting structure among workers. Chain of command refers to the hierarchy or rank of various employees.

For example: - Vice president usually report to the president, director's report to vice presidents, and manager's report to directors. Managers often have coordinators or analysts working under them. Chain of command allows companies to assign a supervisor for one or more employees.

- ✦ **Decision – Making:** - one of the most important roles of organizational structure is decision – making. **For example :-** Centralization or decentralization decision making

(Extra Material for reference)

2.5 Difference between formal and informal organization

	Formal organization	Informal organization
Meaning	Formal Organization is formed when two or more persons come together. They have a common objective or goal. They are willing to work together to achieve this similar objective.	An informal organization does not have its own rules and regulation. It has no system of co-ordination and authority. It doesn't have any superior-subordinate relationship or any specific and well-defined objectives.
Formation	A formal organization is formed by the top level management.	An informal organization is formed by social forces within the formal organization.
Rules and Regulations	The members of a formal organization have to follow certain rules and regulations.	The members of an informal organization do not have to follow any rules and regulations
Duties and Responsibilities	In a formal organization, the duties, responsibilities, authority of each member is well-defined.	In an informal organization, there are no fixed duties, responsibilities, authority, etc. for the members
Objectives or Goals	In a formal organization, the objectives or goals are specific and well-defined. The main objectives of a formal organization are productivity,	In an informal organization, the objectives are not specific and well-defined. The main objectives of an informal organization are friendship,

	growth, and expansion.	security, common interest, individual and group satisfaction, etc.
Stability	A formal organization is stable.	An informal organization is not stable.
Channels of Communication	A formal organization uses formal channels of communication	An informal organization uses informal channels of communication
Organization Chart	A formal organization is shown on the organization chart.	An informal organization is not shown on the organization chart.
Superior-Subordinate Relationship	In a formal organization, there exist a superior-subordinate relationship	In an informal organization, there is no such superior-subordinate relationship
Benefits for Members	The members of the formal organization get financial benefits like wages or salaries, bonus, travelling allowances, health insurance, etc.	The members of informal organization get social and personal benefits like friend circle, community, groups, etc.

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Part - 3

TEAM

3. TEAM

3.1. Definition and meaning

A team as an association of individual who have different skills and committed to achieve some common goals. All the members in team mutually responsible for achieve the common goal.

Team Work: - It state that occurs when members know their objectives, contribute responsible and enthusiastically to the task and support one another

3.2. Team Building

Definition: - Team building is an organizational development technique used to assist work groups operate more efficiently and effectively

Meaning: - It is a process of making teams more effective by encouraging members has to observe they work together identify their weakness and develop more effective ways of cooperation.

3.3 Benefits of team building

- **Improves relationship** :- Team building used to improve relationships and develop communication skills between co-workers
- **Increases employees motivation** :- Team building can increase employees motivation by giving them a break from their day to day work and reminding them that their work is valuable to the company
- **Facilitates exchange of ideas:** - Team building forces to exchange ideas and work together to solve a problem. Team members learn to listen to one another. Team building provides a connection to a team.
- **Increase employee satisfaction:** - Working in teams helps in increasing work interaction and creating co-ordination among team members. People who are a part of a satisfactory team climate cope better with stress and enjoy their jobs more.
- **Improves communication:-** Interacting with each other help to exchange their ideas and suggestions and it increase organizational large communication.
- **Expand job skills:** - The implementation of teams comes with expand job training . Through this training, employees improve their technical decision – making and interpersonal skills.
- **Provides higher level of productivity:** - Teams create positive motivation. This positive motivation is used to get the same or greater output from fewer people. This result in higher level of productivity. Thus teams help in increasing productivity.

3.4 Limitations of team building

- **Unequal Participation:** - With some teams, some members always sit back and will not do most of the work. This can cause anger in the workplace, especially if you as a business owner recognize only the efforts of the team and not those of its leaders. Conflict may occur as a result, which can have a damaging effect on workplace morale.
- **Not Team Players:** - Some workers may not work well as part of a team, preferring to work on their own. While some individuals may be excellent worker as an individual, they have difficult to work in team work culture, it resulting in dissatisfaction.
- **Limiting Creativity:** - Teamwork may also limit creative thinking. Employees may be so focused on working for the overall good of the team and fitting in to the team concept that they put their own ideas on back.
- **Conflict** - Whenever a group of people is bring together to achieve a goal, at least some conflict is likely to occur. Contrasting personal styles can clash and some members may have difficulty accepting ideas that differ from their own. When employees have more natural disagreement, tension and personal frustration can enter the mix, causing team members to experience interpersonal conflict. Conflict is especially problematic when teams have to collaborate on important work tasks or projects.

3.5 PROCESS OF TEAM BUILDING

- **Problem sensing** :- At this stage generally most of the members come forward with their arguments as what the real problems are
- **Examining differences:-** The perception of people on an issue differs because of their differing backgrounds, such as their value systems, personality and attitudes
- **Giving and receiving feedback** :- The step of perceiving things and listening to each other may be create communion to the members and members report about the painful feelings that they have at the time of evaluation of their feelings
- **Developing interactive skills:** - The basic objective of this process is to increase the ability among the people as to how they should interact with others and take on in positive and negative behaviors.
- **Follow up:** - That is the final stage in team building. At this stage, the total team is arrange to review that has been learned and to identify what the next step should be. Follow up action also overcoming the drawback grouped at the initial stages of team building

3.6 Interpersonal relations in team

Interpersonal team work skills allow us to be more effective when interacting with more than one individual. One use good interpersonal skills to understand the individual, one must understand the objectives of the team. There are a number of appropriate attitudes that are important among team members in order to have successful team work.

✦ **These team work attitudes include:-**

- a. **Encouraging Others** – Being friendly, warm, and responsive to others, praising others and their ideas, agreeing with and accepting other suggestions.
- b. **Gate keeping effectively** – Making it possible for every member to make a part to the team or taking time for every one that all have a chance to be heard.
- c. **Standard Setting** – Suggesting the standards for the team to use in choosing its contents or procedures or in evaluating its decisions and reminding the group to avoid decisions that conflict with team standards.
- d. **Following members lead:** - Going along with the decision of the team, thoughtfully accepting ideas of others and serving as an audience during team discussion.
- e. **Expressing the sense of the team :-** Summarizing what the feeling of the team is sensed to be and describing reaction of the team to ideas or solutions

✦ **Inappropriate team attitudes are**

- **Blocking :-** Disagreeing and opposing beyond reason or being closed minded
- **Dominating :-** Members stressing authority or superiority in an attempt to control others or the team
- **Checking Out :-** Having members mentally leave the team for extended periods of time, while physically being the team
- **Child Like actions:-** Members seeking attention in ways that are not relevant to them
- **Avoidance Behaviours :-** Members supporting special interest or getting the team to go away from the task

3.7 Control in team

3.7 Control in team

3.7.1 Meaning

It is an important function of management. A team needs control to keep its members moving in the same direction for best results. In short control means setting standards measuring performance and correcting actions with a view to achieve results.

3.7.2 Definition

“Controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plan to attain them are accomplished.”

3.7.3. Controlling of team performance involves 6 basic operations. They are

- a. **Observing:** - The leader should be in a position to see the team, communicate with its members, and be available, but not appeared to dominate. Suggestions, rather than orders, are given for improvements.
- b. **Instructing:** - The leader must often give instructions as the work takings and the situation changes. The leader must communicate well, apply the skill of effective teaching, and allow members to use their own plan.
- c. **Helping:** - When a team has decided that it wants to perform a task, the leader must help the members be successful. The leader does a good job personality, takes a positive approach and gives a helping hand when needed. Care is taken to see that an offer to help is not implied disapproval.
- d. **Inspecting:** - The leader should know the plan and the skills involved. A check list is valuable. If the work is not correct, the worker s let to the proper performance of the task again, a positive approach with helpful suggestions for improvement.
- e. **Reacting:** - How the leader react s to the efforts of the team is important. Praise the person if the work is good, but the praise must be sincere. If the work is not correct, praise the parts that were done well and accept responsibility for work not done well.
- f. **Setting the example:** - The most effective way of controlling team performance is the personal example of the leader how the leader observes interacts helps, inspects, and reacts.

3.8 Communication

3.8 Communication in team

3.8.1 Meaning and definition

“Communication is an exchange of ideas, opinions by two or more persons”. It is passing and understanding the information from one person to another person.

3.8.2. Communication in team

Team communication is basically a verbal or non verbal message that is sent and received within a team for the purpose of mutual understanding and acceptance. Effective team communication works to reduce the confusion, ambiguity and misunderstanding of the members. Team members get too freely and openly express themselves through communication and remove the barriers of misunderstanding.

3.8.3. Various goals of work team Communication

- **To disseminate (Distribute or share) Ideas:** - Each team member will have his own idea of how the work should be completed. Some ideas will work and others may not, but it is important that all ideas are disseminated(shared) in the team
- **To avoid wrong Work :-** Effective team work communication is important to minimize duplicate work in a team atmosphere as it is unproductive, waste money and precious time, and can lead to low morale.
- **To Eliminate Confusion:** - Communication will help to eliminate confusion among workers. When two team members report different information to the managers in a work setting it looks very bad. If a team leader of a workers knows something, the rest of team need to know it immediately.
- **To provide feedback:** - It is important for a team to communicate in the form of feedback from project manager to worker and member to member. Positive feedback is also important to the success of the team, because it boosts morale and keeps the team pushing forward.
- **To take effective action:** - When a team is able to effectively communicate, it cut's down and time to lose to misunderstanding. When correct message are received through

an effective team communication network. The team can take proper and efficient actions to get work completed on or a head of scheduled.

- **To create understanding:** - When a team is able to communicate effectively, each member is better able to understand his team mates. Cultural diversity becomes a benefit, because the team communicates show well that mutual understanding helps to facilitate progress.

3.8.4. Process of communication

- **Sender:** - A sender is a person who starts the communication process for passing information to others. The only possibility for sending information is through which any translating channels in the encoded form.
- **Communication channel:** - This is the medium through which the encoded information is passed from sender to receiver. Example:- Notice on the notice board, circulars, booklets, telephone ,fax, email, video – conference etc
- **Symbols:-** It provide the basis of transfer of information symbols may be in the form of words, sketches, diagrams, figures, action and coding etc.
- **Receiver:** - The receiver is the person who receives the information finally and understands it. Before understanding the relevant information, the person should convert the decoding information correctly.
- **Feedback:-**Ultimately the receiver reacts or response to the communication sent by the sender. Whatever the response of the receiver to a sender is, it is called feedback.

3.8.5. Barriers of effective communication

- **Semantic barriers:** - The difficulty that come in the process of encoding or decoding the message or known as semantic barriers.
- **Emotional or psychological barriers:** - This arises from motives, attitudes, judgement, sentiments, emotions and social values of participation. This create psychological distance that causes misunderstanding or making inadequate communication
- **Physical Barriers:** - Come physical barriers are noise, improper time, and distance.
- **Organizational barriers:** - The barriers, which are related to the functioning of the organization are known as the organizational barriers.

- **Personal Barriers:** - As communication is basically an interpersonal process, many personal factors natural in the sender and receiver influence the flow of communication.

3.8.6. Ways of overcoming barriers

- **Maintaining similarity:** - It is always desirable to assume the reality of differences until similarity is established.
- **Empathy:** - A sender of the message should put himself in the recipient’s position before sending the message. He has to understand the values, experience and structure of reference of the recipients. He has to see and understand the other person as he is
- **Working hypothesis:** - Another rule of improving cross culture communication is to read interpretation as a hypothesis that needs for the testing.
- **Be patient:** - Patient with yourself and others helps move beyond such issues and address how to avoid similar incidents in the future.
- **Written Word:** - Sometimes people who don’t have English as their mother language will read more professionally than they speak. It is a good idea to always right things down a as a backup

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Part – 4

4. Difference between Group and team

	Team	Group
➤ Term	A team works best for long term project.	On the other hand a group is easier to manage on they are great for short term out put
➤ Sharing	Team frequently comes together for discussion, decision-making, and problem solving, and planning.	Whereas group comes together to share information and perspectives
➤ Responsibility	In a team there is individual	Ina group there is an

	and mutual responsibility of each team members.	individual responsibility
✦ Focus	Teams are more focused on team goals.	In group focus in on individual goals
✦ Head	In team purpose, goals, approach to work shaped by team leader with team members.	In group purpose, goals, approach to work shaped by manager
✦ Formation	A team can be much more difficult to form. Members of the team may be selected for her balancing skills. But not a single unity.	It is often much easier to form a group than a team. If an individual had a room filled with professional accountants

Important 2 marks

1. Definition of group
2. What is reference group?
3. What is mean by group dynamics?
4. What is mean by group behaviour?
5. What is mean by group cohesiveness?
6. What is mean by group work norms?
7. Definition and meaning of Decision making
8. Definition and meaning group decision making
9. Distinguish between formal and informal groups.
10. Definition and meaning of organizational structure
11. What is matrix organization?

12. Definition and meaning of team

13. Definition and meaning of team building

Important 16 mark Questions (Be clear in on either 1 or 2 and remaining go through once)

1. Part – 1 and part – 4

Or

2. Part – 2, Part – 3 and Part - 4