

# Management Concepts & Organisational Behaviour



## The Most Important Questions

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# 1 Management by Objectives

- **Management by Objectives (MBO)**
- **Meaning of MBO**
- Management by Objectives (MBO) is a management approach where **employees and managers work together to set, monitor, and achieve specific goals** that align with the organization's overall objectives. It ensures that everyone knows what they need to accomplish, leading to better performance and productivity.

- **Process of MBO**

- MBO follows a structured five-step process:

- **1?Setting Organizational Goals** – The top management defines the company’s overall objectives.

- **2?Defining Employee Objectives** – Managers and employees set specific, measurable, achievable, relevant, and time-bound (SMART) goals for individuals and teams.

- **3?Developing Action Plans** – Employees and managers create a plan outlining how to achieve these goals.

- **4?Monitoring and Measuring Progress** – Regular performance reviews are conducted to track progress and make necessary adjustments.

- **5?Evaluating Performance and Providing Feedback** – At the end of the period, achievements are assessed, and employees receive feedback, rewards, or necessary improvements.

# Benefits of MBO

- ✓ **Clarity in Goals** – Employees know exactly what they need to achieve.
- ✓ **Improved Performance** – Focused objectives increase motivation and productivity.
- ✓ **Better Communication** – Employees and managers collaborate effectively.
- ✓ **Employee Involvement** – Employees feel valued and responsible for their goals.
- ✓ **Higher Accountability** – Clear expectations reduce confusion and improve efficiency.

# Disadvantages of MBO

- **Time-Consuming** – Setting and monitoring goals require a lot of time and effort.
- **Rigid Structure** – Sometimes, focusing too much on objectives can limit flexibility and creativity.
- **Employee Pressure** – High expectations may cause stress and dissatisfaction.
- **Short-Term Focus** – MBO often prioritizes measurable results over long-term growth and innovation.
- **Not Suitable for All Jobs** – Works best for measurable tasks but may not fit creative roles.

## 2 Johari Window and FIRO

**Johari window model is based upon two things – to acquire the trust of others by revealing your information to them and by learning about yourself through feedback by others.**

**Johari Window is a technique for improving self-awareness within an individual. It helps in understanding your relationship with yourself and others. Johari Window model can be a useful tool if you want to improve your communication skills.**

*Known to Self*

*Unknown to Self*

*Known to Others*

## **OPEN SELF**

Information about you that both you & others know.

## **BLIND SELF**

Information about you that you don't know but others do know.

*Unknown to Others*

## **HIDDEN SELF**

Information about you that you know but others don't know.

## **UNKNOWN SELF**

Information about you that neither you nor others know.

# FIRO

- **Fundamental Interpersonal Relations Orientation (FIRO)** is a theory of interpersonal relations, introduced by William Schutz in 1958. This theory mainly explains the interpersonal interactions of a local group of people. The theory is based on the belief that when people get together in a group, there are three main interpersonal needs they are looking to obtain – affection/openness, control and inclusion. Schutz developed a measuring instrument that contains six scales of nine-item questions, and this became version B (for “Behavior”). This technique was created to measure how group members feel when it comes to inclusion, control, and affection/openness or to be able to get feedback from people in a group.



# The FIRO-B instrument identifies three areas of interpersonal need.

- INCLUSION

- This need indicates how individuals generally include other people in their life and how much attention, contact, and recognition they want from others. Inclusion is about them in relation to groups – small or large.

- CONTROL

- This need indicates how much influence and responsibility an individual wants and how much they want others to lead and influence them. Control is about both their one-to-one relationships and their behavior as part of a group.

- AFFECTION

- This need indicates how close and warm someone is with others and how close and warm they want others to be with them. Affection is about the need to establish comfortable one-to-one relationships (whereas Inclusion measures your needs for interacting with groups).

# 3 McClelland's Need Theory



## 4 Contemporary Theories of Motivation: Self-Determination Theory, Self-Efficacy Theory, Vroom's Expectancy Theory, Equity Theory and Reinforcement Theory

- **Self-Determination Theory (SDT):**

- **Key Concepts:**

- Developed by Deci and Ryan, SDT focuses on the role of autonomy, competence, and relatedness in motivation.
- **Autonomy:** Individuals are motivated when they have a sense of choice and control over their actions.
- **Competence:** Motivation is higher when individuals feel capable and effective in their activities.
- **Relatedness:** Social connections and relationships contribute to motivation.

- **Application:**

- Used in education, workplace, and various domains to understand and enhance intrinsic motivation.

- **Self-Efficacy Theory:**

- **Key Concepts:**

- Proposed by Albert Bandura, self-efficacy is the belief in one's ability to succeed in specific situations.
    - High self-efficacy leads to increased effort, persistence, and resilience in the face of challenges.
    - Influences goal-setting and performance outcomes.

- **Application:**

- Widely applied in areas such as education, psychology, and organizational behavior to understand and improve performance.

- **Vroom's Expectancy Theory:**

- **Key Concepts:**

- Victor Vroom's theory posits that individuals are motivated to act in a certain way based on their expectations of the outcome and the value they place on that outcome.
    - Components include Expectancy (belief that effort leads to performance), Instrumentality (belief that performance leads to rewards), and Valence (value placed on the rewards).

- **Application:**

- Used in organizational settings to design reward systems and understand employee motivation.

- **Equity Theory:**

- **Key Concepts:**

- Developed by J. Stacy Adams, equity theory suggests that individuals strive for fairness and equity in social exchanges.
    - People compare their inputs and outcomes to those of others, and if perceived inequity exists, they may alter their behaviors or perceptions to restore balance.

- **Application:**

- Applied in organizational contexts to analyze issues related to fairness, motivation, and employee satisfaction.

- **Reinforcement Theory:**

- **Key Concepts:**

- Rooted in behaviorism, reinforcement theory emphasizes the role of consequences in shaping behavior.
    - Positive reinforcement (rewarding desired behavior), negative reinforcement (removing aversive stimuli), punishment, and extinction are key concepts.

- **Application:**

- Widely used in behavior management, organizational behavior, and learning contexts to understand and modify behaviors.

- These theories provide frameworks for understanding and explaining motivation, behavior, and performance in various contexts. Researchers and practitioners often apply these theories to develop strategies for enhancing motivation and improving outcomes in education, work, and other areas.

# 5 Leadership: Meaning and Types of Leaders and Leadership Style

**The Leadership Styles are the behavioral patterns that a leader adopt to influence the behavior of his followers, i.e. the way he gives directions to his subordinates and motivates them to accomplish the given objectives.**



# 5 Types Of Leadership

- 1** **Transactional:** work = reward
- 2** **Situational:** adaptability
- 3** **Autocratic:** individual control
- 4** **Laissez-faire:** hands-off
- 5** **Participative:** collaborative

# 6 Group: Meaning, Types and Dynamics

- A group is a bunch of people who come together for a common reason or to do something together. It could be friends playing a game, students in a class, or colleagues working on a project.

# Types of Group

## Formal Groups:

- Formal groups are organized for a specific purpose and usually have a structure or set of rules. People join these groups because they have a particular role or job to fulfill.
- **Work Teams:** Employees in a company who work together on a project or toward a common goal.
- **Committees:** Groups formed to address specific issues or make decisions in an organized manner.
- **Task Forces:** Temporary groups assembled to solve a particular problem or complete a specific task.
- **Project Groups:** Teams formed to work on a specific project or assignment.

## Informal Groups:

- Informal groups are more relaxed and don't necessarily have an official structure or rules. People in these groups often come together based on shared interests, friendships, or common activities.
- **Friendship Circles:** Groups of friends who hang out and enjoy each other's company.
- **Social Clubs:** Informal gatherings of people with similar interests or hobbies.
- **Support Networks:** Groups that form naturally to provide emotional or practical support to their members.
- **Recreational Teams:** Casual sports or game groups formed for fun and enjoyment.
- In summary, formal groups have a specific purpose and follow a structure, while informal groups are more relaxed and often form around shared interests or relationships.

# Dynamics of a Group:

- Group dynamics are like the vibes or feelings within a group. They can affect how the group works and feels.
- **Communication:** How well people talk and listen to each other.
- **Roles:** Each person might have a job or role within the group.
- **Leadership:** Someone might lead and guide the group.
- **Cooperation:** Working together and helping each other out.

# 7 Types of Planning and Plan Planning Process

- **Types of Planning:**

- **Strategic Planning:**

- **What it is:** Big-picture planning for the long term.
- **Example:** Deciding where a company wants to be in the next 5 or 10 years.

- **Tactical Planning:**

- **What it is:** Figuring out how to implement the big-picture strategy.
- **Example:** Planning specific actions to achieve the long-term goals.

- **Operational Planning:**

- **What it is:** Day-to-day planning to make sure things run smoothly.
- **Example:** Planning daily tasks for a project.

- **Contingency Planning:**

- **What it is:** Planning for unexpected events or problems.
- **Example:** Having a backup plan in case something goes wrong.

# Planning Process

Establishment of objectives



Developing premises



Evaluating and selection of alternatives



Formulating derivative plans



Securing cooperation and participation



Review and follow up

# 8 Decision Making: Types, Process & Techniques

- **Programmed and Non-Programmed Decisions:**
  - *Programmed Decisions:* Routine and repetitive matters, handled with standard procedures.
  - *Non-Programmed Decisions:* Complex situations with no easy solution, typically made at higher managerial levels.
- **Routine and Strategic Decisions:**
  - *Routine Decisions:* General functioning matters, quickly executed with ample delegated powers.
  - *Strategic Decisions:* Important, impacting organizational goals, requiring careful analysis and made at higher management levels.
- **Tactical (Policy) and Operational Decisions:**
  - *Policy Decisions:* Relate to organizational policies, made at the top management level.
  - *Operational Decisions:* Day-to-day business functioning decisions, made by middle and lower-level managers.

- **Organizational and Personal Decisions:**
- *Organizational Decisions:* Made in an official capacity, affecting the organization's functioning.
- *Personal Decisions:* Affecting an individual's personal life, not easily delegable.
- **Major and Minor Decisions:**
- *Major Decisions:* Significant choices with long-term impact, typically made by top management.
- *Minor Decisions:* Routine and less impactful choices, made at lower levels of management.
- **Individual and Group Decisions:**
- *Individual Decisions:* Made by a single person, often routine decisions within the organizational policy.
- *Group Decisions:* Involving a committee or group for important matters, aiming for broader participation in decision-making.



# Decision Making: Process

- The decision-making process is a cognitive process that involves making choices or selecting a course of action from among several alternative options. It can be a complex and iterative process, and various models exist to describe its stages. Here is a general overview of the decision-making process:
- **Identifying the Decision:**
  - Clearly define the decision that needs to be made.
  - Understand the goals and objectives that the decision should align with.
- **Gathering Information:**
  - Collect relevant data and information related to the decision.
  - Consider the potential impact of each option and the associated risks.
- **Identifying Alternatives:**
  - Generate a list of possible options or solutions.
  - Explore various perspectives and approaches to the problem.
- **Assessing Alternatives:**
  - Evaluate each alternative based on criteria such as feasibility, cost, effectiveness, and alignment with goals.
  - Consider short-term and long-term consequences.

- **Making the Decision:**
  - Choose the alternative that best meets the criteria and objectives.
  - Be aware of personal biases and emotions that may influence the decision.
- **Implementing the Decision:**
  - Develop an action plan to put the decision into effect.
  - Allocate resources and assign responsibilities as needed.
- **Follow-up and Evaluation:**
  - Monitor the implementation of the decision.
  - Assess the outcomes and gather feedback.
  - Adjust the decision or course of action if necessary.
- **Learning from the Decision:**
  - Reflect on the decision-making process.
  - Identify lessons learned and consider how to improve future decision-making.

# Techniques of Decision-Making:

- **Marginal Analysis:**

- Determines the additional output resulting from adding one more variable while holding other factors constant.
- Particularly useful for evaluating alternatives in the decision-making process.

- **Financial Analysis:**

- Estimates the profitability of an investment.
- Calculates the payback period and analyzes cash inflows and outflows.
- Involves discounting future cash flows to determine present value.

- **Break-Even Analysis:**

- Evaluates alternatives based on price, fixed costs, and variable costs per unit.
- Determines the level of sales needed to cover all fixed costs.
- Identifies the break-even point where total revenue equals total cost, resulting in zero profit.

- **Ratio Analysis:**

- Interprets accounting information by defining the relationship between two variables.
- Compares costs and revenue for a specific period.
- Aims to determine the strengths, weaknesses, historical performance, and current financial condition of a firm.

- **Operations Research Techniques:**

- Involves the practical application of quantitative methods in decision-making.
- Utilizes scientific, logical, or mathematical means to achieve realistic solutions to problems.
- Encompasses various techniques developed over the years for optimizing decision processes.

- **Linear Programming:**

- Quantitative technique for making an optimum allocation of scarce or limited resources to achieve a specific objective.
- Assumes proportionate relationships among different variables and involves developing a mathematical model to optimize outputs in resource-scarce situations.

- **Waiting-Line Method:**

- Operations research method using mathematical techniques for balancing services provided and managing waiting lines (queuing).
- Applicable when demand for a service exceeds the available service facilities.

# 9 Types of Organization , Line and Staff Relationship

- **Types of Organizations:**

- **Flat Organization:**

- Characteristics:
  - Minimal emphasis on hierarchy and job titles.
  - Equal status among employees.
- Benefits:
  - Empowers employees to make decisions.
  - Encourages creativity and problem-solving.
  - Speeds up decision-making processes.
- Suitable for:
  - Small to medium-sized companies.

- **Functional Organization:**

- Characteristics:
  - Divides operations based on specialties.
  - Each function has an individual in charge.
- Benefits:
  - Total specialization of work.
  - Efficient work performance.
- Drawback:
  - Delay in decision-making due to consultation with functional managers.

- **Divisional Organization:**

- Characteristics:

- Structures activities around markets, products, or consumer groups.
    - Examples like Gap Inc. with separate retailers under one brand.

- Focus Areas:

- Market, product, or specific consumer segments.

- **Matrix Organization:**

- Characteristics:

- Multiple lines of reporting managers.
    - Employees accountable to more than one boss.

- Common Structures:

- Functional and project managers.

- Best for:

- Companies with large-scale projects.

- These organizational structures vary in their emphasis on hierarchy, decision-making processes, and specialization, catering to different sizes and needs of companies.

# Line and Staff Relationship:

- In organizational management, the concept of "line and staff" refers to the different roles and responsibilities that individuals or departments have within a company's structure. This model helps in defining the relationship between those directly involved in the core business activities (line) and those providing support and expertise (staff). Here's an overview:
- **Line Positions:**
  - **Definition:** Line positions are directly involved in the day-to-day operations and core business functions of an organization.
  - **Responsibilities:**
    - Involved in decision-making and execution of primary activities.
    - Hold authority for achieving organizational goals.
    - Face direct accountability for outcomes.
  - **Examples:** Production workers, sales representatives, and supervisors.
- **Staff Positions:**
  - **Definition:** Staff positions are support roles that provide specialized expertise, advice, and assistance to line positions.
  - **Responsibilities:**
    - Offer guidance and support to line positions.
    - Provide specialized knowledge and skills.
    - Facilitate decision-making but typically do not hold direct authority.
  - **Examples:** Human resources, legal, and IT specialists.

- **Line and Staff Relationship:**

- **Coordination:**

- Line and staff work together to achieve organizational objectives.
- Staff provides support to line positions without direct involvement in day-to-day operations.

- **Communication:**

- Open communication is crucial for effective collaboration.
- Line managers need to seek advice from staff specialists when necessary.

- **Decision-Making:**

- Line managers have the authority and responsibility for decision-making.
- Staff specialists contribute expertise to enhance decision quality.

- **Challenges:**

- Balancing authority and support can be challenging.
- Communication gaps may arise, leading to misunderstandings.



# 10 Kurt Lewin Model of change

- Kurt Lewin developed a change model involving three steps: **unfreezing, changing and refreezing**. For Lewin, the process of change entails creating the perception that a change is needed, then moving toward the new, desired level of behavior and, finally, solidifying that new behavior as the norm.



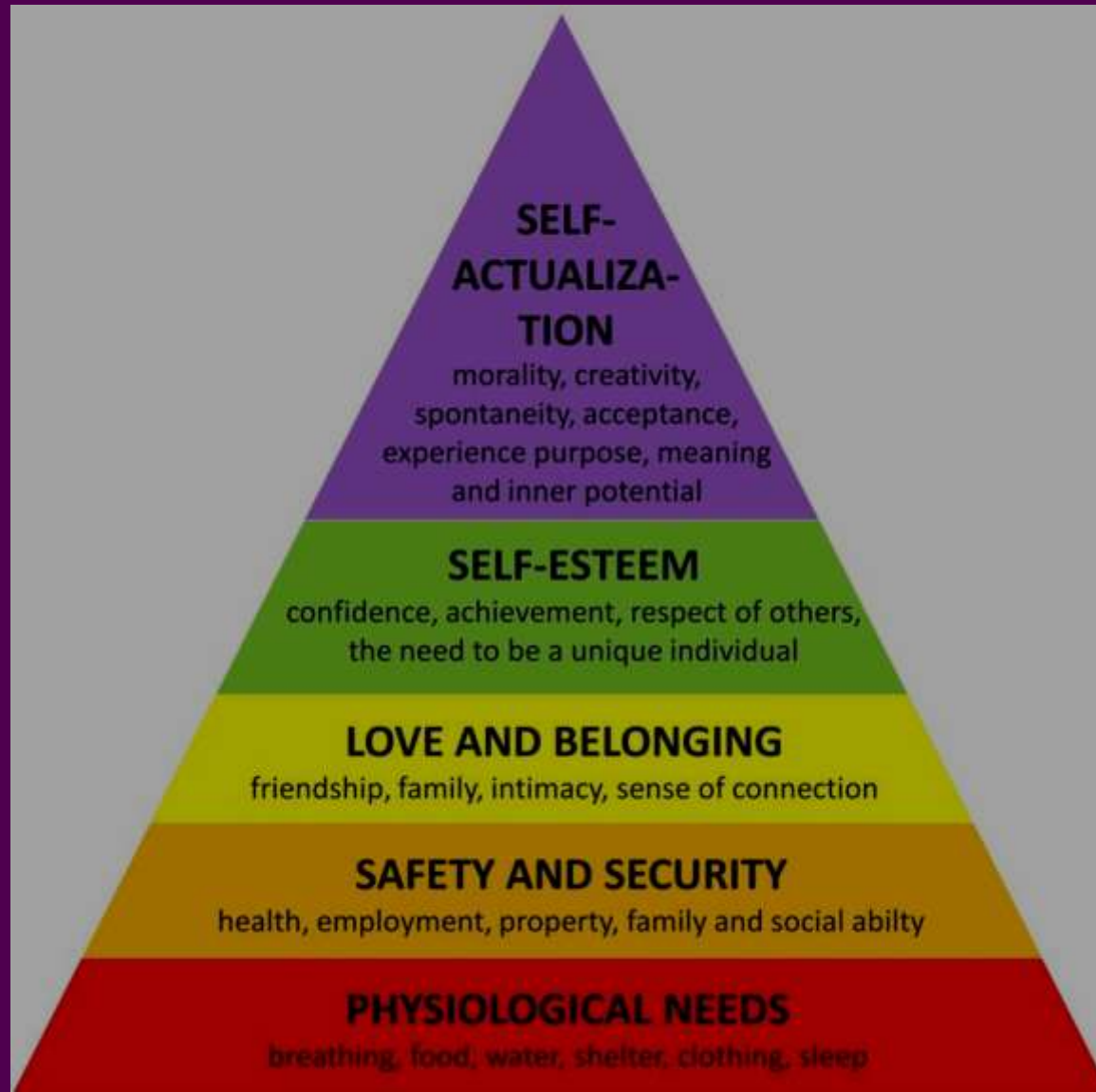
# 11 Recruitment, Selection and Training & Development

- **Recruitment and Selection** is an important operation in HRM, designed to maximize employee strength in order to meet the employer's strategic goals and objectives. In short, Recruitment and Selection is the process of sourcing, screening, shortlisting and selecting the right candidates for the filling the required vacant positions.

# Training and Development (T&D)

- Training and Development (T&D) is a strategic process designed to enhance the skills, knowledge, and capabilities of employees within an organization. Through methods like workshops, on-the-job training, e-learning, and mentorship, T&D aims to improve job-specific competencies, foster career development, and enable employees to adapt to evolving industry demands. The benefits include increased productivity, employee retention, innovation, adaptability, and a competitive edge. However, challenges such as costs, time constraints, resistance to change, and measuring effectiveness must be addressed to ensure the success of T&D programs. Ultimately, T&D is a critical investment in human capital, contributing to both individual growth and organizational excellence.

# 12 Traditional Theory of Motivation: Maslow's



# 13 Types of Personality

## The Big Five Model of Personality Dimensions

### **Extroversion**

Sociable, gregarious, and assertive

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### **Agreeableness**

Good-natured, cooperative, and trusting.

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### **Conscientiousness**

Responsible, dependable, persistent, and organized.

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### **Emotional Stability/Neuroticism**

Calm, self-confident, secure (positive) versus nervous, depressed, and insecure (negative).

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### **Openness to Experience**

Imaginativeness, artistic, sensitivity, and intellectualism.

# 14 Tuckman Model of Team Development

- These stages are commonly known as: Forming, Storming, Norming, and Performing . Tuckman's model explains that **as the team develops maturity and ability, relationships establish, and leadership style changes to more collaborative or shared leadership.**
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## 5. ADJOURNING