



SHREE H.N. SHUKLA COLLEGE OF MANAGEMENT STUDIES, RAJKOT



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STUDY MATERIAL OF MBA SEM-1

SUB: ORGANISATIONAL BEHAVIOUR (4519204)

MODULE-4



CHAP-1 UNDERSTANDING ORGANIZATIONAL DYNAMICS OF BEHAVIOUR:

Details Explanation:

CHAP-1 CONFLICT AND NEGOTIATION:

Organisational Behaviour and Design:

- Conflict and negotiation (Organisational Behaviour and Design) Conflict and negotiation are significant components to operate business.
- Business possessors may have conflict with many groups like partners, managers, employees and the general public.
- Negotiation is often essential to develop harmonious solution for all parties involved in the conflict.
- Many small businesses keep away from internal conflict and negotiation because owners are mainly responsible for completing business functions.
- However, external conflict and negotiation happen for most companies in the business setting. Conflicting situation often occurs when individuals have dissimilar ideas, beliefs or theories regarding business operations.
- Business holders may also find conflict when bargaining with individuals or other businesses.
- Negotiation is the process of talk about each individual position about an issue and tries to get a solution that benefits both parties.
- Conflict and negotiation are typically more widespread in leading business organizations since more individuals are involved in the company operations.

Meaning of Conflict:

- Conflict occurs whenever deviations exist in a social situation over issues of substance. Emotional antagonisms cause frictions between individuals or groups.
- Traditional view of conflict revealed that all conflicts are harmful and must be avoided.
- Professionals of the human relations avowed that conflict was a natural event in all groups and organizations. Since conflict was predictable, the human relations discipline supported acceptance of conflict.

Supporters rationalized its existence:

- It cannot be eradicated and there are even times when conflict may promote a group's performance.
- The human relations scrutiny had dominance on conflict theory from the late 1940s through the mid-1970s. While the human relations approach accepted conflict, the interactionist approach supports conflict on the grounds that a harmonious, passive, calm, and helpful group is prone to becoming static, lethargic, and nonresponsive to needs for transform and innovation.
- The interactionist approach had great contribution in developing conflict viewpoint and described that conflict is encouraging group leaders to maintain a continuing minimum level of conflict to keep the group practical, self-critical, and imaginative.
- Katz and Kahn (1978) observed that “every aspect of organizational life that creates order and coordination of effort must overcome other tendencies to action, and in that fact lies the



potentiality for conflict”. Conflict in organizations is predictable given that humans therein need to manage their mutual interdependence.

- According to modern theory, conflicts between human beings are inescapable. They appear as a natural result of change and can be valuable to the organization, if managed competently.
- Current theory (Kirchoff and Adams, 1982) considers modernism as a device for bringing together various ideas and viewpoints into a new and different fusion. An atmosphere of tension, and hence conflict, is essential in any organization working with new ideas.
- Main causes of conflict in organization are poor communication, lack of openness, failure to respond to employee needs. In organizations, there are numerous groups with which people might categorize.
- These might be based on personal characteristics such as race or gender, job function like sales or production, or job level such as manager or non-manager.
- Additionally, differences between groups might be highlighted by real differences in power, opportunity, clients serviced. Best prediction is that people who recognize with some groups will tend to be distrustful of out-group members.
- The occurrence of intergroup partiality proposes that organizations must be attentive in managing relationships between these teams. When individuals or subunits are jointly dependent upon each other to achieve their own goals, the probability for conflict exists.
- Kirchoff and Adams (1982) explained that there are four distinct conflict conditions such as high stress environments, ambiguous roles and responsibilities, multiple boss situations, and occurrence of advanced technology.
- Filley (1975) recognized various main conditions which could instigate conflict situations in an organization. These are as follows:
 1. Ambiguous jurisdiction, which occurs when two individuals have responsibilities which are interdependent but whose work boundaries and role definitions are not clearly specified.
 2. Goal incompatibility and conflict of interest refer to accomplishment of different but mutually conflicting goals by two individuals working together in an organization. Obstructions in accomplishing goals and lack of clarity on how to do a job may initiate conflicts. Barriers to goal accomplishment arise when goal attainment by an individual or group is seen as preventing another party achieving their goal.
 3. Communication barriers, as difficulties in communicating can cause misunderstanding, which can then create conflict situations.
 4. Dependence on one party by another group or individual.
 5. Differentiation in organization, where, within an organization, sub-units are made responsible for different, specialized tasks. This creates separation and introduces differentiation. Conflict situations could arise when actions of sub-units are not properly coordinated and integrated.
 6. Association of the parties and specialization. When individuals specialized in different areas work in a group, they may disagree amongst themselves because they have different goals, views and methodologies owing to their various backgrounds, training and experiences.
 7. Behaviour regulation. Organizations have to have firm regulations for individual behaviour to ensure protection and safety. Individuals may perceive these regulations differently, which can cause conflict and negatively affect output.



8. Unresolved prior conflicts which remain unsettled over time create anxiety and stress, which can further intensify existing conflicts. A manager's most important function is to avoid potential harmful results of conflict by regulating and directing it into areas beneficial for the organization.

There are different types of conflict:

1. Substantive conflict:

- A fundamental disagreement over ends or goals to be pursued and the means for their accomplishment.

2. Emotional conflict:

- Interpersonal difficulties that arise over feelings of anger, mistrust, dislike, fear, resentment.

Levels of Conflict:

- In Intrapersonal conflicts, there are actual or perceived pressures from incompatible goals or expectations.
- It occurs between two or more individuals who are in opposition to one another.
- Conflicts can be Approach-approach conflict, Avoidance-avoidance conflict and Approach-avoidance conflict.
- Intergroup conflict occurs among members of different teams or groups.
- Interorganizational conflict generally denotes to the competition and rivalry that characterize firms operating in the same markets.
- It encompasses disagreements that exist between any two or more organizations.

Conflict process in organization:

- Conflict is a vibrant process. In contemporary organization some conflict can be helpful to enhance organizational effectiveness.
- Tosi, Rizzo and Carroll (1986) described the stages involved in the conflict process, from inception to end, as sequential in nature, namely:
 1. The conflict situation,
 2. Awareness of the situation,
 3. Realization,
 4. Manifestation of conflict,
 5. Resolution or suppression of conflict, and
 6. After-effects of a conflict situation.

Conflict process:

- Major benefits of functional conflict are that it surfaces important problems so they can be addressed.
- It causes careful consideration of decisions and causes reconsideration of decisions. It increases information available for decision making and provides opportunities for creativity.
- At the same time, there are numerous disadvantages of dysfunctional conflict.
- Conflict in organization can diverts energies, harms group cohesion, promotes interpersonal hostilities, creates overall negative environment, can decrease work productivity and job satisfaction. And can contribute to absenteeism and job turnover.

Outcomes of conflict in organization:



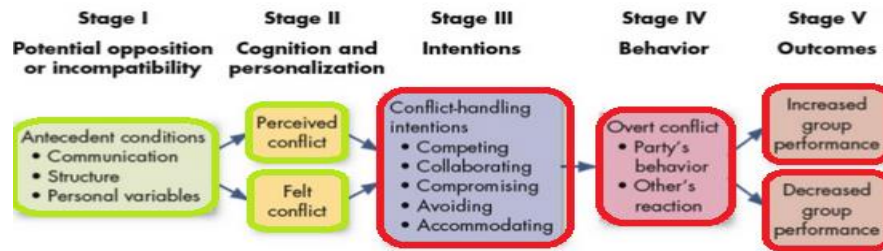
- In the context to organizations, conflict is the incongruity between employees, departments, managers or groups of people within the business unit.
- Disagreements may develop due to differences in opinion, beliefs or detrimental competition that may yield either positive or negative outcomes.
- Despite of level of conflict, major functional and dysfunctional consequences can occur from conflict. Conflict that results into healthy competition promotes innovation and inventiveness amongst workers. During conflict, there is a high sense of need that results into the appearance of divergent viewpoints amongst employees.
- It is vital among the employees to develop new policy and operating business to maintain with internal competition from their colleagues.

Consequences of conflict:

Positive Consequences	Negative Consequences
<ul style="list-style-type: none">• Leads to new ideas• Stimulates creativity and innovation• Motivates change and consideration of new approaches and ideas• Promotes organizational vitality• Helps individuals and groups establish identities• Increases loyalty and performance within each of the groups in conflict• Serves as a safety valve to indicate problems by bringing them out into the open	<ul style="list-style-type: none">• Diverts energy from work• Threatens psychological well-being• Wastes resources• Creates a negative climate• Interferes with communication• Breaks down group cohesion• Can increase hostility and aggressive behaviors• Leads to an increase in politics (i.e., individual efforts to acquire power to advance their own efforts)• Leads groups to stereotype each other• Reduces the organization's capacity to compete in the marketplace

Conflict management:

- Conflicts are unavoidable in an organization. However, conflicts can be used as motivators for transformation in organization. In business environment, several factors create competition; they may be differing departmental objectives, individual objectives, and competition for use of resources or differing viewpoints.
- These have to be integrated and exploited powerfully to achieve organizational objectives. A manager should be competent to observe emerging conflicts and take proper preventative action.
- The manager should recognize the causes creating conflict, the outcome of conflict, and various methods by which conflict can be managed in the organization.
- In this way, the manager should develop an approach to resolve conflicts before their troublesome repercussions have an impact on productivity and creativity.
- Therefore, a manager should possess special skills to react to conflict situations, and should create a good atmosphere for communication between conflicting groups.



Negotiation:

- Majority of companies have to negotiate in many areas of organizational conflict. Negotiation is an open process for two parties to find a satisfactory solution to a complex conflict.
- Negotiation is process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them. In an organizational context, negotiations may take place between two people, within a group, between groups and over the Internet.
- Negotiation can take extensive forms from skilled negotiator acting on behalf of a particular organization or position in a formal setting to an informal negotiation between friends.
- Negotiation can be contrasted with intervention, where a neutral third party listens to each side's arguments and attempts to help craft an agreement between the parties.
- It can also be compared with arbitration, which resembles a legal proceeding. In arbitration, both sides make an argument as to the merits of their case and the arbitrator decides the outcome.
- This negotiation is also called positional or hard-bargaining negotiation.
- Basically, negotiation is a problem-solving procedure in which two or more people willingly discuss their differences and try to reach a joint decision on their common concerns.
- Negotiation requires participants to recognize issues, about which they differ, educate each other about their needs and interests, generate possible settlement options and bargain over the terms of the final agreement.
- Winning negotiations result in some kind of exchange or promise being made by the negotiators to each other. The exchange may be tangible or intangible.

Negotiations are categorized by four elements:

- Some disagreement or conflict exists, which may be perceived, felt or manifest.
 1. There is some degree of interdependence between the parties.
 2. The situation must be conducive to opportunistic interaction.
 3. Each party must have both the means and in the inclination to attempt to influence the other.
 4. There exists some possibility of agreement, without which the negotiation cannot bring about a positive resolution.
- Research into negotiation behaviour has mostly been conducted from one of three theoretical traditions that include
 1. Individual differences approach,
 2. The motivational approach or the cognitive approach (Thompson, 1990).
 3. The individual differences approach scrutinizes the types of personal characteristics that affect negotiator behaviour, the negotiation process and the types of outcomes achieved.
- Research from this perspective might, for example, investigate negotiation behaviour as a function of gender (Walters, Stuhlmacher and Meyer, 1998), culture (Brett, 2000) or experience (Neale & Northcraft, 1986).



- Motivational approaches search to establish how negotiator aspirations and goals influence bargaining behaviour and the resultant outcomes. Researchers essentially consider the way that certain aspirations for self and other affect outcomes and vary as a result of the negotiation interaction (Wilson & Putnam, 1990).
- 2. The cognitive approach attempts to determine how individuals construe events and reach judgments about courses of action during negotiation. This approach is grounded in information processing theory (Carroll and Payne, 1991), which essentially posits that, when individuals experience events, stored information is activated in the mind and is then used to reach the next decision.
- This activation and subsequent processing has been found to occur in an economically efficient manner (Thompson, 1990). Such competence, involves various cognitive shortcuts that impair judgments, thereby limiting a negotiator's effectiveness (Neale and Bazerman, 1991).
- Negotiation theorists generally differentiate between two types of negotiation. Different theorists explained diverse labels for the two general types and distinguish them in different ways. The negotiator must select a general negotiation approach.
- There are many procedures, but the most common approaches to negotiation are positional bargaining and interest-based bargaining.
- **First** is distributive negotiation, also called positional negotiation. Positional bargaining is a negotiation approach in which a series of positions, alternative solutions that meet particular interests or needs, are selected by a negotiator, ordered sequentially according to preferred outcomes and presented to another party in an effort to reach agreement.
- The first or opening position represents that maximum gain hoped for or expected in the negotiations. Each following position demands less of an opponent and results in fewer benefits for the person advocating it. Agreement is reached when the negotiators' positions converge and they reach an acceptable settlement range.
- Major benefits of this approach is that it may prevent premature concessions, useful in dividing or compromising on the distribution of fixed-sum resources, does not require trust to work and does not require full disclosure of privileged information. It tends to approach negotiation on the model of bargaining in a market.
- In a distributive negotiation, each side often assumes an extreme position, knowing that it will not be accepted, and then employs an amalgamation of cleverness, bluffing, and brinkmanship in order to yield as little as possible before reaching a deal. Distributive bargainers visualize negotiation as a process of distributing a fixed amount of value.



- **Second** is integrative negotiation, also known as interest-based or principled negotiation. It is a process that attempts to develop the quality and likelihood of negotiated agreement by providing an alternative to conventional distributive negotiation techniques.
- Interest-based bargaining which involves parties in a collaborative effort to jointly meet each other's needs and satisfy mutual interests rather than moving from positions to counter positions to a compromise settlement, negotiators pursuing an interest-based bargaining approach attempt to identify their interests or needs and those of other parties prior to developing specific solutions.
- After the interests are identified, the negotiators jointly search for a variety of settlement options that might satisfy all interests, rather than argue for any single position. The parties select a solution from these jointly generated options.
- This approach to negotiation is frequently called integrated bargaining because of its emphasis on cooperation, meeting mutual needs, and the efforts by the parties to expand the bargaining options so that a wiser decision, with more benefits to all, can be achieved.

Negotiation process:



- There is a major role of mood and personality traits in Negotiation. Positive moods optimistically affect negotiations.
- Traits do not appear to have a considerably direct effect on the outcomes of either bargaining or negotiating processes.
- There are also gender differences in Negotiations. Women negotiate no differently from men, although men in fact negotiate better outcomes.



- Men and women with similar power in organization use the same negotiating styles.
- Women's attitudes toward negotiation and their success as negotiators are less favourable than men.

Challenges in negotiation:

- The negotiation approaches are intended to benefit organization but sometimes it is difficult to reach to a conclusion and satisfy all parties.
- There are many challenges faced by parties to negotiation and it is necessary to overcome them to effectively operate business.
- The main challenge to negotiation is when individuals are not ready to understand the second party at all.
- There are individuals who only think about their interests and tend to ignore the interest and needs of the other. It is important to find out the expectations of the other party as well. \
- For business negotiation, managers will definitely be appreciated if employee saves organization's money.
- Lack of time is also challenge to effective negotiation. One should never be in a hurry. Person need time to convince others.
- It is advised to analyse things carefully and then only come to conclusions. Going unprepared for a negotiation is intolerable.
- It is said that don't underestimate the second party. One should do his homework carefully. Check out even the smallest details before going for a negotiation.
- Lack of patience also leads to a bad negotiation. Every individual has the right to express his views and one should not interfere in his speech.
- People might not agree to him but at least listen to him first. Sit with the second party and make him realize how the deal would benefit you as well as him.
- Criticism, sarcasm, derogatory remarks are the major threats to a successful negotiation.
- Never ever say anything which might hurt others. It is advised to avoid last minute changes as it result in confusions and misunderstandings.
- The two parties must be very clear on what they expect from each other, and must stick to it.
- Being too rigid is one of the prime challenges to an effective negotiation. Negotiator must be little flexible. Stay alert while individual is negotiating. Lack of confidence is again major threats to negotiation.
- Many people label negotiation as a formal process of good deal between labour and management or purchaser and seller.
- Nevertheless, negotiating is more than this concept. Job applicants negotiate for their salary, workers bargain for better job projects.
- To include all of these situations, it can be explained that negotiation is "a decision-making process among interdependent parties who do not share identical preferences."
- Negotiation comprises conflict management in that it is an effort either to avert conflict or to resolve existing conflict.
- Negotiation is an attempt to gain a reasonable exchange among or between the parties. Successful negotiating needs good knowledge of techniques.
- To summarise, Negotiation is the most powerful approach to make decisions and manage disputes in organization.
- Negotiation is among the most commonly utilized modes of conflict resolution. Negotiation strategies are grouped as being either distributive or integrative.



One Word Question-Answer

Sr. No.	Question	Answer
1	Conflict and negotiation are what kind components to operate business?	Significant
	Who may have conflict with many groups like partners, managers, employees and the general public?	Business possessors
2	Why Negotiation is often essential?	Harmonious solution
	In what kind of business the conflict and negotiation owners are mainly responsible for completing business functions?	Small businesses
3	External conflict and negotiation happen for most companies in which stage?	Business setting
	When Conflicting situation often occurs?	Dissimilar ideas, beliefs or theories
4	Process of talk about each individual position about an issue and tries to get a solution that benefits both parties called?	Negotiation
	Conflict and negotiation are typically more?	Widespread
5	When Conflict occurs?	deviations exist
	What cause frictions between individuals or groups?	Emotional antagonisms
6	Who said that conflict was a natural event in all groups and organizations?	Professionals of the human relations
	What supported acceptance of conflict?	Human relations discipline
7	What had dominance on conflict theory from the late 1940s through the mid-1970s?	Human relations scrutiny
	What had great contribution in developing conflict viewpoint and described that conflict is encouraging group leaders to maintain a continuing minimum level of conflict to keep the group practical, self-critical, and imaginative?	Interactionist approach
8	Who has observed that “every aspect of organizational life that creates order and coordination of effort must overcome other tendencies to action, and in that fact lies the potentiality for conflict”?	Katz and Kahn (1978)
	Conflict in organizations is_____ given that humans therein need to manage their mutual interdependence.	Predictable
9	Which theory said that conflicts between human beings are inescapable?	Modern theory



	Who has given Current theory?	Kirchoff and Adams, 1982
10	What is the Main causes of conflict in organization?	Poor communication, lack of openness and failure to respond to employee needs
	How differences between groups might be highlighted?	Power, opportunity and clients serviced
11	Best prediction is that people who recognize with some groups will tend to be distrustful of?	Out-group members
	The occurrence of intergroup partiality proposes that organizations must be?	Attentive
12	What happens When individuals or subunits are jointly dependent upon each other to achieve their own goals?	Conflict exists
	Who explained that there are four distinct conflict conditions such as high stress environments, ambiguous roles and responsibilities, multiple boss situations, and occurrence of advanced technology?	Kirchoff and Adams (1982)
13	Who recognized various main conditions which could instigate conflict situations in an organization?	Filley (1975)
	What occurs when two individuals have responsibilities which are interdependent but whose work boundaries and role definitions are not clearly specified?	Ambiguous jurisdiction
14	In which situation goal incompatibility and conflict of interest refer to accomplishment of different but mutually conflicting goals?	Individuals working together
	What initiate conflicts?	lack of clarity
15	When Barriers to goal accomplishment arise?	Another party achieving their goal
	What creates difficulties in communicating and can cause misunderstanding, which can then create conflict situations?	Communication barriers
16	What creates separation and introduces differentiation?	Sub-units
	Conflict situations could arise when actions of sub-units are not properly?	Coordinated and integrated
17	When individuals specialized in different areas work in a group, they may?	Disagree



	Why organizations needs to have firm regulations for individual?	Protection and safety
18	Individuals may perceive the regulations differently, which can cause into what?	Conflict
	A fundamental disagreement over ends or goals to be pursued and the means for their accomplishment called?	Substantive conflict
19	Interpersonal difficulties that arise over feelings of anger, mistrust, dislike, fear, resentment called?	Emotional conflict
	In what kind of conflict there are actual or perceived pressures from incompatible goals or expectations?	Intrapersonal conflicts
20	Intrapersonal conflicts occurs between how many people?	two or more
	With whom Intergroup conflict occurs?	different teams
21	The conflict generally denotes to the competition and rivalry that characterize firms operating in the same markets called?	Inter organizational conflict
	Conflict is what kind of process?	vibrant
22	Conflict can be helpful to enhance organizational effectiveness in what kind of organisations?	contemporary organization
	Who described the stages involved in the conflict process, from inception to end, as sequential in nature?	Tosi, Rizzo and Carroll (1986)
23	How many stages are there in the process of conflicts?	Five
	What is the Major benefits of functional conflict?	Surfaces important problems
24	Functional conflict increases information available for decision making and what it provides?	Opportunities for creativity
	Conflict in organization can lead to?	Absenteeism and job turnover
25	Due to what Disagreements may developed?	Differences in opinion, beliefs
	From where major functional and dysfunctional consequences can occurs?	Conflict
26	What can be generated through Conflict that results into healthy competition?	Innovation and inventiveness
	During conflict, what kind of sense of need that results into the appearance of divergent viewpoints amongst employees?	High sense
27	How many types of Consequences of conflicts are there?	Two
	Leading new idea is what kind of consequences of	Positive



	conflicts?	
28	Breaks down group cohesion is what kind of consequences of conflicts?	Negative
	In the organization conflicts are?	Unavoidable
29	Conflicts can be used as what for transformation in organization?	Motivators
	All the factors have to be integrated and exploited powerfully to achieve what?	Organizational objectives
30	Who should be competent to observe emerging conflicts and take proper preventative action?	A manager
	What should be recognised by manager?	Causes creating conflict
31	In what Majority of companies have to negotiate in many areas?	organizational conflict
	Negotiation is what kind of process for two parties to find a satisfactory solution to a complex conflict?	Open process
32	When two or more parties exchange goods or services and attempt to agree on the exchange rate for them called?	Negotiation process
	In an organizational context, negotiations may take place between whom?	Two people, within a group, between groups and over the Internet
33	Negotiation can take place in what kind of forms?	Extensive forms
	With what Negotiation can be contrasted?	Intervention
34	Where a neutral third party listens to each side's arguments and attempts to help craft an agreement between the parties called?	Negotiation with intervention
	When both sides make an argument as to the merits of their case and the arbitrator decides the outcome called?	Arbitration
35	The other name of arbitration are?	Positional or hard-bargaining negotiation
	Basically negotiation is what kind of process?	Problem-solving
36	When two or more people willingly discuss their differences and try to reach a joint decision on their common concerns called?	Negotiation procedure
	What Negotiation procedure needed?	Participants to recognize issues
37	Some kind of exchange or promise being made by the negotiators to each other called?	Winning negotiations
	The exchange in the negotiation process is?	Tangible or



		intangible
38	With how many elements the Negotiations are categorized?	Four
	Some disagreement or conflict exists, which may be called?	Perceived, felt or manifest
39	What is there between the parties in negotiation process?	Interdependence
	What kind of situation is needed for opportunistic interaction?	Conducive
40	Research into negotiation behaviour has mostly been conducted from one of how many theoretical traditions that include Individual differences approach, the motivational approach or the cognitive approach?	Three
	Search to establish how negotiator aspirations and goals influence bargaining behaviour and the resultant outcomes called?	Motivational approaches
41	Who has given below statement “The way that certain aspirations for self and other affect outcomes and vary as a result of the negotiation interaction”	Wilson & Putnam, 1990
	Which approach attempts to determine how individuals construe events and reach judgments about courses of action during negotiation?	The cognitive approach
42	On what basis the cognitive approach is grounded?	Information processing theory
	Who has given information processing theory?	Carroll and Payne, 1991
43	Distributive negotiation is also called as?	positional negotiation
	Approach in which a series of positions, alternative solutions that meet particular interests or needs, are selected by a negotiator, ordered sequentially according to preferred outcomes and presented to another party in an effort to reach agreement called?	Positional bargaining
44	Which position represents that maximum gain hoped for or expected in the negotiations?	First or opening
	When the negotiators' positions converge and they reach an acceptable settlement range called?	Agreement
45	What are the Major benefits of distributive negotiation approach?	Prevent premature concessions
	What is assumed each side in a distributive negotiation?	Extreme position



46	Distributive bargainers visualize negotiation as what?	Process of distributing a fixed amount of value
	Integrative negotiation is also known as?	Interest-based or principled negotiation
47	Process that attempts to develop the quality and likelihood of negotiated agreement by providing an alternative to conventional distributive negotiation techniques called?	Integrative negotiation
	In what way Interest-based bargaining involves parties?	Collaboratively
48	After the interests are identified, the negotiators jointly search for what?	Variety of settlement options
	Parties select what from these jointly generated options?	Solution
49	Approach to negotiation is frequently called?	Integrated bargaining
	How many stages are there for negotiation process?	Five
50	Which is the 1 st stage in the negotiation process?	Preparing and Planning
	Which is the 2 nd stage in the negotiation process?	Definition of ground rules
51	Which is the 3 rd stage in the negotiation process?	Classification and Justification
	Which is the 4 th stage in the negotiation process?	Bargaining and Problem solving
52	Which is the 5 th stage in the negotiation process?	Closure and Implementation
	What plays important role in the process of negotiation?	Mood and Personality traits
53	How positive moods affect negotiations?	Optimistically
	What not appear to have a considerably direct effect on the outcomes of either bargaining or negotiating processes?	Traits
54	What kind of differences are there in Negotiations?	Gender differences
	Who has similar power in organization use the same negotiating styles?	Men and women
55	Whose attitudes toward negotiation and their success as negotiators are less favourable than men?	Women's
	For what negotiation approaches are intended?	Benefit organization
56	Which is the main challenge to negotiation process?	When individuals are not ready to



		understand the second party at all
	What is ignored by parties in negotiation process?	Interest and needs of the other party
57	For business negotiation, who will definitely be appreciated if employee saves organization's money?	Managers
	What is also challenge to effective negotiation?	Lack of time
58	What person needs to convince others?	Time
	What is advised and then only come to conclusions?	Analyse things carefully
59	What has to be checked before going for a negotiation?	Smallest details
	What leads to a bad negotiation?	Lack of patience
60	Every individual has the right to_____ his views and one should not interfere in his speech.	Express
	What are the major threats to a successful negotiation?	Criticism, sarcasm, derogatory remarks
61	It is advised to avoid_____ as it result in confusions and misunderstandings.	Last minute changes
	The two parties must be very clear on what?	Expectations from each other
62	Which is one of the prime challenges to an effective negotiation?	Being too rigid
	Negotiator must be little_____?	Flexible
63	Person or parties needs to_____ while individual is negotiating.	Stay alert
	Lack of confidence is what to negotiation process?	Major threats
64	Many people label negotiation as a _____ of good deal between labour and management or purchaser and seller.	formal process
	For what Job applicants negotiates?	Salary, workers bargain for better job projects
65	"A decision-making process among interdependent parties who do not share identical preferences." Called?	Negotiation
	Negotiation is an_____ to gain a reasonable exchange among or between the parties	Attempt
66	What is needed for Successful negotiating?	Good knowledge of techniques



CHAP-2 UNDERSTANDING DECISION-MAKING:

INTRODUCTION:

- Decision making refers to making choices among alternative courses of action-which may also include inaction.
- While it can be argued that management is decision making, half of the decisions made by managers within organizations ultimately fail.
- Therefore, increasing effectiveness in decision making is an important part of maximizing your effectiveness at work.
- Individuals throughout organizations use the information they gather to make a wide range of decisions. These decisions may affect the lives of others and change the course of an organization.
- For example, the decisions made by executives and consulting firms for Enron ultimately resulted in a \$60 billion loss for investors, thousands of employees without jobs, and the loss of all employee retirement funds. But Sherron Watkins, a former Enron employee and now-famous whistle-blower, uncovered the accounting problems and tried to enact change.
- Similarly, the decision made by firms to trade in mortgage-backed securities is having negative consequences for the entire economy in the United States. All parties involved in such outcomes made a decision, and everyone is now living with the consequences of those decisions. Despite the far-reaching nature of the decisions in the previous example, not all decisions have major consequences or even require a lot of thought.
- For example, before you come to class, you make simple and habitual decisions such as what to wear, what to eat, and which route to take as you go to and from home and school. You probably do not spend much time on these mundane decisions.
- These types of straightforward decisions are termed programmed decisions, or decisions that occur frequently enough that we develop an automated response to them.
- The automated response we use to make these decisions is called the decision rule. For example, many restaurants face customer complaints as a routine part of doing business. Because complaints are a recurring problem, responding to them may become a programmed decision.
- The restaurant might enact a policy stating that every time they receive a valid customer complaint, the customer should receive a free dessert, which represents a decision rule.
- On the other hand, unique and important decisions require conscious thinking, information gathering, and careful consideration of alternatives. These are called nonprogrammed decisions.
- For example, in 2005 McDonald's Corporation became aware of the need to respond to growing customer concerns regarding the unhealthy aspects (high in fat and calories) of the food they sell.
- This is a non-programmed decision, because for several decades, customers of fast-food restaurants were more concerned with the taste and price of the food, rather than its healthiness.
- In response to this problem, McDonald's decided to offer healthier alternatives such as the choice to substitute French fries in Happy Meals with apple slices and in 2007 they banned the use of trans fat at their restaurants. A crisis situation also constitutes a non-programmed decision for companies.
- For example, the leadership of Nutrorm was facing a tough decision. They had recently introduced a new product, ChargeUp with Lipitrene, an improved version of their popular sports drink powder, ChargeUp.



- At some point, a phone call came from a state health department to inform them of 11 cases of gastrointestinal distress that might be related to their product, which led to a decision to recall ChargeUp.
- The decision was made without an investigation of the information. While this decision was conservative, it was made without a process that weighed the information.
- Two weeks later it became clear that the reported health problems were unrelated to Nutrorim's product. In fact, all the cases were traced back to a contaminated health club juice bar. However, the damage to the brand and to the balance sheets was already done.
- This unfortunate decision caused Nutrorim to rethink the way decisions were made when under pressure. The company now gathers information to make informed choices even when time is of the essence.
- Decisions can be classified into three categories based on the level at which they occur.
 1. Strategic decisions set the course of an organization.

Level of Decision	Examples of Decision	Who Typically Makes Decisions
Strategic Decisions	Should we merge with another company? Should we pursue a new product line? Should we downsize our organization?	Top Management Teams, CEOs, and Boards of Directors
Tactical Decisions	What should we do to help facilitate employees from the two companies working together? How should we market the new product line? Who should be let go when we downsize?	Managers
Operational Decisions	How often should I communicate with my new coworkers? What should I say to customers about our new product? How will I balance my new work demands?	Employees throughout the organization

2. Tactical decisions are decisions about how things will get done.
 3. Operational decisions refer to decisions that employees make each day to make the organization run.
- For example, think about the restaurant that routinely offers a free dessert when a customer complaint is received. The owner of the restaurant made a strategic decision to have great customer service. The manager of the restaurant implemented the free dessert policy as a way to handle customer complaints, which is a tactical decision.



- Finally, the servers at the restaurant are making individual decisions each day by evaluating whether each customer complaint received is legitimate and warrants a free dessert.
- In this chapter we are going to discuss different decision-making models designed to understand and evaluate the effectiveness of non-programmed decisions.
- We will cover four decision-making approaches, starting with the
 1. Rational decision-making model.
 2. Bounded rationality decision-making model.
 3. Intuitive decision-making model.
 4. Creative decision-making model.

1. Making Rational Decisions

- The rational decision-making model describes a series of steps that decision makers should consider if their goal is to maximize the quality of their outcomes.
- In other words, if you want to make sure that you make the best choice, going through the formal steps of the rational decision-making model may make sense.
- Let's imagine that your old, clunky car has broken down, and you have enough money saved for a substantial down payment on a new car. It will be the first major purchase of your life, and you want to make the right choice.

Step-1:

therefore, has already been completed—we know that you want to buy a new car.

Step-2:

You'll need to decide which factors are important to you. How many passengers do you want to accommodate? How important is fuel economy to you? Is safety a major concern?

You only have a certain amount of money saved, and you don't want to take on too much debt, so price range is an important factor as well. If you know you want to have room for at least five adults, get at least 20 miles per gallon, drive a car with a strong safety rating, not spend more than \$22,000 on the purchase, and like how it looks, you have identified the decision criteria. All the potential options for purchasing your car will be evaluated against these criteria. Before we can move too much further,

Step-3:

You need to decide how important each factor is to your decision. If each is equally important, then there is no need to weigh them, but if you know that price and mpg are key factors, you might weigh them heavily and keep the other criteria with medium importance. Step 4 requires you to generate all alternatives about your options.

Step 4:

You need to use this information to evaluate each alternative against the criteria you have established.

Step 5:

You choose the best alternative,

Step-6:

You would go out and buy your new car.

Step-7:

Of course, the outcome of this decision will influence the next decision made. That is where step 8 comes in.

For example, if you purchase a car and have nothing but problems with it, you will be less likely to consider the same make and model when purchasing a car the next time.

Step-8:

Evaluation of Decision

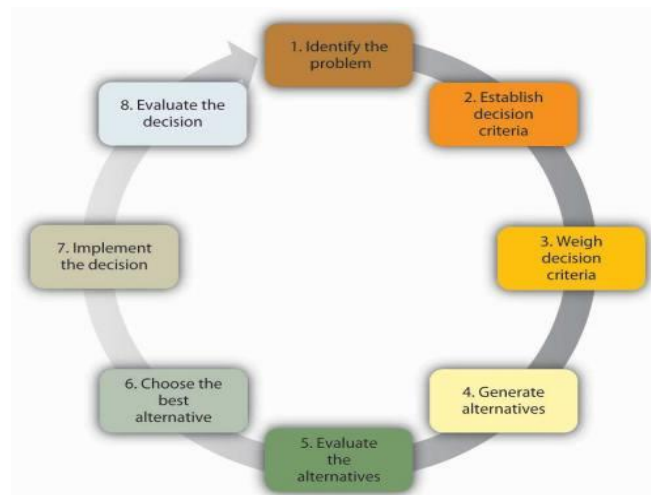


Figure shows Steps in the Rational Decision-Making Model

2. The bounded rationality model:

- The bounded rationality model of decision making recognizes the limitations of our decision-making processes.
- According to this model, individuals knowingly limit their options to a manageable set and choose the first acceptable alternative without conducting an exhaustive search for alternatives.
- An important part of the bounded rationality approach is the tendency to satisfice (a term coined by Herbert Simon from satisfy and suffice), which refers to accepting the first alternative that meets your minimum criteria.
- For example, many college graduates do not conduct a national or international search for potential job openings. Instead, they focus their search on a limited geographic area, and they tend to accept the first offer in their chosen area, even if it may not be the ideal job situation. Satisficing is similar to rational decision making.
- The main difference is that rather than choosing the best option and maximizing the potential outcome, the decision maker saves cognitive time and effort by accepting the first alternative that meets the minimum threshold.

3. Making Intuitive Decisions:

- The intuitive decision-making model has emerged as an alternative to other decision making processes.
- This model refers to arriving at decisions without conscious reasoning. A total of 89% of managers surveyed admitted to using intuition to make decisions at least sometimes and 59% said they used intuition often.



- Managers make decisions under challenging circumstances, including time pressures, constraints, a great deal of uncertainty, changing conditions, and highly visible and high-stakes outcomes. Thus, it makes sense that they would not have the time to use the rational decision-making model.
- Yet when CEOs, financial analysts, and health care workers are asked about the critical decisions they make, seldom do they attribute success to luck. To an outside observer, it may seem like they are making guesses as to the course of action to take, but it turns out that experts systematically make decisions using a different model than was earlier suspected.
- Research on life-or-death decisions made by fire chiefs, pilots, and nurses finds that experts do not choose among a list of well thought out alternatives. They don't decide between two or three options and choose the best one. Instead, they consider only one option at a time. The intuitive decision-making model argues that in a given situation, experts making decisions scan the environment for cues to recognize patterns.

4. Making Creative Decisions:

- In addition to the rational decision making, bounded rationality, and intuitive decision-making models, creative decision making is a vital part of being an effective decision maker. Creativity is the generation of new, imaginative ideas.
- With the flattening of organizations and intense competition among companies, individuals and organizations are driven to be creative in decisions ranging from cutting costs to generating new ways of doing business.
- Please note that, while creativity is the first step in the innovation process, creativity and innovation are not the same thing. Innovation begins with creative ideas, but it also involves realistic planning and follow-through.
- Innovations such as 3M's Clearview Window Tinting grow out of a creative decision-making process about what may or may not work to solve real-world problems.

DECISION MAKING PROCESS:

- The five steps to creative decision making are similar to the previous decision-making models in some key ways.
- All the models include problem identification, which is the step in which the need for problem solving becomes apparent. If you do not recognize that you have a problem, it is impossible to solve it. Immersion is the step in which the decision maker consciously thinks about the problem and gathers information.
- A key to success in creative decision making is having or acquiring expertise in the area being studied. Then, incubation occurs. During incubation, the individual sets the problem aside and does not think about it for a while.
- At this time, the brain is actually working on the problem unconsciously. Then comes illumination, or the insight moment when the solution to the problem becomes apparent to the person, sometimes when it is least expected.
- This sudden insight is the "eureka" moment, similar to what happened to the ancient Greek inventor Archimedes, who found a solution to the problem he was working on while taking a bath.
- Finally, the verification and application stage happens when the decision maker consciously verifies the feasibility of the solution and implements the decision.



- A NASA scientist describes his decision-making process leading to a creative outcome as follows: He had been trying to figure out a better way to de-ice planes to make the process faster and safer.
- After recognizing the problem, he immersed himself in the literature to understand all the options, and he worked on the problem for months trying to figure out a solution.



One Word Question-Answer

Sr. No.	Question	Answer
1	Process of making choices among alternative courses of action-which may also include inaction called?	Decision making
	Decisions made by _____ within organizations ultimately fail	Managers
2	What can be increased by effective decision making?	Effectiveness at work
	What Individuals throughout organizations gather to make a wide range of decisions?	Information
3	What can be changed by decision making?	Course of an organization
	Who is famous whistle blower?	Sherron Watkins
4	What kind of effect the decision made by firms to trade in mortgage-backed securities?	Negative consequences
	Before you come to class, you make simple and habitual decisions such as?	What to wear, what to eat etc.
5	Straightforward decisions are also called?	Termed programmed decisions
	Decisions that occur frequently enough that we develop an automated response to them called?	Straightforward decisions
6	The automated response we use to make these decisions is called?	decision rule
	What is required to take unique and important decisions?	Conscious thinking, information gathering, and careful consideration of alternatives
7	Unique and important decisions require conscious thinking, information gathering, and careful consideration of alternatives called?	Non-programmed decisions
	Customers of fast-food restaurants were more concerned with the taste and price of the food, rather than?	Healthiness
8	How many cases of gastrointestinal distress where there with ChargeUp product?	11
	Without what The decision was made of charge-up product?	Investigation of the information
9	What is damaged by the decision of company without the adequate information?	Brand name and balance sheet
	Decisions can be classified in how many categories?	Three
10	Which is the 1st type of decision making?	Strategic decision making
	Which is the 2nd type of decision making?	Tactical decision making



11	Which is the 3rd type of decision making?	Operational decision making
	What kind of policy is implemented by manager of the restaurant for customer complaints?	Free dessert policy
12	The tactical decisions taken by whom?	Managers
	Who takes Strategic decisions in the organisation?	Top management team, CEO and BOD
13	Who takes operational decision in the organisation?	Employees through the organisation
	How many different models of decision making are?	Four
14	Describes a series of steps that decision makers should consider if their goal is to maximize the quality of their outcomes called?	Rational decision-making model
	How many steps are there in Rational decision-making model?	Eight
15	Which is the 1st step in the process of rational decision making model?	Identification of your need
	What we are deciding in the 2nd step?	About imp factors
16	What we are deciding in the 3rd step?	How each factors is imp
	What is the action at 4th stage?	Information collection and Evaluation
17	What we are supposed to do at 5th stage?	Selection from alternatives
	What is the 7th stage of rational decision making process?	Buying of selected product or services
18	What kind of action is undertaken in the last stage?	Evaluation of Decision
	What kind of decision does recognizes the limitations of our decision-making processes?	bounded rationality model
19	According to this model, individuals knowingly limit their options to a manageable set and choose the first acceptable alternative without what?	Conducting an exhaustive search for alternatives
	Which is the important part of the bounded rationality approach?	tendency to satisfice
20	Many college graduates do not conduct a national or international search for potential job openings is example?	bounded rationality model
	Which option is selected in bounded rationality model without looking at alternate option?	First alternative
21	Which model has emerged as an alternative to other decision making processes?	Intuitive decision-making model
	Without what model refers to arriving at decisions?	Conscious reasoning
22	In what kind of situation the managers are taking important decision?	Challenging circumstances
	Due to challenging circumstances managers are not able	Rational decision-



	to adopt_____?	making model
23	creative decision making is a _____ part of being an effective decision maker	Vital
	Creativity is the generation of_____?	new, imaginative ideas
24	Creativity is the _____ step in the innovation process.	First
	Innovation begins with_____?	Creative ideas
25	Which innovation helps us to grow out of a creative decision-making process about what may or may not work to solve real-world problems?	3M's Clear view Window
	How many steps are there in creative decision making?	Five
26	Which is the 1st step in the process of creative decision making?	Problem identification
	Without what solution is impossible?	Problem recognition
27	The decision maker consciously thinks about the problem and gathers information called?	Immersion
	What is key to successful in creative decision making?	Acquiring expertise in the area being studied
28	The individual sets the problem aside and does not think about it for a while called?	Incubation
	When verification and application stage comes to situation?	After verification and feasibility checking
29	Who has figure out a better way to de-ice planes to make the process faster and safer?	NASA scientist



CHAP-3 UNDERSTANDING POWER AND ORGANIZATIONAL POLITICS:

INTRODUCTION:

- Power is easy to feel but difficult to define.
- It is the potential ability of a person or group to influence another person or group.
- It is the ability to get things done the way one wants them to be done.
- Both formal and informal groups and individuals may have power; it does not need an official position or the backing of an institution to have power.
- Influence can take many forms. One person has influenced another if the second person's opinions, behavior or perspectives have changed as a result of their interaction.
- Power is a factor at all levels of most organizations.
- It can be a factor in almost any organizational decision.

POWER AND AUTHORITY:

- Sometimes power and authority is used synonymously because of their objective of influencing the behavior of others.
- However, there is difference between the two. Power does not have any legal sanctity while authority has such sanctity.
- Authority is institutional and is legitimate. Power, on the other hand, is personal and does not have any legitimacy.
- But still, power is a crucial factor in influencing the behavior in organizational situation.

SOURCES OF POWER:

- John R. P. French and Bertram Raven identified five bases or sources of power: legitimate, reward, coercive, expert and referent power.

1. Legitimate Power:

- A person's position within organization provides him with legitimate power. The organization gives managers the power to direct the activities of their subordinates. Legitimate power is similar to formal authority and hence it can be created, granted, changed or withdrawn by the formal organization.
- The structure of the organization also identifies the strength of the legitimate authority by position location.
- For instance, higher-level positions exercise more power than lower-level positions in a classical hierarchical organizational structure.
- Organizations vary in how much legitimate power they grant to individuals. In such organizations, everyone knows who has the most power and few people challenge the power structure.

2. Reward Power:

- This type of power is the extent to which one person has control over rewards that are valued by another.
- The greater the perceived values of such rewards, the greater the power. Organizational rewards include pay, promotions and valued office assignments.
- A manager who has complete control over such rewards has a good deal of power. Manager who uses praise and recognition has also a good deal of power.

3. Coercive Power:

- People have, coercive power if they have control over some form of punishment such as threat of dismissal, suspension, demotion or other method of embarrassment for the people.



➤ Perhaps, a manager can cause psychological harm also to an employee. A manager's coercive power increases with the number and severity of the sanctions over which the manager has control.

➤ Although the use of coercive power is often successful in the short run, it tends to create resentment and hostility and therefore is usually detrimental to the organization in the long run.

4. Expert Power:

➤ It is more of personal power than organizational power. Expert power is that influence which one wields as a result of one's experience, special skill or knowledge.

➤ This power occurs when the expert threatens to withhold his knowledge or skill. Since any person who is not easily replaceable has more power as compared to those who are easily replaceable.

➤ If the sub-ordinates view their superior as competent, and knowledgeable, naturally they will obey and respect the superior.

➤ To the extent, that a low-ranking worker has important knowledge not available to a superior, he is likely to have more power.

5. Referent Power:

➤ A person who is respected by certain others for whatever reason has referent power over those people.

➤ A person with referent power may have charisma and people who respect that person are likely to get emotionally involved with the respected person and identify with, accept and be willing to follow him or her.

➤ People with referent power are often imitated by others with the star's actions, attitudes and dress. This imitation reflects the rising star's power over the imitations.

HOW PEOPLE USE POWER:

➤ An individual manager may have power derived from any or all of the five bases of power and the manager may use that power in different ways.

➤ Therefore, good managers must try to analyse the sources of their power and be careful how they use that power.

1. Using Legitimate Power:

➤ The use of legitimate power is seldom challenged in an organization; when a superior asks a sub-ordinate to do something, the sub-ordinate usually complies without resistance.

➤ However, the way the superior makes the request and follows it up are very important for ensuring the sub-ordinate's future compliance and the growth of the superior's referent power.

➤ For instance, a vice-president whose secretary is busy should not assume that he or she can just ask a supervisor's secretary to drop all other work and type a letter.

➤ Such by passing of the normal chain of command can cause hard feelings among all the people involved.

➤ Managers who are insensitive to their employees may find that their legitimate power dwindles and that they must resort to coercive power.

2. Using Reward Power:

➤ The manager, before giving a reward, must be sure that the employee has actually done the job and done it well.

➤ Employees must know that they get rewarded for good work.

3. Using Coercive Power:



- For some people, using coercive power is a natural response when something goes wrong. But often employees resist coercive power, resent it and losing respect for people using that type, of power.
- Hence, coercion is now generally recognized to be the most difficult form of punishment to use successfully in an organization.
- Managers who wish to maintain their credibility should make threats only when they intend to carry through on them and should never threaten a punishment that they cannot bring about.
- A good manager will be such that the punishment fit the crime.
- For instance, warning an individual who uses copying machine to make -personal copies but firing someone who steals equipment from the organization.
- Public punishment makes everyone uneasy and humiliating and hence should be done private.

4. Using Expert Power:

- To gain power from their expertise, managers must make people aware of how much they know. Manager can use his expert power most effectively to address employee concerns.
- If a particular sales person faces any difficulty in selling a particular product and turns to manager for his help, the manager must be able to identify the defect and must be able to help and educate him.

5. Using Referent Power:

- Leaders have traditionally strengthened their referent power by hiring employees with backgrounds similar to their own.
- One of the most positive and subtle uses of referent power is the process of rote modelling.
- A respected manager who wants her employees to be punctual, considerate and creative can simply demonstrate those behaviours herself and her employees will likely imitate her actions.

FACTORS INFLUENCING POLITICAL BEHAVIOR

1. Ambiguous Goals

- When the goals of a department or the entire organization are ambiguous then there is more room available for playing politics.
- Some people may use the ambiguity to manipulate the situation for their benefit.

2. Scarce Resources

- When resources are scarce, people have the tendency to use political behavior to make sure that they get the biggest possible share of the resource.

3. Changes in technology and environment

- Organizational effectiveness is largely a function of the organization's ability to appropriately respond to external environment which is highly dynamic and generally unpredictable as well as adequately adopt to complex technological developments.
- Thus, political behaviour is increased when the internal technology is complex and when external environment is highly volatile.

4. Non-Programmed Decisions

- Sometimes, the companies have to make a lot of non-Programmed decisions on certain issues.
- These decisions are not based on clear standards and precedents, because such issues involve many factors and variables that are complex in nature.
- Hence decisions are taken on intuition, hunch and guesses and all these subjective feelings can be affected by political behaviour.

5. Organizational Change



- Whenever there are changes in the organizational structure and policies, peoples in powerful positions have the opportunity to play politics.
- These changes may include restructuring of a division or creating a division, personnel changes, introducing a new product line and all these changes influence political behavior when various individuals and groups try to control the given situation.
- It is widely accepted that managers have to be politicians in order to maintain their positions in the organizational hierarchy as well as serve the interests of their units.

TECHNIQUES OF POLITICAL BEHAVIOR:

The most commonly used techniques of political behavior are:

1. Controlling information
2. Controlling lines of communication
3. Controlling agenda –
4. Using outside experts
5. Game playing
6. Image building
7. Building coalitions

1. One technique of political behaviour is to control the dissemination of critical information to others. The more critical the information and fewer the people who have it, the stronger is political power base of those who possess these information.
2. Controlling lines of communication is another political technique related to the flow of information. People who have some control over lines of communication can yield considerable political power. For example, the secretary may have considerable power in deciding who sees the boss and who does not at a given time. She may use this power in favoring those whom she likes and frustrating those against whom she may have it grudge.
3. Controlling the agenda also gives a person power over information. The person who controls a meeting's agenda, for instance, may consistently put a particular item last on the list and then take up time so that meeting adjourns before considering the item.
4. The opinions of outside experts and consultants often carry much weight in organizations and many consultants can be swayed by political interests. Consultants know who is paying them and even honest consultants are likely to give opinions consistent with those of their employer. Hence, hiring an outside consultant can be a clever political move.
5. Game playing can range from fairly innocent to very manipulative. It involves people doing something insincere, but not outright illegal or unethical to gain political ends. For instance, a manager who does not want to answer a committee's tough questions may, for instance, avoid meeting by going out of the town on the day of meeting.
6. Image building is creating positive impression reflected by the personality, appearance and style. Some of the factors that enhance a preferred image consist of being well dressed, having a pleasant smile, being attractive, honest, sociable and loyal to the organizational interests. In addition, always project an image of competence and self-assurance.



7. Building coalitions or alliance is another technique of gaining political power. It is necessary to have the alliance with the right people. Coalition building can become simply a matter of quid pro quo: I will support you if you will support me.



One Word Question-Answer

Sr. No.	Question	Answer
1	What is easy to feel but difficult to define?	Power
	The potential ability of a person or group to influence another person or group is called?	Power
2	It is the ability to get things done the_____ one wants them to be done	Way
	Who may have power?	Both formal and informal groups and individuals
3	It does not need an_____ for institution to have power.	Official position
	One person has _____ another if the second person's opinions, behaviour or perspectives have changed as a result of their interaction.	influence
4	At which level power works?	All levels
	Sometimes _____ and _____ is used synonymously because of their objective of influencing the behaviour of others.	Power and authority
5	What does not have any legal sanctity while authority has such sanctity?	Power
	What is institutional and is legitimate?	Authority
6	What is personal and does not have any legitimacy?	Power
	For what power is a crucial factor?	Influencing the behaviour
7	Who has given five bases or sources of power?	John R. P. French and Bertram Raven
	How many bases or sources of power is given by John R. P. French and Bertram Raven?	Five
8	Which is the 1 st base or source of power?	Legitimate Power
	What is provided by person's position within organization?	Legitimate power
9	For what the organization gives managers the power?	To direct the activities of their subordinates
	Legitimate power is similar to what?	Formal authority
10	What can be created, granted, changed or withdrawn by the formal organization?	Legitimate power or formal authority
	What can be identified by the structure of organisation?	Strength of the legitimate authority
11	Higher-level positions exercise _____ than lower-level.	More power
	In what kind of organisation higher-level positions exercise more power than lower-level?	Classical hierarchical organizational structure
12	Organizations vary with what?	Legitimate power they grant to individuals



	Which is the 2 nd base or source of power?	Reward Power
13	One person has control over rewards that are valued by another called?	Reward Power
	The greater the _____ of such rewards, the greater the power.	Perceived values
14	What can be included in organizational rewards?	Pay, promotions and valued office assignments
	Who has complete control over such rewards has a good deal of power?	Manager
15	Manager who uses _____ and _____ has also a good deal of power	Praise and recognition
	Control over some form of punishment such as threat of dismissal, suspension, demotion or other method of embarrassment for the people called?	Coercive Power
16	A manager can cause what kind of harm to an employee?	Psychological harm
	With what manager's coercive power increases?	Number and severity of the sanctions
17	In what kind of duration the use of coercive power is often successful?	short run
	What is tends to be created with the use of coercive power?	Resentment and hostility
18	Power that influence one wields as a result of one's experience, special skill or knowledge called?	Expert Power
	What kind of power occurs when the expert threatens to withhold his knowledge or skill?	Expert Power
19	Any person who is not easily replaceable has _____ as compared to those who are easily replaceable	More power
	When sub-ordinates obey and respect the superior?	Competent, and knowledgeable
20	Who has important knowledge not available to a superior?	Low-ranking worker
	A person who is respected by certain others for whatever reason called?	Referent Power
21	A person with referent power may have _____?	Charisma
	Who is often imitated by others with the star's actions?	People with referent power
22	What has be analysed by the good manager?	Sources of their power
	What is seldom challenged in an organization?	Use of legitimate power
23	What happens when a superior asks a sub-ordinate to do something?	Sub-ordinate usually complies without resistance
	By passing of the _____ can cause hard feelings among all the people involved.	Normal chain of command
24	Managers who are _____ to their employees may find	Insensitive



	that their legitimate power dwindles and that they must resort to coercive power.	
	Employees must know that they get rewarded for _____.	good work
25	What individual does when something goes wrong?	Using coercive power
	Using coercive power may leads to?	Losing respect
26	coercion is now generally recognized to be the _____ form of punishment to use successfully in an organization	Most difficult
	A good manager will be such that the punishment fit the____?	Crime
27	What does Public punishment makes for everyone?	Uneasy and humiliating
	When manager can use his expert power most effectively?	Address employee concerns
28	What should manager must be able to identify when particular sales person faces any difficulty in selling a particular product and turns to manager for his help?	Defect in approach
	Who have traditionally strengthened their referent power by hiring employees with backgrounds similar to their own?	Leaders
29	What is the most positive and subtle uses of referent power?	Process of rote modelling
	How many factors influencing political behaviour?	Five
30	When the goals of a department or the entire organization are ambiguous then there is more room available for what?	Playing politics
	Why people use the ambiguity?	Manipulate the situation for their benefit
31	When people have the tendency to use political behaviour to make sure that they get the biggest possible share of the resource?	Resources are scarce
	Organizational effectiveness is largely a function of the organization's ability to appropriately respond to _____	External environment
32	External environment which is _____ and generally as _____ well as adequately adopt to complex technological developments.	highly dynamic, unpredictable
	When political behaviour increased?	When the internal technology is complex and when external environment is highly volatile
33	On which parameters the non-programmed decisions depends?	Standards and precedents



	What happens whenever there are changes in the organizational structure and policies?	Peoples in powerful positions have the opportunity to play politics
34	What is widely accepted?	Managers have to be politicians in order to maintain their positions
	How many most commonly used techniques of political behaviour are there?	Seven
35	One technique of political behaviour is to _____ to others.	control the dissemination of critical information
	What is the base of political power?	More critical the information and fewer the people who have it
36	Controlling lines of communication is another political technique related with what?	Flow of information
	What can be yield by people who have some control over lines of communication?	Political power
37	What gives a person power over information?	Controlling the agenda
	Hiring an outside consultant can be a _____?	Clever political move
38	Game playing can range from _____ to _____?	fairly innocent, very manipulative
	What is creating positive impression reflected by the personality, appearance and style?	Image building
39	What are the factors that enhance a preferred image?	Well dressed, having a pleasant smile, being attractive, honest, sociable and loyal to the organizational interests
	With whom it is necessary to have the alliance?	Right people



CHAP-4 ORGANIZATIONAL CULTURE:

CONCEPT OF ORGANIZATIONAL CULTURE:

- Organizational culture is the set of values that states what an organization stands for, how it operates and what it considers important.
- According to Deal and Kennedy, a strong culture is. "a system of informal rules that spells out how people have to behave most of the time".
- Schein defines organizational culture as the pattern of basic assumptions that a given group has invented, discovered and developed while learning to cope with its problems of external adaptation and internal integration.
- All the above definitions stress acceptable and unacceptable behavior of its members. For instance, one organization might value solidarity and loyalty to organization more than any other value whereas another organization might stress on good relations with customers.
- Such values are part of organizational culture in spite of not being formally written like rules and regulations of the organization.
- They do not usually appear in the organizational training Program and in fact, many organizations have difficulty in expressing their cultural values.
- However, an organization's values automatically enter every employee's personal values and actions over a period of time.
- Organizational culture has a profound influence on individual employees because it is generally an accepted set of values rather than a written set of rules with which employees might not argue.

IMPORTANCE OF CULTURE:

- Culture plays a very significant role in any organization by communicating information about the overall acceptable and unacceptable behavior.
- Culture communicates whether the organization expects its managers to be aggressive or conservative in decisions-making, generous or moderate in supporting social causes and ruthless or kind in competitive dealings.
- Some organizations have clear, strong and well-defined culture whereas: others have ambiguous, weak and poorly defined cultures.
- Most managers agree that a strong and clear culture is preferable to weak and vague culture because it helps to provide a common frame of reference for managerial decision-making and a wide variety of other organizational activities.
- An organizational culture generally takes shape over time and is often deeply influenced by the values of the organizational founders.
- As organizational culture evolves, various symbols, stories, heroes, slogans and ceremonies also come into being. These, then, serve to maintain and perpetuate the culture through subsequent generations of employees.

CHANGING ORGANIZATIONAL CULTURE:

- Change is most often needed when the organization has lost its effectiveness and is struggling to either" carry out or change its strategic goals.
- The manager trying to change an organizational culture faces lots of difficulties.
- Because organizational culture embody the organizational values, which are embedded in organization's soul that stays stable irrespective of the changes in leadership and environment.



- It is, however, possible to change organizational culture, to improve the organization performance.
- For this managers must change employee's ideas about what is and what is not appropriate behavior.
- They must create new role model and new stories to help employees understand the meaning of what is happening around them.
- One way to bring about such changes is to manage the symbols that are important to the organization.
- An organization's suggestion box is a symbol of an organization's openness to the ideas of the employees.
- Some organizations try to emphasize the importance of employees' ideas by rewarding them for their suggestions.
- However, if the suggestion box remains just a symbol and organization never translates the suggestions into actions, the box will have little effect on organization morale.
- Once successfully made, changes in the organizational culture will be as stable as the old culture was.
- However, any organization willing to change its culture must realize that such a change is never easy and cannot be brought about simply by ordering employees.



One Word Question-Answer

Sr. No.	Question	Answer
1	Organizational culture is the _____ that states what an organization stands for	Set of values
	Who has given following definition? "a system of informal rules that spells out how people have to behave most of the time"	Deal and Kennedy
2	Who has given below statement "the pattern of basic assumptions that a given group has invented, discovered and developed while learning to cope with its problems of external adaptation and internal integration"	Schein
	All the above definitions stress _____ and _____ behaviour of its members.	Acceptable' unacceptable
3	For one organisation what can be the most valuable?	Solidarity and loyalty
	For other organisation what can be valuable on other side?	Good relations with customers
4	Such values are part of what?	Organizational culture
	Where this kind of values does not appears?	Organizational training Program
5	In the expression of what? Many organisation face difficulties?	Cultural values
	Where organisation values automatically enters?	Employee's personal values and actions
6	What is with organisational culture?	Profound influence
	On whom Organizational culture has a profound influence?	Individual employees
7	Organizational culture has _____ set of values rather than a written set of rules.	Accepted
	Culture plays a _____ role in any organization.	Very significant
8	What plays a very significant role in any organization by communicating information about the overall acceptable and unacceptable behaviour?	Culture
	Culture communicates whether the organization expects its managers to _____ be _____ or in decisions-making.	Aggressive and conservative
9	Some organizations have _____?	Clear, strong and well-defined culture
	While other organisation have _____?	Ambiguous, weak and poorly defined cultures
10	Who agree that a strong and clear culture is preferable to weak and vague culture?	Most managers
	Why Most managers agree that a strong and clear culture is preferable to weak and vague culture?	Provide a common frame of reference for



		managerial decision-making
11	Over what organizational culture generally takes shape?	Time
	What organizational culture evolves?	various symbols, stories, heroes, slogans and ceremonies
12	Organisation serve to maintain and perpetuate the culture through _____ generations of employees.	Subsequent
	What is most often needed when the organization has lost its effectiveness and is struggling to either " carry out or change its strategic goals?	Change
13	What can be faced by manager trying to change an organizational culture?	Lots of difficulties
	Organizational culture embody by what?	Organizational values
14	For what change of organizational culture is needed?	To improve the organization performance
	Managers must change employee's ideas about what is and what is _____ behaviour.	Not appropriate
15	What should be created to help employees understand the meaning of what is happening around them?	New role model and new stories
	_____ to brine about such changes is to manage the symbols that are important to the organization?	One way
16	An organization's _____ is a symbol of an organization's openness to the ideas of the employees.	Suggestion box
	Some organizations try to emphasize the importance of employees' ideas by _____ them for their suggestions.	Rewarding
17	Changes in the _____ will be as stable as the old culture was.	Organizational culture
	What is not easy in organisation?	Change in culture



CHAP-5 BASIC THEORIES OF LEADERSHIP:

- Leadership is an integral part of management and plays a vital role in managerial operations.
- It provides direction, guidance, and confidence to the employees and helps in the attainment of goals in much easier way.
- In business and industrial organizations, managers play the role of leader and acquire leadership of subordinates, their efforts towards the achievement of organizational goals and activate the individuals of an organization to make them work.
- Leadership influences behavior of the individuals.
- It has an ability to attract others and potential to make them follow the instructions.
- Individuals can be induced to contribute their optimum towards the attainment of organizational goals through effective leadership.
- Leadership acquires dominance and the followers accept the directives and control of a leader.
- Leadership provides direction and vision for future to an organization.

DEFINITION OF LEADERSHIP:

- Leadership is the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of groups objectives.
- According to Wendell French, "Leadership is the process of influencing the behavior of others in the direction of a goal or set of goals or, more broadly, toward a vision of the future",
- According to Keith Davis, "Leadership is the process of encouraging and helping others to work enthusiastically towards objectives".
- According to Koontz and O'Donnell, "Leadership is the art or process of influencing people so that they will strive willingly towards the achievement of group goals".
- According to Peter Drucker, "Leadership means the lifting of man's visions to higher sights, the raising of man's performance to higher standard, the building of man's personality beyond its normal limitations".
- According to Grey and Starke, "Leadership is both a process and a property. As a process, it is used for non-coercive influence to shape up the goals of a group or organization, to motivate behaviour toward the achievement of those goals and to help define group or organizational culture. As a property, leadership is the set multi characteristics attributed to those who are perceived to be leaders".
- Thus, leaders are people who are able to influence the behaviour of others without recourse to threats or other forms of force towards the individuals.
- Leaders are the people who are accepted by the other individuals, as a superior person to them.

THEORIES OF LEADERSHIP:

1. Behavioural theories
 - What are the Behavioural Leadership Theories?
 - The two most common theories will come up every time we talk about Behavioral Leadership Theories, Michigan Leadership Studies, and Ohio State Leadership Studies.

1. Michigan Leadership Studies:

Michigan Leadership Studies is a behavioural Leadership theory that indicates the Institute for Social Research at the University of Michigan conducted empirical studies to identify styles of leader behaviour that results in higher performance and satisfaction of a group.



- The value of Michigan Leadership Studies lies in the analysis of 2 leadership styles task and employee-oriented styles.
- Instead of restricting to traits of leaders, they concentrated on the behavior of leaders.

2. Ohio State Leadership Studies

- Ohio State Leadership Studies is Behavioral Leadership Theory.
- A series of studies on leadership was done by Ohio State University in 1945 to identify observable behaviors of leaders instead of focusing on their traits.
- Ohio State Leadership Studies showed that initiating structure and consideration are two distinct dimensions and not mutually exclusive.
- A low score on one does not require a high score on the other.
- Consideration is the people-orientation and initiating structure is the task orientation.
- The Ohio State studies were conducted around the same time as the Michigan Leadership Studies, which also identified as critical the focus on tasks and people.

2. Fiedler model

- What is your natural leadership style?
- Do you focus on completing tasks or on building relationships with your team? And have you considered that this natural style of leadership might be more suited to some situations than it is to others?
- We'll explore Fiedler's Contingency Model, and we'll look at how it can highlight the most effective leadership style to use in different situations.

Understanding the Model

- The Fiedler Contingency Model was created in the mid-1960s by Fred Fiedler, a scientist who studied the personality and characteristics of leaders.
- The model states that there is no one best style of leadership.
- Instead, a leader's effectiveness is based on the situation.
- This is the result of two factors – "leadership style" and "situational favourableness" (later called "situational control").

Leadership Style

- Identifying leadership style is the first step in using the model.
- Fiedler believed that leadership style is fixed, and it can be measured using a scale he developed called Least-Preferred Co-Worker (LPC) Scale (see figure 1).
- The scale asks you to think about the person who you've least enjoyed working with.
- This can be a person who you've worked with in your job, or in education or training.
- You then rate how you feel about this person for each factor, and add up your scores.
- If your total score is high, you're likely to be a relationship-orientated leader.
- If your total score is low, you're more likely to be Task-orientated leader.

Figure 1: Least-Preferred Co-Worker Scale

Unfriendly	1	2	3	4	5	6	7	8	Friendly
Unpleasant	1	2	3	4	5	6	7	8	Pleasant



Rejecting	1 2 3 4 5 6 7 8	Accepting
Tense	1 2 3 4 5 6 7 8	Relaxed
Cold	1 2 3 4 5 6 7 8	Warm
Boring	1 2 3 4 5 6 7 8	Interesting
Backbiting	1 2 3 4 5 6 7 8	Loyal
Uncooperative	1 2 3 4 5 6 7 8	Cooperative
Hostile	1 2 3 4 5 6 7 8	Supportive
Guarded	1 2 3 4 5 6 7 8	Open
Insincere	1 2 3 4 5 6 7 8	Sincere
Unkind	1 2 3 4 5 6 7 8	Kind
Inconsiderate	1 2 3 4 5 6 7 8	Considerate
Untrustworthy	1 2 3 4 5 6 7 8	Trustworthy
Gloomy	1 2 3 4 5 6 7 8	Cheerful
Quarrelsome	1 2 3 4 5 6 7 8	Harmonious

- The model says that task-oriented leaders usually view their LPCs more negatively, resulting in a lower score.
- Fiedler called these low LPC-leaders.
- He said that low LPCs are very effective at completing tasks.
- They're quick to organize a group to get tasks and projects done.
- Relationship-building is a low priority.
- However, relationship-oriented leaders usually view their LPCs more positively, giving them a higher score. These are high-LPC leaders.
- High LPCs focus more on personal connections, and they're good at avoiding and managing conflict.
- They're better able to make complex decisions.

APPLYING THE FIEDLER CONTINGENCY MODEL:

Step 1: Identify your leadership style

- Think about the person who you've least enjoyed working with, either now or in the past.
- Rate your experience with this person using the scale in figure 1, above
- According to this model, a higher score means that you're naturally relationship-focused, and a lower score means that you're naturally task-focused.



Step 2: Identify your situation

- Answer the questions: Are leader-member relations good or poor?
- Is the task you're doing structured, or is it more unstructured, or do you have little experience of solving similar problems?
- Do you have strong or weak power over your team?

Step 3: Determine the most effective leadership style

- Figure 2 shows a breakdown of all of the factors we've covered:
- Leader-Member Relations, Task Structure, and Leader's Position Power.
- The final column identifies the type of leader that Fiedler believed would be most effective in each situation.
- Figure 2: Breakdown of Most Effective Leader Style

Leader-Member Relations	Task Structure	Leader's Position Power	Most Effective Leader
Good	Structured	Strong	Low LPC
Good	Structured	Weak	Low LPC
Good	Unstructured	Strong	Low LPC
Good	Unstructured	Weak	High LPC
Poor	Structured	Strong	High LPC
Poor	Structured	Weak	High LPC
Poor	Unstructured	Strong	High LPC
Poor	Unstructured	Weak	Low LPC

- For instance, imagine that you've just started working at a new company, replacing a much-loved leader who recently retired. You're leading a team who views you with distrust (so your Leader-Member Relations are poor).
- The task you're all doing together is well defined (structured), and your position of power is high because you're the boss, and you're able to offer reward or punishment to the group.
- The most effective leader in this situation would be high LPC – that is, a leader who can focus on building relationships first.
- Or, imagine that you're leading a team who likes and respects you (so your Leader-Member relations are good). The project you're working on together is highly creative (unstructured) and your position of power is high since, again, you're in a management position of strength. In this situation, a task-focused leadership style would be most effective.



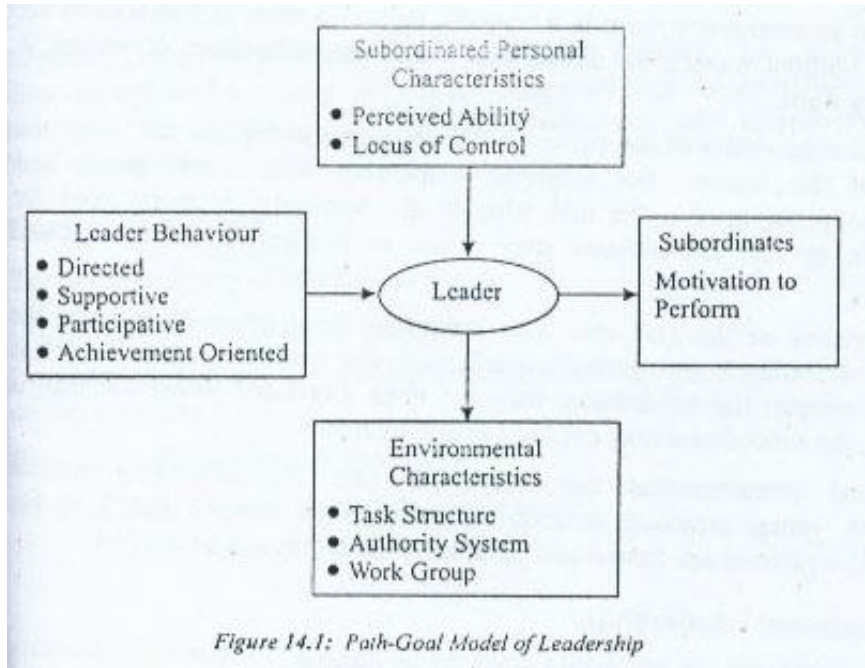
3. **LMX theory** (Also known as Vertical Dyad Linkage Theory)

- As a manager, it's not always right to treat everyone on your team in the same way.
- For instance, you probably have team members that you've developed a great relationship with: you trust them, they work hard, and they've never let you down. To you, these team members are invaluable, and you make an extra effort to send challenging projects their way.
- It's also likely that you have others on your team who you think less well of. They may not have far-reaching career goals, they're less competent, and you simply don't trust them to the same extent. These team members get everyday responsibilities, and are not considered for promotions or challenging assignments.
- However, have you ever stopped to analyse why you don't trust certain team members? Rightly or wrongly, do you let that distrust, or the belief that they're unreliable, influence how you relate to them? Do you, even subconsciously, withhold opportunities that might help them grow and succeed?
- This situation is at the heart of the Leader-Member Exchange Theory.
- This theory, also known as LMX or the Vertical Dyad Linkage Theory, explores how leaders and managers develop relationships with team members; and it explains how those relationships can either contribute to growth or hold people back.

4. **Path-Goal theory**

- The path-goal model of leadership was introduced by Martin Evans and Robert House.
- Path-goal theory says that a leader can motivate subordinates by influencing their expectations.
- Leaders can motivate subordinates by making clear what they have to do to get the reward they desire.
- The path-goal model assumes that leaders can change their style or behavior to meet the demands of a particular situation.
- This model identifies four kinds of leader behaviour:
 1. Directive.
 2. Supportive.
 3. Participative.
 4. Achievement-oriented.
- According to this model managers can adjust their behaviour to include any four kinds of leadership behaviour mentioned above.
- For instance, while leading a new group of subordinates, the leader may be directive in giving guidance and instructions to them.
- He may also adopt supportive behaviour to encourage group cohesiveness, to look after their needs and ensuring that they get the rewards and benefits.
- As the group becomes more familiar with the task and as new problems are taken into consideration, the leader may use participative behaviour by which he can participate with employees in making decisions and take their suggestions as well.
- Finally, the leader may use achievement-oriented behaviour to encourage continued high performance of subordinates.
- Environmental characteristics are factors, which are beyond the control of subordinates.
- It includes task structure, the primary work group and the formal authority system.
- For instance, when structure is high, directive leadership is less effective than when structure is low. Subordinates do not usually need their boss to repeatedly tell them how to do a routine job.

- According to the path-goal theory, these environmental factors can create uncertainty for employees.
- A leader who helps employees reduce such uncertainty can motivate them. The figure 14.1 shows the path goal model of leadership.
- Leaders do not always have control over environmental factors, but the theory emphasizes that leaders can use the control they want, to adjust the environment and to motivate sub-ordinates.





One Word Question-Answer

Sr. No.	Question	Answer
1	What is an integral part of management and plays a vital role in managerial operations?	Leadership
	Leadership is what kind of part of management and plays a vital role in managerial operations?	integral part
2	What is provided by leadership?	Direction, guidance, and confidence
	In what leadership helps?	Attainment of goals in much easier way
3	Where managers play the role of leader and acquire leadership of subordinates?	Business and industrial organizations
	What is the role of manager as a leader?	Direction, guidance, and confidence
4	Leadership influences _____ of the individuals.	behaviour
	The ability to attract others and potential to make them follow the instructions called?	Leadership
5	Through what Individuals can be induced to contribute their optimum towards the attainment of organizational goals?	Effective leadership
	Leadership acquires _____ and the followers accept the directives and control of a leader	Dominance
6	Leadership provides _____ and _____ for future to an organization.	Direction and vision
	Who has given below definition of leadership? "Leadership is the process of influencing the behavior of others in the direction of a goal or set of goals or, more broadly, toward a vision of the future"	Wendell French
7	Who has given below definition of leadership? "Leadership is the process of encouraging and helping others to work enthusiastically towards objectives"	Keith Davis
	Who has given below definition of leadership? "Leadership is the art or process of influencing people so that they will strive willingly towards the achievement of group goals"	Koontz and O'Donnell
8	Who has given below definition of leadership? "Leadership means the lifting of man's visions to higher sights, the raising of man's performance to higher standard, the building of man's personality beyond its normal limitations"	Peter Drucker
	Who has given below definition of leadership? "Leadership is both a process and a property. As a process, it is used for non-coercive influence to shape up the goals of a group or organization, to motivate behavior"	Grey and Starke



	toward the achievement of those goals and to help define group or organizational culture. As a property, leadership is the set multi characteristics attributed to those who are perceived to be leaders"	
9	Who are able to influence the behavior of others without recourse to threats or other forms of force towards the individuals?	Leaders
	Leaders are the people who are_____ by the other individuals, as a superior person to them.	Accepted
10	Which two most common theories will come up every time we talk about behavioural Leadership?	Michigan Leadership Studies, and Ohio State Leadership Studies
	Institute for Social Research at the University of Michigan conducted empirical studies about what?	Styles of leader behaviour
11	What are the imp points on which the value of Michigan Leadership Studies?	Task and employee-oriented styles
	Instead of restricting to traits of leaders, Michigan Leadership Studies concentrated on what?	Behaviour of leaders
12	Who Studies the Behavioural Leadership Theory?	Ohio State Leadership
	Who have done series of studies on leadership?	Ohio State University in 1945
13	What is identified by the study of Ohio State University?	Observable behaviours of leaders instead of focusing on their traits
	What are the two different dimensions of Ohio State University?	Initiating structure and consideration
14	A low score on one does not require a _____ on the other.	High score
	Consideration is the_____?	People-orientation
15	Initiating structure is the _____?	Task orientation
	Which model of leadership is given by Fiedler?	Contingency Model
16	Where is focused in Contingency Model?	How it can highlight the most effective leadership style to use in different situations
	When the Fiedler Contingency Model was created?	Mid-1960s
17	Who has developed the contingency model?	Fred Fiedler
	What is studied by the Fred Fiedler?	Personality and characteristics of leaders
18	Which model state that there is no one best style of leadership?	Fiedler Contingency Model



	On what leader's effectiveness is based?	Situation
19	Fiedler Contingency Model is the result of?	"leadership style" and "situational favourableness"
	What is the 1 st step in using Contingency Model?	Identifying leadership style
20	What is believed by Fiedler?	Leadership style is fixed
	The scale which is developed by Fiedler is called?	Least-Preferred Co-Worker (LPC) Scale
21	What scale asks you to think about?	Think about Person who you've least enjoyed working with
	If your score is high in the Least-Preferred Co-Worker (LPC) Scale, what does it shows?	Relationship-orientated leader
22	If your score is low in the Least-Preferred Co-Worker (LPC) Scale, what does it shows?	Task-orientated leader
	The model says that task-oriented leaders usually view their LPCs more _____?	Negatively
23	Who is very effective at completing tasks?	Low LPCs
	Low LPCs are quick to recognise to get _____?	Tasks and projects done
24	What is low priority for Low LPCs?	Relationship-building
	What kind of leaders usually view their LPCs more positively?	Relationship-oriented leaders
25	The leader with higher score are _____?	High-LPC leaders
	What is more focused by High-LPC leaders?	Personal connections
26	Who is better able to make complex decisions?	High-LPC leaders
	How many steps are there in Fiedler Contingency Model?	Three
27	Which is the 1 st step in the Fiedler Contingency Model?	Identify your leadership style
	What is the other name of LMX theory?	Vertical Dyad Linkage Theory
28	As a manager what is not right always?	Treat everyone on your team in the same way
	Who has introduced The path-goal model of leadership?	Martin Evans and Robert House
29	What Path-goal theory says?	Leader can motivate subordinates by influencing their expectations
	Leaders can motivate whom?	Sub-ordinates
30	The path-goal model assumes that leaders can change their _____ to meet the demands of a particular	style or behavior



	situation.	
	How many types of leaders are identified by The path-goal model?	Four
31	While leading a new group of sub-ordinates what kind of style a leader will use?	Directive
	When group becomes more familiar with the task and as new problems are taken into consideration what kind of leadership a leader may use?	Participative
32	He may also adopt _____ behaviour to encourage group cohesiveness.	supportive
	The leader may use _____ behaviour to encourage continued high performance of sub-ordinates	Achievement-oriented
33	Which are beyond the control of subordinates?	Environmental characteristics
	When structure is high what happens?	Directive leadership is less effective than when structure is low
34	A leader who helps employees reduce such _____ can motivate them.	Uncertainty
	Leaders _____ have control over environmental factors.	do not always



CHAP-6 CONTEMPORARY ISSUES IN LEADERSHIP PRACTICE:

Trust: The Foundation of Leadership

Trust:

- A positive expectation that another will not act opportunistically
- Competence, consistency, loyalty and openness are dimensions of trust
- You cannot lead others who do not trust you!
- Reengineering, downsizing, and the use of 'temps' have undermined employee trust in management

Three Types of Trust

1. Deterrence Based Trust (based on fear)
2. Knowledge Based Trust (based on predictability over time)
3. Identification Based Trust (based on mutual understanding of wants and needs)

Transactional vs. Transformational Leadership

- Transactional - leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements
- Transformational - leaders who inspire followers who transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers.
-

Visionary Leadership

- The ability to create and articulate a realistic, credible, attractive vision of the future for an organization or organizational unit that grows out of and improves upon the present.
- Q: What skills to visionary leaders exhibit?
- A: The ability to explain the vision to others, the ability to express the vision not just verbally but through the leader's behavior, and the ability to extend the vision to different leadership contexts.

Emotional Intelligence (EI) & Leadership Effectiveness

EI has 5 key components - which "great" leaders demonstrate:

1. self-awareness
2. self-management
3. self-motivation
4. empathy
5. social skills

Contemporary Leadership Roles

- Providing Team Leadership
- Many leaders are not equipped to handle the change to teams.
- New skills such as the patience to share information, trust others, give up authority, and knowing when to intervene are paramount.
- Team leaders are liaisons with external constituencies, troubleshooters, conflict managers, and coaches
- **Mentoring:** A senior employee who sponsors and supports a less-experienced employee.
- **Self-Leadership:** A set of processes through which individuals control their own behavior.



Challenges to the Leadership Construct:

- Leadership as an Attribution
- Is leadership merely an attribution that people make about other individuals?
- Some argue that sometimes leaders are not even needed! Sometimes individual, job, and organizational variables can act as substitutes for leadership or neutralize the leader's effect to influence followers (ex = a highly structured task)

Finding and Creating Leaders

- Can we use selection to help? (personality tests, interviews – match to situation)
- Training (can we train leadership? E.g. trust building, mentoring, situation-analysis skills)

Summary and Implications for Managers

- Trust is important - as organizations are less stable, personal trust is key in defining relationships and defining expectations
- Transformational leaders are in demand.
- Organizations want leaders with vision and charisma to carry out the visions.
- Invest in leadership selection and training (and follow up with assessment centers, courses, workshops, rotating job responsibilities, coaching, and mentoring)



One Word Question-Answer

Sr. No.	Question	Answer
1	A positive expectation that another will not act opportunistically called?	Trust
	What are the dimensions of trust?	Competence, consistency, loyalty and openness
2	Whom you can't lead?	Who do not trust you
	How many types of trust are there?	Three
3	Which is the 1 st one?	Deterrence Based Trust (based on fear)
	Which is the 2 nd type of trust?	Knowledge Based Trust (based on predictability over time)
4	Which is the 3 rd kind of trust?	Identification Based Trust (based on mutual understanding of wants and needs)
	Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements called?	Transactional Leadership
5	Leaders who inspire followers who transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers called?	Transformational Leadership
	The ability to create and articulate a realistic, credible, attractive vision of the future for an organization or organizational unit that grows out of and improves upon the present called?	Visionary Leadership
6	What skills to visionary leaders exhibit?	explain the vision to others
	How many components are there in the Emotional Intelligence (EI) & Leadership Effectiveness?	Five
7	Which is the 1 st component of Emotional Intelligence (EI) & Leadership Effectiveness?	Self-awareness
	What comes after the self-awareness in the emotional intelligence and leadership effectiveness?	Self-management
8	Which is the most important and 3 rd component of emotional intelligence and leadership effectiveness?	Self-motivation
	After the self-motivation what comes to the components of emotional intelligence and leadership effectiveness?	Empathy



9	Which is the last component of emotional intelligence and leadership effectiveness?	Social skills
	What is the role of contemporary role of leadership?	Providing Team Leadership
10	Who is not equipped to handle the change to teams?	Many leaders
	What are the skills which are very essential for a good leader?	Patience to share information, trust others, give up authority
11	Team leaders are liaisons with whom?	External constituencies, trouble-shooters, conflict managers, and coaches
	A senior employee who sponsors and supports a less-experienced employee called?	Mentoring
12	A set of processes through which individuals control their own behaviour called?	Self-Leadership
	Leadership as an _____?	Attribution
13	What is argued by people?	Leaders are not even needed
	What is key in defining relationships and defining expectations?	Personal trust
14	Which kinds of leaders are in demand?	Transformational leaders
	With what organizations want leaders?	With vision and charisma to carry out the visions