

# **DNYANSAGAR ARTS AND COMMERCE** **COLLEGE**



**SUBJECT: ORGANISATIONAL BEHAVIOUR**

**SUBJECT CODE: DSE-C-305**

**BY PROF.: ARIFA NASIR**





# MEANING AND DEFINITION OF OB

## DEFINITION

- OB is the study of human behavior;
- The study is about behavior in organizations; and
- Knowledge about human behavior would be useful in improving an organization's effectiveness.

## MEANING

OB is a subject which not only makes an individual a better employee of an organization but makes him or her a better person and a better citizen. By promoting positive attitudes and creating high tastes, OB contributes towards better quality of life.



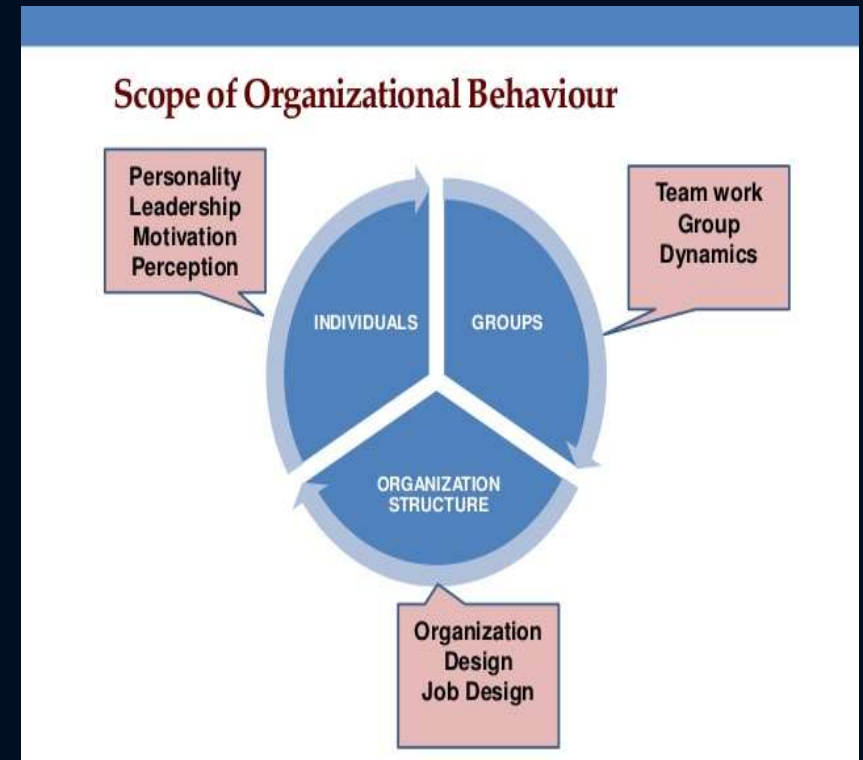
# NATURE OF OB

- A Separate Field of Study
- An Interdisciplinary Approach
- An Applied Science
- A Normative Science
- A Humanistic and Optimistic Approach
- A Total System Approach

# SCOPE AND KEY ELEMENTS OF OB

Key elements depends upon 4 main factors:

1. People
2. Structure
3. Technology
4. Social system







# IMPORTANCE OF ORGANISATIONAL BEHAVIOUR

## IMPORTANCE OF ORGANIZATIONAL BEHAVIOUR

1. Responding to Globalisation.
2. Managing Workforce Diversity.
3. Improving Quality and Productivity.
4. Responding to Labour Shortage.
5. Improving customer service.
6. Improving People skill.
7. Empowering People.



# CHALLENGES OF ORGANISATIONAL BEHAVIOUR

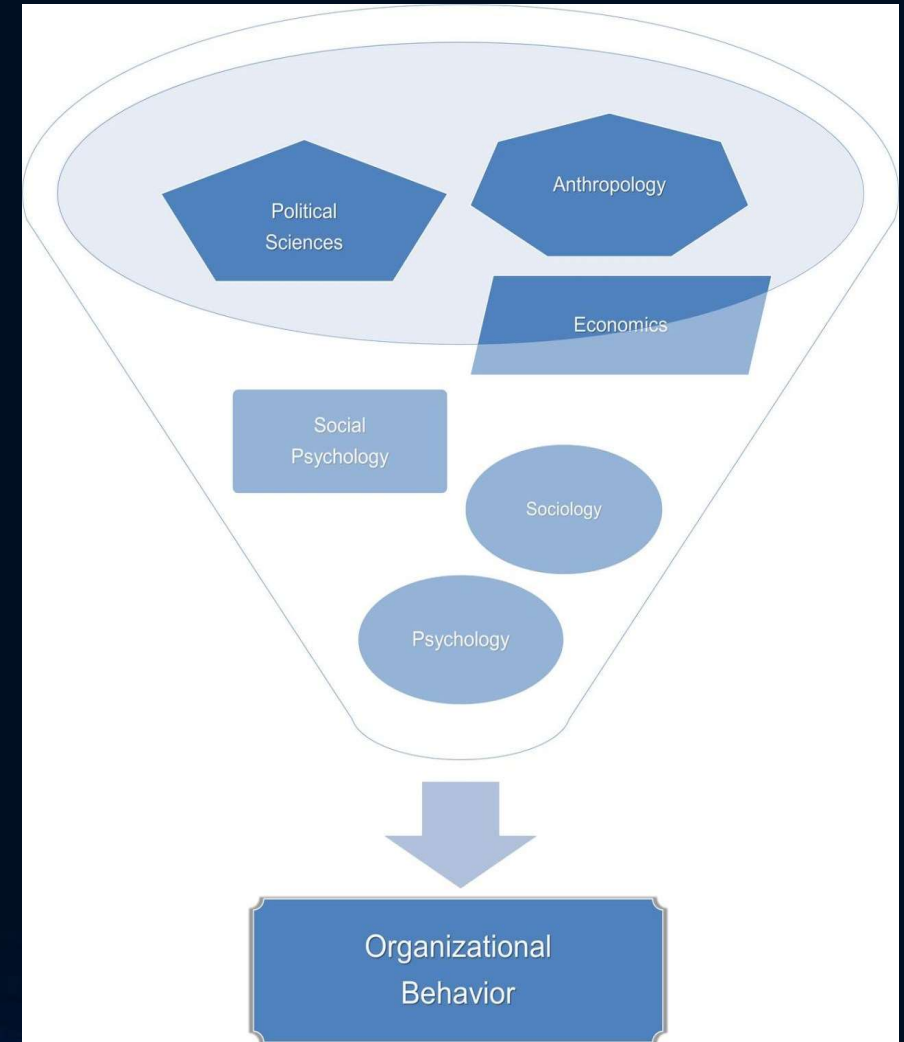
1. Improving Peoples' Skills.
2. Improving Quality and Productivity.
3. Total Quality Management (TQM).
4. Managing Workforce Diversity.
5. Responding to Globalization.
6. Empowering People.
7. Coping with Temporariness
8. Stimulating Innovation and Change.
9. Emergence of E-Organisation & E-Commerce.
10. Improving Ethical Behavior.
11. Improving Customer Service.
12. Helping Employees Balance Work-Life Conflicts.



# Contributing Disciplines to the Organization Behavior Field

Due to an increase in organizational complexity, various types of knowledge are required and help in many ways.

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







## UNIT-2

# INDIVIDUAL DETERMINANTS OF ORGANISATIONAL BEHAVIOUR





# INDIVIDUAL BEHAVIOUR

Some of the factors affecting individual behavior in an organization are as follows:

## A. PERSONAL FACTORS

- Physical characteristics
- Age
- Gender
- Religion
- Marital status
- Experience
- Intelligence
- Ability

## B. PSYCHOLOGICAL FACTORS

- Personality
- Perception
- Attitude
- Values

## C. ORGANISATIONAL FACTORS

- Physical facilities
- Organizational structure and design
- Leadership
- Reward system

## D. ENVIRONMENTAL FACTORS

- Economic factors
- Socio-culture factors
- Political factors
- Legal environment





## MEANING

# PERSONALITY

Personality, a characteristic way of thinking, feeling, and behaving. Personality embraces moods, attitudes, and opinions and is most clearly expressed in interactions with other people. It includes behavioral characteristics, both inherent and acquired, that distinguish one person from another and that can be observed in people's relations to the environment and to the social group.

## DEFINITION

According to Allport, " Personality traits may be considered as so many important dimensions in which people may be found to differ."



# KEY DETERMINANTS OF PERSONALITY

There are five broad categories of personality:

## 1. BIOLOGICAL FACTORS

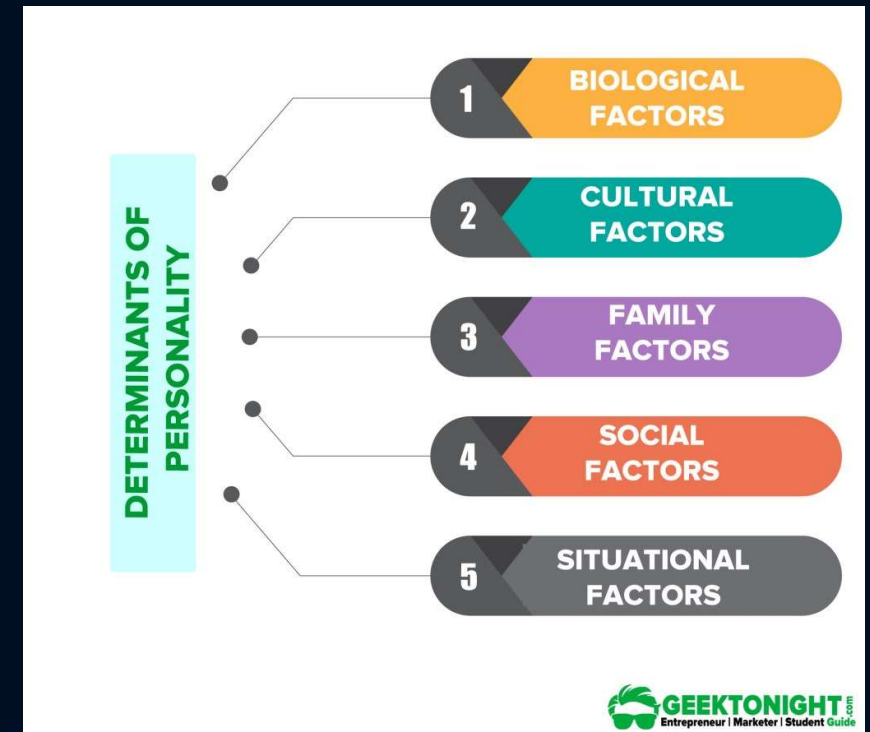
- Heredity
- Brain
- Biofeedback
- Physical features

## 2. CULTURAL FACTORS

## 3. FAMILY FACTORS

## 4. SOCIAL FACTORS

## 5. SITUATIONAL FACTORS







# TYPES OF PERSONALITY

There are commonly 4 types of personality –

*Extraversion (E) – Introversion (I)*

*Sensing (S) – Intuition (N)*

*Thinking (T) – Feeling (F)*

*Judging (J) – Perceiving (P)*

# THEORIES OF PERSONALITY

1. Type Theory
2. Trait Theory
3. Social Learning Theory
4. Humanistic Theory
5. Psychoanalytic Theory





# VALUE & ATTITUDE

## ***VALUES***

A person's own set of principles which they consider of great importance.

## ***ATTITUDE***

A way of thinking or feeling with regards to someone or something.



## SIMILARITIES BETWEEN VALUES AND ATTITUDES

1. Values and attitudes are two important variables influencing the cognitive process and behavior.
2. They are learned and acquired essentially from the same sources.
3. They endure and are resistant to change.
4. They have a reciprocal influence and are used interchangeably.



## DISSIMILARITIES BETWEEN VALUES AND ATTITUDES

### Values

Values help to guide our behavior.

Values decide what we think as for right, wrong, good, or unjust.

Values are more or less permanent in nature.

They represent a single belief that, guides actions and judgment across objects and situations.

They derived from social and cultural mores.

### Attitudes

Attitudes are the response that is a result of our values.

Attitudes are our likes and dislike of things, people, and objects.

Attitudes are changeable with favorable experiences.

They represent several beliefs focused on a specific object or situation.

These are personal experiences.





# TYPES OF VALUES

Two types of values are;

- Terminal Values.
- Instrumental Values.

**Terminal Values** are most desirable to humans and **Instrumental values** are views of how human desires should be achieved.

These refer to desirable end-states of existence, the goals a person would like to achieve during his or her lifetime. They include happiness, self-respect, recognition, inner harmony, leading a prosperous life, and professional excellence.

**Instrumental values** deal with views on acceptable modes of conductor means of achieving the terminal values.

These include being honest, sincere, ethical, and being ambitious. These values are more focused on personality traits and character



# TYPES OF ATTITUDE

The four basic types of attitudes and behaviours that are positive, negative and neutral.

## 1. Positive Attitude:

- Confidence
- Happiness
- Sincerity
- Determination

## 2. Negative Attitude:

- Anger
- Doubt
- Frustration

**3. Neutral Attitude:** This is another type of attitude that is common. That mindset is a neutral one. There is no doubt. Neither is there any kind of hope. The people generally tend to ignore the problems in life.

**4. Sikken Attitude:** One of the most dangerous types of attitude and different is the sikken attitude. The sikken attitude has the calibre to destroy every image that comes in connection with a positive image. This type of attitude is more of a negative attitude and is very destructive. It often reflects the mind's negativity.



# MOTIVATION

## Definition

Motivation is the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual needs.

-Stephen P Robbins

**Motivation is goal-directed behaviour:** People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs and wants.



# TYPES OF MOTIVATION

The two types of motivation are:

1. Intrinsic motivation
2. Extrinsic motivation

**Intrinsic motivation** can arise from self-generated factors that influence people's behaviour. It is not created by external incentives.

**Extrinsic motivation** occurs when things are done to or for people to motivate them. Such as incentives, praise and promotion.



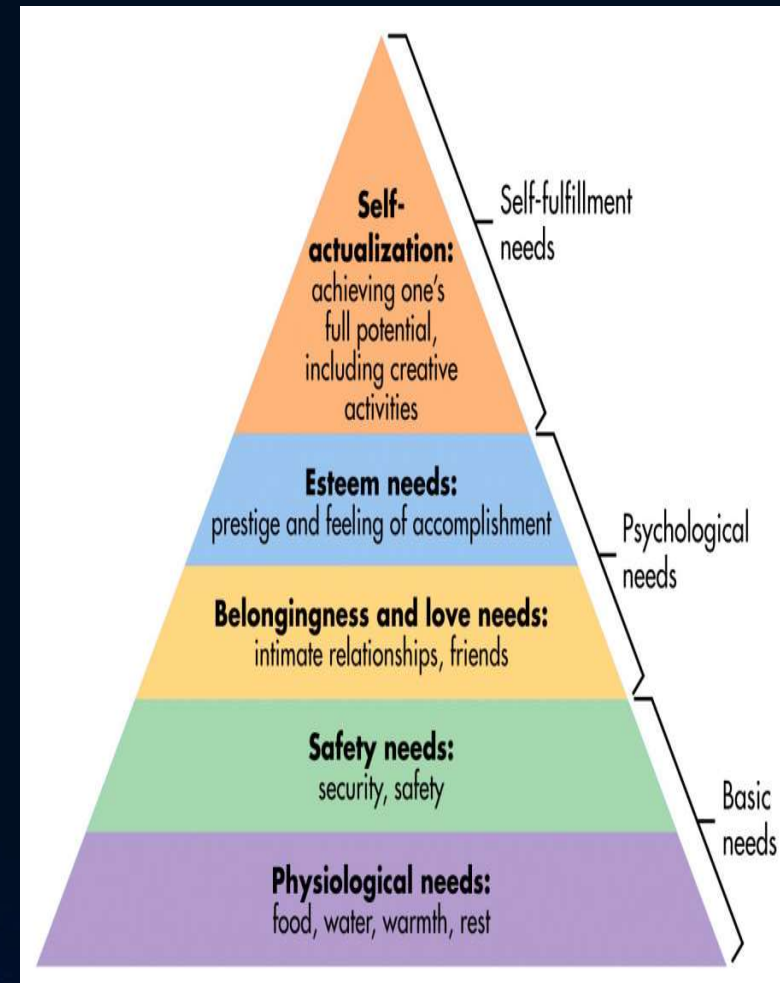
# MOTIVATIONAL THEORIES

## MASLOW'S NEED HIERARCHY THEORY

Maslow's hierarchy of needs is a motivational theory in psychology comprising a five-tier model of human needs, often depicted as hierarchical levels within a pyramid. From the bottom of the hierarchy upwards, the needs are: physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization.

1. **Physiological needs** - these are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep.

2. **Safety needs** - Once an individual's physiological needs are satisfied, the needs for security and safety become salient. People want to experience order, predictability and control in their lives. These needs can be fulfilled by the family and society (e.g. police, schools, business and medical care).







**3. *The Social Needs***-The social needs in Maslow's hierarchy include such things as love, acceptance, and belonging. At this level, the need for emotional relationships drives human behavior.

**4. *Esteem Needs***- At this point, it becomes increasingly important to gain the respect and appreciation of others. People have a need to accomplish things and then have their efforts recognized. In addition to the need for feelings of accomplishment and prestige, esteem needs include such things as self-esteem and personal worth.

**5. *Self-actualization Needs***- According to Maslow's definition of self-actualization, "It may be loosely described as the full use and exploitation of talents, capabilities, potentialities, etc. Such people seem to be fulfilling themselves and to be doing the best that they are capable of doing. They are people who have developed or are developing to the full stature of which they capable."



# MCGREGOR'S THEORY X & THEORY Y

- **Theory X** advanced the view that human beings have an innate dislike for work. They can only be made to get results at work by the application of coercive methods and by direction. Theory X stresses on the authoritarian style of leadership where results are the focus of leadership and it is more work-centered than people-centered.
- **Theory Y** approach to management is more people-centered. Here the individual is valued and appreciated. Theory Y submits that when workers are given the right kind of environment, they can reach their highest potential and can be of great value to their organizations.



## Theory X and Theory Y (Douglas McGregor)

### Theory X

The assumption that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform.



### Theory Y

The assumption that employees like work, are creative, seek responsibility, and can exercise self-direction.



**Figure 8.7** Assumptions of X and Y Theory



Theory X	Theory Y
1. Inherent dislike for work.	Work is natural like rest or play.
2 Avoid responsibility	Accept and seek responsibility under proper conditions.
3 External control and close supervision.	Self-direction and self-control.
4 Centralization of authority and autocratic leadership	Decetralisation and participation in decision in decision making .... Democratic leadership.
5 Lack creativity and resist change.	Creativity widely spread.
6 People lack self-motivation	People are self-motivated.



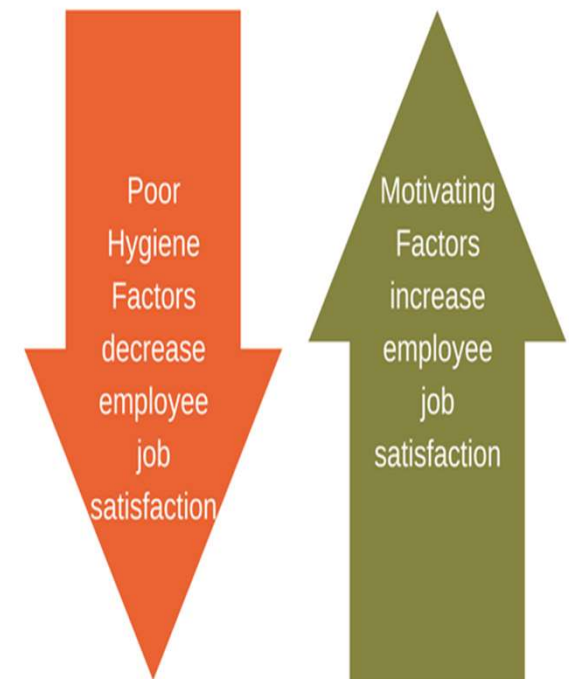
# HERZBERG'S TWO FACTOR THEORY

Frederick Herzberg's Two Factor Theory of Motivation is a content model of motivation which says that satisfaction and dissatisfaction in work are created by different factors.

## *Hygiene Factors*

- Hygiene factors in Herzberg's model have the power to make people dissatisfied and are prerequisites for satisfaction at work, but their presence alone will never make people satisfied at work.
- In other words, the absence of hygiene factors will prevent satisfaction, but the presence of hygiene factors is not in itself enough to lead to high levels of work satisfaction.
- Examples of hygiene factors include: salary, safety, security, working environment, working conditions and other things with the power to make an individual unhappy in work.

## Herzberg's Two Factor Theory



[www.expertprogrammanagement.com](http://www.expertprogrammanagement.com)





## *Motivating Factors*

- Motivating factors in Herzberg's model have the power to make moderately satisfied people highly satisfied, but have no impact on satisfaction if hygiene factors aren't already in place.
- Examples of motivating factors include: achievement, recognition, advancement, empowerment, responsibility and intrinsically interesting work.





# UNIT-3





# GROUP DYNAMICS

## MEANING

Group-dynamics is concerned with the formation and structure of groups and the way they affect individual members, other groups and the organization.”

## *DEFINITION*

The word dynamics comes from a Greek word meaning force. Thus group dynamics refers basically to the study of forces operating within a group.

a group has two or more persons which are interacting with one another in such a manner that each person influences and is influenced by each other.

-Marvin E Shaw



# GROUP TYPES

1. Command groups
2. Task groups
3. Functions groups
4. Interest groups
5. Friendship groups
6. Reference groups





# GROUP DEVELOPMENT

According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members must address several issues and the way in which these issues are resolved determines whether the group will succeed in accomplishing its tasks.

1. FORMING: The forming stage should not be rushed because trust and openness must be developed. These feelings strengthen in later stages of development. Individuals are often confused during this stage because roles are not clear and there may not be a strong leader.

2. STORMING: This can be a positive experience for all groups if members can achieve cohesiveness through resolution. Members often voice concern and criticism in this phase.





3. **NORMING:** This stage is characterized by the recognition of individual differences and shared expectations. Hopefully, at this stage the group members will begin to develop a feeling of group cohesion and identity.

4. **PERFORMING.** Performing, occurs when the group has matured and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflict is resolved through group discussion.

5. **ADJOURNING.:** Not all groups experience this stage of development because it is characterized by the disbandment of the group. Members of the group often experience feelings of closure and sadness as they prepare to leave.





# REASONS FOR FORMATION OF GROUPS

- **Companionship**
- **Sense of identification**
- **Source of Information**
- **Job Satisfaction**
- **Outlet for frustration**
- **Perpetuation of cultural values**
- **Generation of new ideas**



The most basic theory explaining affiliation is propinquity. This interesting word simply means that individuals affiliate with one another because of spatial or geographical proximity. In an organisation employees who work in the same area of the plant or office or managers with offices close to one another would more probably form into groups than would those who are not physically located together.

According to George C. Homans, “The more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments, and the more sentiments people have for one another, the more will be their shared activities and interactions.”



### **3. Balance Theory:**

“Persons are attracted to one another on the basis of similar attitudes towards commonly relevant objects and goals. Once a relationship is formed, it strives to maintain a symmetrical balance between the attraction and the common attitudes. If an imbalance occurs, attempts are made to restore the balance. If the balance cannot be restored, the relationship dissolves.”

### **4. Exchange Theory:**

This theory is based on reward-cost outcomes of interactions. To be attracted towards a group, a person thinks in terms of what he will get in exchange of interaction with group members. A minimum positive level (rewards greater than costs) of an outcome must exist in order for attraction or affiliation to take place.



# GROUP BEHAVIOUR

## MEANING

Human resources comprise individuals and individuals move in groups. Every manager must possess the knowledge of group behaviour along with individual behaviour. He must understand group psychology. He should understand individual behaviour in the context of group behaviour. Individual behaviour is influenced by the group behaviour.

## DEFINITION

M.E. Shaw defined a group “as two or more people who interact and influence one another.” Viewers in a theatre, passengers in a train are not a group unless they interact for long and exert some influence on each other. Such people’s gatherings are referred to as collection.



# GROUP EFFECTIVENESS

It include:

1. Productivity
2. Attendance
3. Job satisfaction
4. Attitude
5. Employee well-being
6. Learning
7. Retention







# GROUP COHESIVENESS

Group cohesiveness is visible if the aims of the group and its members coincide. If there is a good attachment between members and similarity of goals then it forms an intact organization.

# FEATURES OF GROUP COHESIVENESS

1. Like mindedness
2. Dialogue
3. Background
4. Confidence
5. Goals and ambitions

## Importance of High Cohesiveness

### High Cohesiveness

- Unity
- Interactive
- Positive Feelings
- Ability to Cope with Problems
- More Productive



### Low Cohesiveness

- Negative Feelings
- More Problems
- Less Productive





# CONFLICT

## MEANING

**Conflict** is serious disagreement and argument about something important. If two people or groups are **in conflict**, they have had a serious disagreement or argument and have not yet reached agreement.

## DEFINITION

- opposition between two simultaneous but incompatible feelings
- a disagreement or argument about something important

# TRADITIONAL AND MODERN VIEW OF CONFLICT

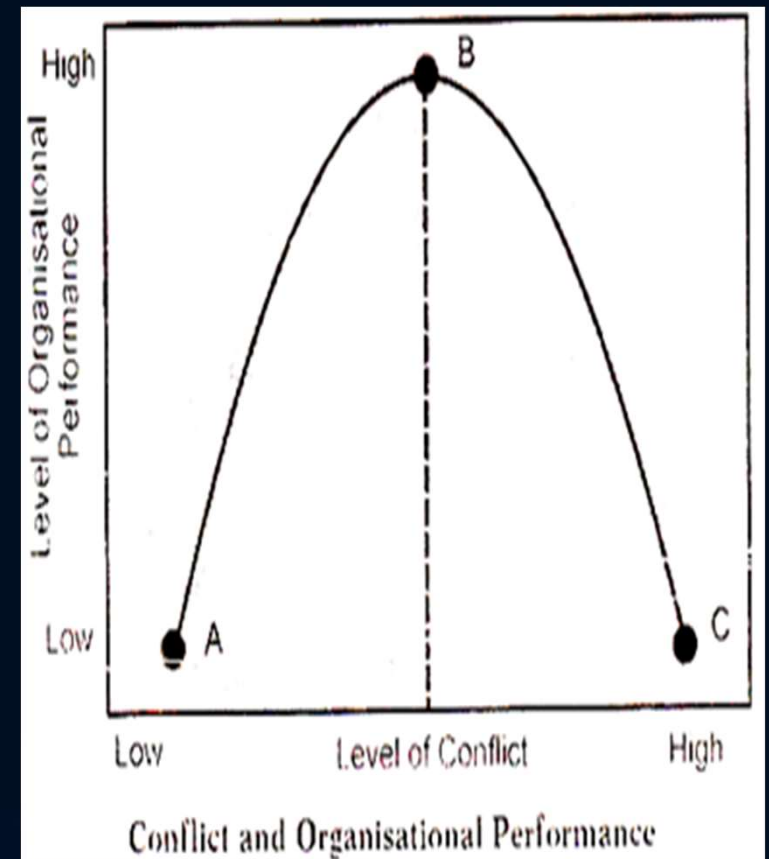
Traditional Approach and Modern Approach on Conflict		
	More Information Online <a href="http://WWW.DIFFERENCEBETWEEN.COM">WWW.DIFFERENCEBETWEEN.COM</a>	
	Traditional Approach	Modern Approach
DEFINITION	Traditional approach on conflict is the earliest view on organizational conflicts	Modern approach on conflicts is the contemporary view on organizational conflicts
CONFLICTS	Avoidable	Inevitable
VIEW ON CONFLICTS	Destructive at all times	Favourable most of the time
CONSEQUENCES	Demotivated employees, low productivity, violence	Self-evaluation, self creativity, improved group performance
TASK OF MANAGEMENT	Eliminate conflicts	Manage the level of conflict and its resolution for optimal organization performance
OPTIMAL ORGANIZATION PERFORMANCE	Removal of performance	Requires moderate level of conflict



# RELATIONSHIP BETWEEN ORGANIZATIONAL PERFORMANCE & CONFLICT

Organizational performance is low when conflict is at two extremes: high (Point C) or low (Point A). Organisational performance is high at moderate levels of conflict.

1. At low level of conflict, that is, point A, there is usually mutuality of opinion, people agree with each other and there is no stimulation to change. People are not adaptive to environmental challenges and, therefore, do not search for new ideas. The organisational performance, thus, tends to be low.
2. At high level of conflict, that is, point C, people do not agree with each other. There is lack of cooperation amongst their activities and behaviour. This leads to lack of discipline in the organisation resulting in low organisational productivity.
3. At optimum level of conflict, that is, point B, people disagree with each other resulting in new ideas. People think differently in a constructive way. New solutions are developed to deal with problems and achieve the goals through optimum utilisation of resources.







# FRUSTRATION MODEL

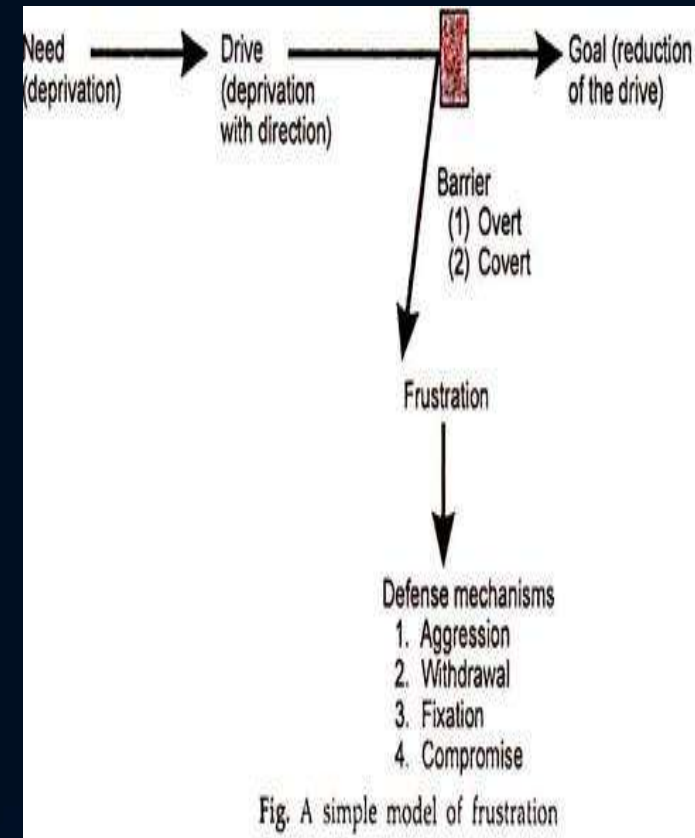
- Frustration occurs when a motivated drive is blocked before reaching a desired goal. The following figure illustrates what happened. The barriers may be either overt (outward or physical) or covert (inward or mental socio psychological). Frustration normally triggers defence mechanism in the person.
- Aggression has come to be viewed as only one possible reaction.

**There are four broad category of mechanism:**

1. Aggression,
2. Withdrawal,
3. Fixation and
4. Compromise.

One example reveals that a frustrated person from the low educational background has intense need for pride and dignity might have frustration, if his needs are not fulfilled the drive set up to alleviate the need and accomplish the goal would throw a person in a feet of frustration.

In most of the cases frustration leave a positive impact on individual performance and organizational goal.





# CONFLICT MANAGEMENT

Five major conflict management styles are:

1. Collaborating- “Collaborating works best when the long-term relationship and outcome are important—for example, planning for integrating two departments into one, where you want the best of both in the newly formed department,” Dr. Benoliel says.
2. Competing- Those who compete are assertive and uncooperative and willing to pursue one’s own concerns at another person’s expense. Dr. Benoliel explains using this style works when you don’t care about the relationship but the outcome is important
3. Avoiding- “Use this when it is safer to postpone dealing with the situation or you don’t have as great a concern about the outcome, such as if you have a conflict with a co-worker about their ethics of using FaceTime on the job.”
4. Accommodating- The opposite of competing, there is an element of self-sacrifice when accommodating to satisfy the other person. While it may seem generous, it could take advantage of the weak and cause resentment.
5. Compromising- This style aims to find an expedient, mutually acceptable solution that partially satisfies both parties in the conflict while maintaining some assertiveness and cooperativeness



# LEADERSHIP

## MEANING

- Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.
- Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.
- According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."



# LEADER V/S MANAGER

Basis	Manager	Leader
Origin	A person becomes a manager by virtue of his position.	A person becomes a leader on basis of his personal qualities.
Formal Rights	Manager has got formal rights in an organization because of his status.	Rights are not available to a leader.
Followers	The subordinates are the followers of managers.	The group of employees whom the leaders leads are his followers.
Functions	A manager performs all five functions of management.	Leader influences people to work willingly for group objectives.
Necessity	A manager is very essential to a concern.	A leader is required to create cordial relation between person working in and for organization.
Stability	It is more stable.	Leadership is temporary.
Mutual Relationship	All managers are leaders.	All leaders are not managers.
Accountability	Manager is accountable for self and subordinates behaviour and performance.	Leaders have no well defined accountability.
Concern	A manager's concern is organizational goals.	A leader's concern is group goals and member's satisfaction.
Followers	People follow manager by virtue of job description.	People follow them on voluntary basis.
Role continuation	A manager can continue in office till he performs his duties satisfactorily in congruence with organizational goals.	A leader can maintain his position only through day to day wishes of followers.
Sanctions	Manager has command over allocation and distribution of sanctions.	A leader has command over different sanctions and related task records. These sanctions are essentially of informal nature.



# LEADERSHIP STYLES

1. Coaching
2. Visionary
3. Servant
4. Autocratic
5. Laissez-faire
6. Democratic
7. Pacesetter
8. Transformational
9. Transactional
10. Bureaucratic







# UNIT-4

## DYNAMICS OF ORGANIZATION





# ORGANIZATIONAL CULTURE

## Meaning

- Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. Think of it as the collection of traits that make your company what it is. A great culture exemplifies positive traits that lead to improved performance, while a dysfunctional company culture brings out qualities that can hinder even the most successful organizations.

## Definition

- According to Bruce Perron, “Organizational culture defines a jointly shared description of an organization from within.”
- According to Richard Perrin, “Organizational culture is the sum of values and rituals which serve as a glue to integrate the members of the organization.”
- According to Alan Adler, “Organizational culture is civilization in the workplace.”
-



# LEVELS OF ORGANIZATIONAL CULTURE

## Schein - Levels of Organisational Culture

Schein described three levels of organisational culture:

- **Basic underlying assumptions**

These are the foundations on which culture is based. Handy described this as "the ways things get done around here". The underlying assumptions are often difficult to describe, are intangible and are often only really understood by people who've become accustomed to the way the organisation works.

Imagine you are new to an organisation and you find it is taking time to "fit in". That's because you haven't yet got to grips with these underlying assumptions that those in the organisation who've been there a while seem to take for granted.

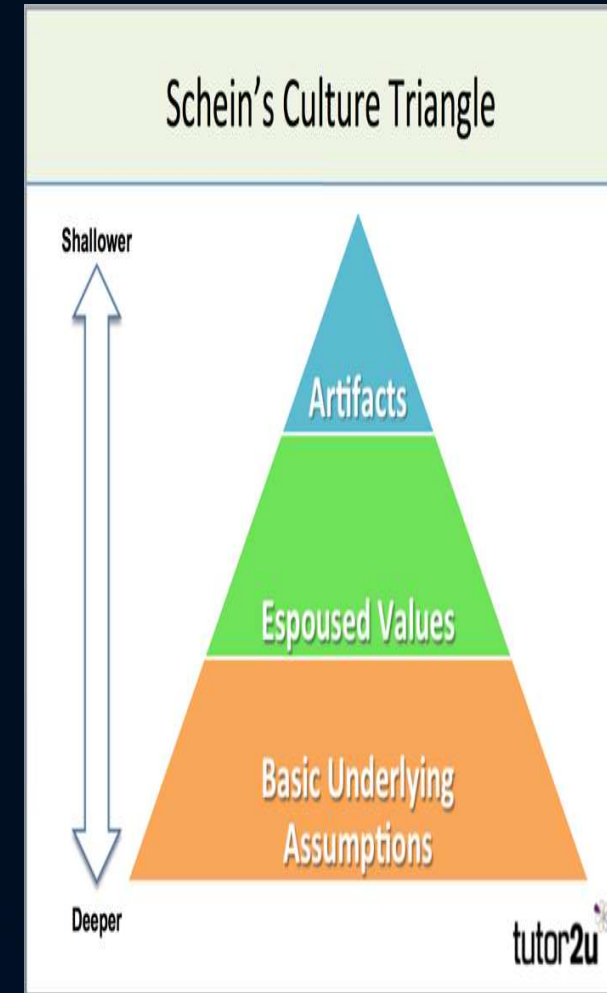
Underlying assumptions are usually invisible. You won't find them written down anywhere. People may not want to talk about them. But they exist and are often powerful.

- **Espoused Values**

These are the public statements about what the organizational values are about. Many organisations now communicate what their "core values" are - the espoused values by which the organisation conducts its business.

- **Artifacts**

Artifacts are the visible signs of an organisation's culture. They are visible; they can be seen, heard and felt. For example, what the dress code is; what kind of offices and layout is used; how employees address each other and how they communicate internally and externally.





## FORMATION AND SUSTAINING ORGANIZATIONAL CULTURE

1. Focus on the positive
2. Ensure shared values
3. Give and receive feedback
4. Follow-through
5. Care about your team members
6. Play to strengths and look for the bright spots.
7. Set expectations
8. Evaluate processes and procedures
9. Create opportunities for collaboration
10. Be consistent
11. Telling stories and using examples.



# ORGANISATIONAL CHANGE

## MEANING

Organizational change refers to the process of growth, decline and transformation within the organization. Though one thinks that organizations are enduring structures in a changing society. However, the truth is that organizations are changing all the time. Organizational change takes different forms.

Organizations may change their strategy or purpose, introduce new products or services, change the way they produce and sell, change their technology, enter new markets, close down departments or plants, hire new employees, acquire other organizations become acquired by other organisations and what not ! In doing so, they may turn larger, smaller or stay the same in terms of size.





# TYPES OF ORGANISATIONAL CHANGE

1. **Strategic transformational change**: All changes will affect some aspects of a company, but not all changes are transformational. Minor modifications to existing tools or policies will influence but not completely redefine a business. Big changes, on the other hand, transform companies. Whether that transformation is positive or disastrous depends on the strategy used to make it.

Example- Updating your mission as you grow, introducing new technology, training new skills.

2. **People centric organisational change**: While all changes affect people, people-centric types of organizational change include instituting new parental leave policies or bringing on new hires.

Even if you think employees will be excited by the change, an empathetic approach is key because emotional reactions are common.

Example- new hires, change to roles and responsibilities, policy change



3. **Structural change**: Structural changes involve major shifts in the management hierarchy, team organization, and the responsibilities attributed to different departments, employees, or teams. These changes often overlap with people-centric changes as they directly affect most, if not all, employees.

Examples- merger and acquisitions, the creation of new teams or departments, changes to the company organizational chart.

4. **Remedial Change**: Remedial changes are reactionary. This type of change occurs when a problem is identified, and a solution needs to be implemented. As these changes are designed to address an issue; they call for immediate action. Reactionary change may not be ideal, but it's inevitable. The benefit of remedial change is that judging its success is quick and simple.

Example- dealing with a loss of talent, addressing customer communication issues, providing more training for new hires.



# FORCES OF CHANGE

Organization as a system, depend on many interdependent factors which influence it's day to day functioning, strategic decisions and future action plans for facing the competitive challenges successfully. These factors can be both internal and external in nature and determine an organization's readiness for change as well as it's preparedness.

## External Forces

- Political forces
- Economic forces
- Technological forces
- Government forces
- ✓ Deregulation
- ✓ Foreign exchange
- ✓ Anti-trust laws
- ✓ Suspension agreements
- ✓ Protectionism
- Competitive pressures
- Changes in the need & preferences of customers



## INTERNAL FORCES

- Systematic forces
- Inadequate speculations
- Structural changes
- Changes in the technology
- People focused change
- Issues with the profitability
- Resources constraint



# FACTORS OF CHANGE

Change is the essence of organizational life. Organizations have to anticipate or respond to change to be successful in the long-run.

The factors that necessitate change fall into two categories:

## **1. Internal Factors**

- Efficiency
- Control
- Leadership
- Internal pressures
- Changes in workforce
- Internal inefficiencies





## 2. External Factors

- Market factors
- Economic factors
- Social factors
- Technological factors
- Political factors
- Natural factors
- Educational factors
- Global factors



# RESISTANCE TO CHANGE

One of the most important tasks of managers is to facilitate changes smoothly. Change is always inevitable but so is resistance to change. It is basic human nature of people to try and keep their methods and customs constant. This is where change management comes into play. An organization always must strive to adapt to change if it wants to be successful.

## REASONS

- In order to facilitate transitions and changes, managers must first be able to identify the exact reason for resistance. Such resistance to change is common in all organizations. The following are some common reasons for this:
- People generally find it convenient to continue doing something as they have always been doing. Making them learn something new is difficult.
- Changes always bring about alterations in a person's duties, powers, and influence. Hence, the people to whom such changes will affect negatively will always resist.
- People who are adamant on maintaining customs instead of taking risks and doing new things will always resist changes. This can happen either due to their insecurities or lack of creativity and will.



# TYPES OF RESISTANCE TO CHANGE

Resistance to change may be of the following three types:

- a) **Logical resistance:** This kind of resistance basically arises from the time people genuinely take to adapt and adjust to changes. For example, when computers became common, accountants had to shift from accounting on paper to digital accounting. This naturally takes time to adapt to.
- b) **Psychological resistance:** Under this category, the resistance occurs purely due to mental and psychological factors. Individuals often resist changes for reasons like fear of the unknown, less tolerance to change, dislike towards the management, etc.
- c) **Sociological resistance:** This resistance relates not to individuals but rather to the common values and customs of groups. Individuals may be willing to change but will not due to peer pressure from the group they are members of. For example, if a workers' union protests against new management policies, all workers face pressure to protest together.



# MANAGEMENT OF CHANGE (MOC)

- Major change is bound to happen in any organization, no matter how big or small. Events such as a transition in leadership, corporate expansion, product changes, or technical equipment upgrades can have a dramatic impact
- **Management of Change (MOC)** is a formalized process for leading your employees through a smooth and safe change process.
- Management of Change (MOC) is a systematic approach to dealing with organizational change, typically in industrial facilities and operations. The goal of this approach is to safeguard workers from potential harm during the crucial period of transition.



# STEPS TO MANAGEMENT OF CHANGE

1. Recognize all changes
2. Identify the hazards and risks
3. Note hazards that can be minimized, controlled, or totally avoided
4. Find out if the change is feasible or can be implemented given the circumstances
5. Conduct a Pre-Start up safety review (PSSR)
6. Implement the change- if safe to do so.
7. Train all affected workers
8. Follow new procedures and continue to evaluate feedback from the ground

