SATHYABAMA UNIVERSITY

FACULTY OF BUSINESS ADMINISTRATION

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UNIT – 4

GROUP DYNAMICS

Group – Definition – Types – Determinants of Group Cohesiveness – Communication – Process – Barriers – Effective Communication. Leadership Theories – Factors Contributing to Effective Leadership – Role of Trade Union in Organizations – Functions of Trade Union – Why Trade Union is required? – Types of Trade Union.

GROUP: A group is a two or more individual who interact regularly with each other to accomplish a common purpose or goal.

The study of group behavior is essential for an organization to achieve its goals. Individual and group behavior vary from each other. In 1920, Elton Mayo and his associates conducted the Hawthorne experiments and came to know that the group behavior has great impact on productivity. The importance of group behavior has been realized from time to time.

Human behavior consists of individuals, who move in groups. The knowledge of group behavior as well as individual behavior is necessary for a manager. He must understand group psychology and should also understand individual behavior in the context of group behavior. The group in which he moves influences individual work, job satisfaction and effective performance.

DEFINITION: "A collection of two or more interacting individuals with a stable pattern of relationships between them, who share common goals and who perceive themselves as being a group".
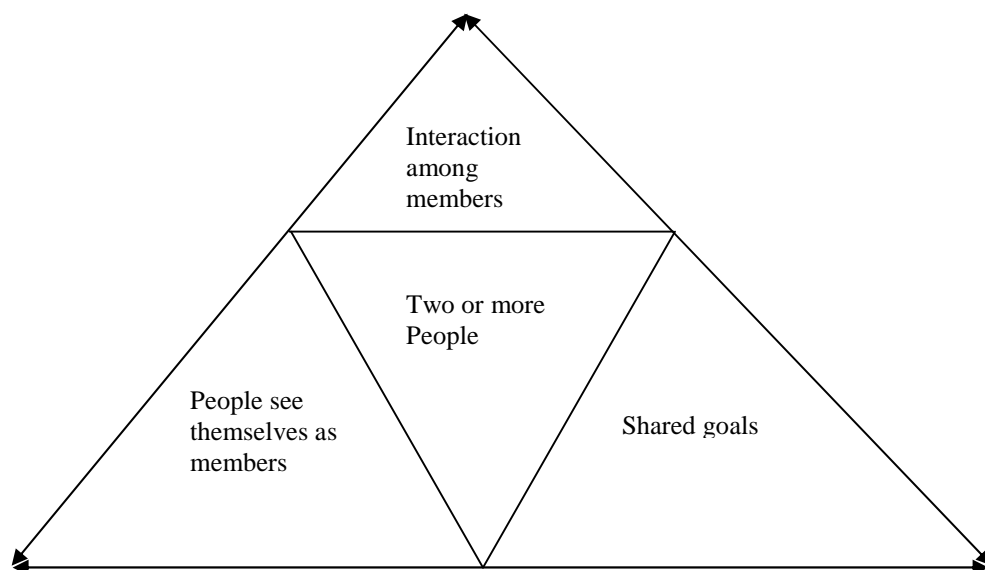
According to Marvin Shaw, "a group comprises, of two or more persons who interact with one another in such a manner that each person influences and is influenced by each other person'.
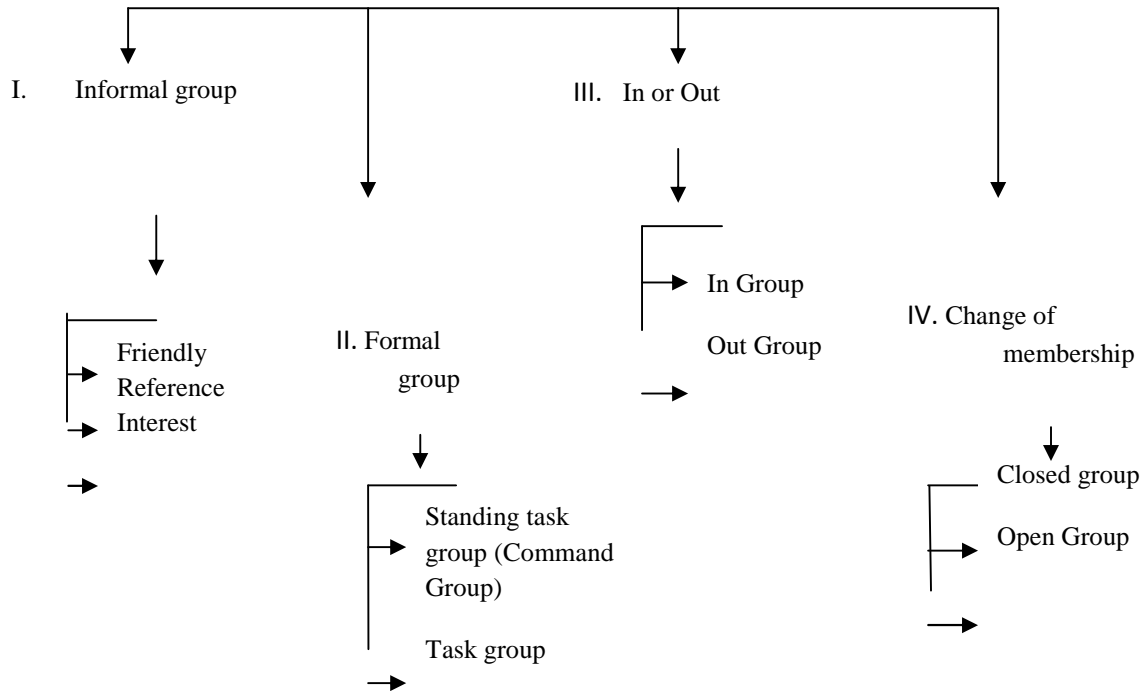
Need for a Group

The reasons for the need, of groups are as follows:

- Management of modern organizations make mutual efforts to introduce industrial democracy at workplace. They use project teams and work committees where workers get due recognition. They willingly participate in decision-making.
- The tasks in modern industries are becoming more complex, tedious arid of repetitive nature. Work committees, work groups and teams are formed to monitor the work. They also make the environment at workplace more lively.
- Groups help in making participative management more effective.
- Groups of all kinds and types help by cooperating in all the matters related to production and human relations to work effectively in the organization.
- An individual cannot perform each and every task. Group efforts are required for its completion. For example, building a ship, making of a movie, construction of a fly-over, etc. All these require coordinated and unified efforts of many individuals, working in a group.
- A group can judge in a better way as compared to an individual.
- While accomplishing tasks, all members of a group together use their creative and innovative ideas than a single individual.
- In a group, individuals communicate with each oilier, discuss their work performances and take suggestions from each other to make it better.
- Group efforts affect an individual, his attitude and behavior.
- Group has the ability to satisfy the needs of its members.

GROUP CHARACTERISTICS

Interaction among members

Two or more People

People see themselves as members

Shared goals

TYPES OF GROUPS

I. Informal group		III. In or Out	

Friendly
Reference
Interest

II. Formal
  group

In Group
Out Group

IV. Change of
      membership

Closed group
Open Group

Standing task
group (Command
Group)

Task group

I.   INFORMAL GROUP(CLIQUE):-

> ➢ Neither formally structured, nor organizationally determined.
> ➢ It forms naturally in the work environment due to social contact.
> ➢ Members roles are loosely defined based on members expectation and the needs of a group at any particular moment.

1. FRIENDSHIP GROUPS:-

Develops based on common characteristics, enlightened managers maintain good relations with friendship groups because these groups have tremendous influence on their members that managers would prefer to have directed towards organizational goals.

2. INTEREST GROUPS:-

This kind of groups is made of individuals who affiliate to achieve an objective of mutual interest.

3. **REFERENCE GROUPS:-**

   Is any group with which an individual identifies for the purpose of forming opinions or making decisions? These groups provide value for individuals on which decisions and norms are formed.

II. **FORMAL GROUP:-**

   ➢ It is the one that is deliberately created to perform a specific task.

   ➢ A number of people assigned to a specific job task form a formal group.

   ➢ A distinctive feature of formal groups is that a hierarchy of authority exists, with specified members rules and regulations.

   1. **A STANDING TASK GROUP** as known as command group is permanently specified in the organizational structure and consists of a supervisor who exercises formal authority over subordinates.

   2. **A GROUP TASK** is a temporary formal group to solve specific problems. The employees belong to different departments and they stay along till the task is completed.

III. **IN GROUP AND OUT GROUP:-**

   The group to which one belong are called in group and the group to which one do not belong are called out group.

IV. **CHANGE OF MEMBERSHIP:-**

   a. **OPEN AND CLOSED GROUP:-**

   In open groups, the members keep changing new members join and existing ones leave the group.

   A closed group maintains a relatively stable membership, with few additions and losses in member's overtime.

   WHY DO PEOPLE JOIN GROUPS?

   1. **SEFETY AND SECURITY NEEDS:-**Groups provide protection to their members from outside pressures. Eg. Workers join trade unions to feel safe and secure.

   2. **RELATEDNESS OR BELONGINGNESS:-**Needs people being social beings, belonging to or relating to groups satisfies a number of their social needs.

   3. **ESTEEM NEEDS:-**When one is member of a group and does some good piece of work, gets a praise from others. This in term brings a sense of recognition to the group members and also a sense of fulfillment.

4. **POWER:-**One of the appealing aspects of group is that they represent power and also offer power to their members.

5. **IDENTITY:-**As a member of group, an individual gets identity.

STAGES OF GROUP DEVELOPMENT:

1) **FORMING STAGE:-**In this all most every group is in orientation stage. This stage is marked by a great deal of caution, confusion, courtesy and uncertainty about the purpose, structure and leadership of the group.

   This stage is complete when members of the group have began to think of themselves as part of a group.
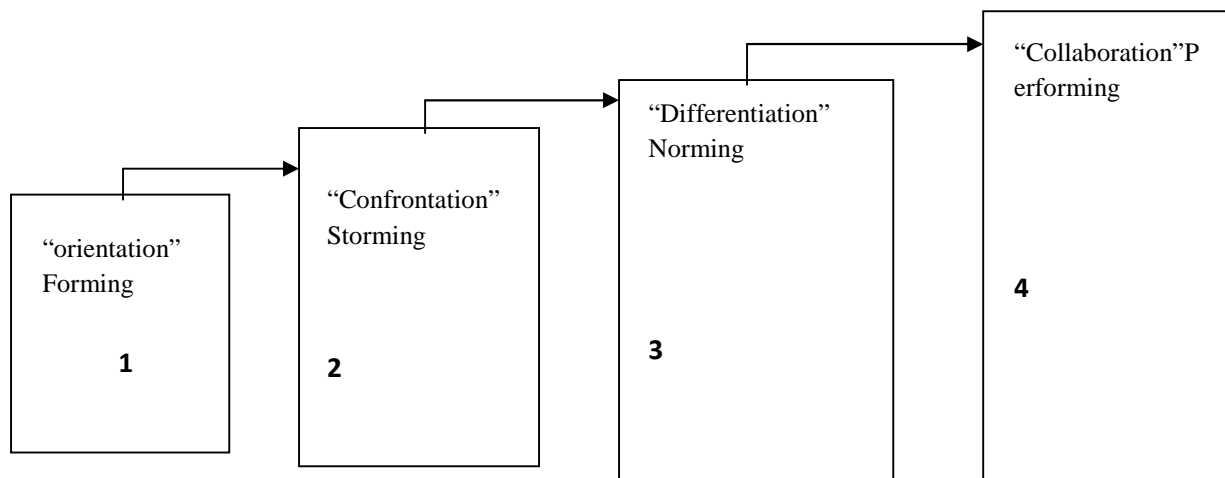
2) **STORMING STAGE:-**This stage is characterized by conflict, confrontation concern and criticism. Struggle for individual power and influence are common.

3) **PERFORMING STAGE:-**This is the highest level of group maturity. This stage is marked by teamwork, role clarity, and task accomplishment. Conflict is identified and resolved.

4) **NORMING STAGE:-**This is the stage in which close relationship among the members develops. The group now assumes certain identity.

5) **ADJOURNING STAGE:-**Groups are adjourned for two reasons. First the group has completed its task. Second the members decide to disband and close the group with sensitive feelings.

STAGES OF GROUP DEVELOPMENT

"orientation"
Forming

1

"Confrontation"
Storming

2

"Differentiation"
Norming

3

"Collaboration"Performing

4

❖ **GROUP BEHAVOIUR:-**

➢ Group behavior means behavior of the group members.

➢ Each member of the group affects the behavior of the other members and in turn is also affected by them. While studying group behavior the factors that should be understood are group norms, group cohesion, group role, group conflict and group decision making.

⇒ **GROUP NORMS:- (Standard of Behavior)**

♣ Group norms is a rule that tells the individual how to behave in a particular group.

♣ Group norms identify the standard against which the behavior of group members will be evaluated and help the group members know what they should or should not do.

      There are pivotal and relevant group norms.

✓ Pivotal norms are conformed by every members of the group.

✓ Relevant norms are desirable to be conformed by the members.

CHARACTERISTICS OF GROUP NORMS:-

❖ Group norms help in identifying the unique characteristics of a group.

❖ Norms serve as the basis for behavior of group members.

❖ They predict and control the behavior of members in groups.

❖ Norms are applied to all members of the group though not uniformly.

⇒ **GROUP COHENSION:-**

      Means the degree to which the group members are attracted to each other and remain within the group. It develops out of the activities, interactions and sentiments of the members cohesiveness binds all the group members to work as one man to attain the set goals.

⇒ **FACTORS INFLUENCING GROUP COHENSION:-**

❖ Inducing agreement on group goals.

❖ Increasing members homegeniety.

❖ Increasing interactions among group members.

❖ Down-sizing of the group.

❖ Encouraging competition with other rival groups.

❖ Allocating rewards to the group not to members.

❖ Keeping the members isolated from other groups.

COMMUNICATION

Communication means common derived from the Latin word Communize. It is a process of sharing facts, ideas and opinions in common. The information sent is called message, the person who sends the information is called sender or communicator, the person who receives the information is called receiver or communicatee. The act of conveying message is called transmission.

NATURE OF COMMUNICATION:

1. Two way process
2. knowledge of language
3. the message should have substance
4. Communication may be made in gestures too
5. communication is a continuous process
6. communication may be formal or informal

Objectives of Communication

- To give and receive information
- To provide advices and opinions
- To provide counseling
- To issue orders and instructions
- To impart education and training
- To receive suggestions
- To persuade people
- To improve morale
- To motivate people

The Communication Process

Communication is the process of passing information from one person to another.
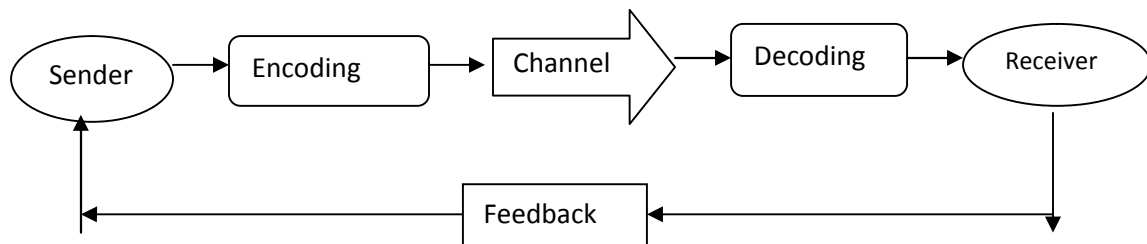
Source or Sender

The communication cycle begins when one person called the sender wants to transmit a fact, idea, opinion or other information to someone else. A manager, for instance, might call the research department to send the latest information on a particular market.

Encoding

The second step is to encode the message into a form appropriate to the situation. The encoding might take the form of words, facial expressions, gestures, physical actions and symbols such as numbers, pictures, graphs etc. Indeed, most communication involves a combination of these. The encoding process is influenced by the content of the message, the familiarity of the sender and receiver and other situational factors.

Channel

After the message has been encoded, it is transmitted through the appropriate channel or medium. Common channels or media in organizations include face-to-face communication using the media of sound waves, light, letters and reports.

Decoding

The person to whom the message is sent, called the receiver interprets the meaning of the message through the process of decoding. This process may be simple and automatic, but it can also be quite complex. Even when you are just reading a letter, you may need to use all your knowledge of the language, your experience with the letter-writer and so on. If the intended message and the received message differ a great deal, there is a communication gap and misunderstanding is likely to follow.

Receiver

The receiver can be an individual, a group, or an individual acting on behalf of a group. The sender has generally little control over how the receiver will deal with the message. The receiver may ignore it, decide not to try to decode, understand it or respond immediately. The communication cycle continues when the receiver responds by the same steps back to the original sender, which is called the feedback.
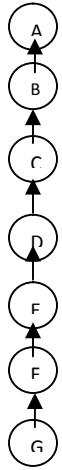
Types of Communication :

1. Formal Communication : This type of communication follows the hierarchy ,(Scalar chain). It is always authentic and in a written form such as policy manuals, orders, circulars and notices. Any information that officially reaches an employee is called formal communication.
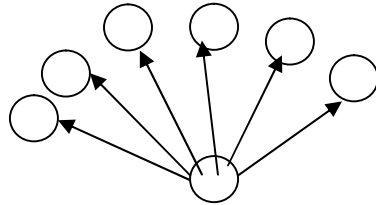
2. Informal Communication : This type of communication is the result of casual talk or personal contact between two or more persons. Informal communication is also called as "**Grapevine**".
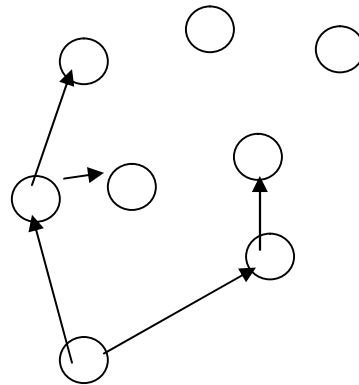
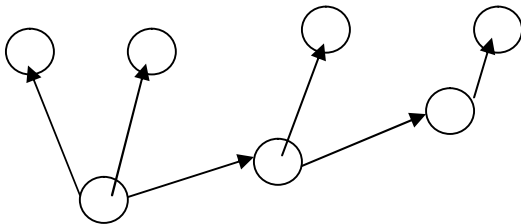**Types of Grape Vine:**

Single Stand   Gossip   Probability

          Cluster type

3. Oral Communication : Verbal transmission of information is called oral communication.

4. Written Communication : this type of communication is in a written form.

5. Gesture Communication : gestures are actions , such as nodding head, shaking hands, rolling of eyes etc

6. Downward Communication : from the top authority to the lower level such as orders, messages, circulars etc

7. Up Ward Communication : From the lower level management to the top level management such as feedback and reports .

8. Sideward communication : persons with same designation .

BARRIERS TO COMMUNICATION

The communication must be interpreted and understood in the same manner as it was-meant to be sent by the sender, otherwise it will not achieve the desired result and a communication

breakdown will occur. There are certain external roadblocks to effective communication. In addition, there are personal factors, which affect communication.

Some of the organizational barriers and some of the interpersonal barriers to effective communication are discussed below:

Noise Barriers

Noise is any external factor, which interferes with the effectiveness of communication. The term is derived from noise or static effects in telephone conversation or radio wave transmission. It may cause interference in the process of communication by distraction or by blocking a part of the message or by diluting the strength of the communication. Some of the sources contributing towards noise factor are:

Poor Timing

A message sent on poor timing acts as a barrier. For instance, a last minute communication with a deadline may put too much pressure on the receiver and may result in resentment. A message must be sent at an appropriate time to avoid these problems. Hence the manager must know when to communicate.

Inappropriate Channel

Poor choice of channel of communication can also be contributory to the misunderstanding of the message. The manager must decide whether the communication would be most effective if it is in writing or by a telephone call or a face-to-face conversation or a combination of these modes.

Improper or Inadequate Information

Information must be meaningful to the employee and should be precise or to the point. Too little or too much information endangers effective communication. Ambiguity in use of words will lead to different interpretations.

Physical Distractions

Any physical distractions such as telephone interruptions or walk-in visitors can interfere with the effective face-to-face communication process.

Organizational Structure

Communication may be blocked, chaotic or distorted if the channels are not clear or if there are bottlenecks. Hence the organization structure should be such that the chain of command and channels of communication are clearly established and ithe responsibility and authority are clearly assigned and are traceable.

Information Overhead

Overload occurs when individuals receive more information than they are capable of processing. The result could be confusion or some important information may be laid aside for the purpose of convenience.

Network Breakdown

Network breakdown may be intentional or due to information overload and time pressures under which a communication has to be acted upon. Some factors contributing to such disruptions are:

- The managers may withhold important negative information.
- The secretary may forget to forward a memo.
- There may be professional jealousy resulting in closed channels.

Interpersonal Barriers

There are many interpersonal barriers that disrupt the effectiveness of the communication process and generally involve such characteristics that either the sender or the receiver can cause communication problems. Some of these are:

Filtering

Filtering refers to intentionally withholding or deliberate manipulation of information by the sender, either because the sender believes that the receiver does not need all the information or that the receiver is better off not knowing all aspects of a given situation. It could also be that the receiver is simply told what he wants to hear.

Semantic Barriers

These barriers occur due to differences in individual interpretations of words and symbols. The words and paragraphs must be interpreted with the same meaning as was intended. The choice of a wrong word or a comma at a wrong place in a sentence can sometimes alter the meaning of the intended message. For example, a nightclub advertisement sign, "clean and decent dancing every night except Sunday", could lead to two interpretations. First, that there is no dancing on Sundays and second, that there is dancing on Sundays, but it not clean and decent.

Perception

Perception relates to the process through which we receive and interpret information from our environment and create a meaningful word out of it. Different people may perceive the same situation differently. Hearing what we want to hear and ignoring information that conflicts with what we know can totally distort the intent or the content of the message. Some of the perceptual

situations that may distort a manager's assessment of people resulting in reduced effectiveness of the communication are:

- A manager may perceive people to belong to one category or another as stereotypes, rather than unique and distinct individuals. For example, he may perceive women to be less efficient managers.
- A manager may make total assessment of a person based on a single trait. A pleasant smile may make a positive first impression.
- A manager may assume that his subordinate's perception about things and situations are similar to his own.

This perception limits the manager's ability to effectively respond to and deal with individual differences and differing views of work situations.

Cultural Barriers

The cultural differences can adversely affect the communication effectiveness, specially for multi-national companies and enterprises.

Sender Credibility

When the sender of the communication has high credibility in the eyes of the receiver, the message is taken much more seriously and accepted at face value. If the receiver has confidence, trust and respect for the sender, then the decoding and the interpretation of the message will lead to a meaning of the sender. Conversely, if the sender is not trusted, then the receiver will scrutinize the message heavily and deliberately look for hidden meanings or tricks and may end up distorting the entire message. Similarly, if the source is believed to be an expert in a particular field then the listener may pay close attention to the message, and believe it specially if the message is related to the field of expertise.

Emotions

The interpretation of a communication also depends upon the state of the receiver at the time when message is received. The same message received when the receiver is angry, frustrated or depressed may be interpreted differently than when he is happy. Extreme emotions are most likely to hinder effective communication because rational judgments are replaced by emotional judgments.

Multi-meaning Words

Many words in English language have different meanings when used in different situations. Accordingly, a manager must not assume that a particular word means the same thing to all

people who use it. Hence, the managers must make sure that they use the word in the same manner as the receiver is expected to understand it, otherwise it will create a barrier to proper understanding of the message.

Feedback Barriers

The final source of communication barrier is the feedback or lack of it. Feedback is the only way to ascertain as to how the message was interpreted.

Overcoming Communication Barriers

It is very important for the management to recognize and overcome barriers to effective communication for operational optimization and this would involve diagnosing and analyzing situations, designing proper messages, selecting appropriate channels for communicating these messages, assisting receivers of messages in correct decoding and interpretation and providing an efficient and effective feedback system. Some of the steps that can be taken in this respect are as follows:

1. **Feedback**: Feedback helps to reduce misunderstandings. The information is transferred more accurately when the receiver is given the opportunity to ask for clarifications and answer to any questions about the message. Two-way communication, even though more time-consuming, avoids distrust and leads to trust and openness, which helps in building a healthy relationship contributing to communication effectiveness.

2. **Improve Listening Skills:** Good listening habits lead to better understanding and good relationships with each other. Some guidelines for effective listening are:
   - Listening requires full attention to the speaker. Do not let your mind wander or be preoccupied with something else, otherwise you will not be able to grasp the meaning of the message in its entirety.
   - The language used tone of the voice and emotions should receive proper attention. Listen for feelings in (he message content and respond positively to these feelings.
   - Ask questions to clarify any points that you do not understand clearly and reflect back to the speaker, your understanding of what has been said.
   - Make sure that there are no outside interruptions and interference during the course of conversation.

- Do not prejudice or value the importance of the message due to your previous dealings and experiences with the sender or your perceptions about him, positive or negative.
- Do not jump to conclusions before the message is over and is clearly understood.
- Summarize and restate the message after it is over to make sure about the content and the intent of the message.

3 **Develop Writing Skills:** Clearly written messages can help avoid semantic and perception barriers. A well-written communication eliminates the possibility of misunderstanding and misinterpretation. When writing message it is necessary to be precise thus making the meaning as clear as possible so that it accomplishes the desired purpose. Some helpful hints in written communication are suggested by Robert Degise as follows:

- **Keep words simple:** This will reduce your thoughts to essentials and the message will be easier to understand for the receiver. The message will be lost if the words are complex and do not lend to a clear single meaning.
- **Do not be boggart down by rules of composition:** While the rules of grammar and composition must be respected, they should not take priority over the ultimate purpose of the communication.
- **Write concisely:** Use as few words as possible. Do not be brief at the cost of completeness, but express your thoughts, opinions and ideas in the fewest number of words possible.
- **Be specific:** Vagueness destroys accuracy, which leads to misunderstanding of the meaning or intent of the message. Accordingly, be specific and to the point.

4 **Avoid Credibility Gaps:** Communication is a continuing process and the goal of the communication is complete understanding of the message as well as the creation of trust among all members of. the organization. Accordingly, the management must be sincere and should earn the trust of the subordinates. Management should not only be sensitive to the needs and feelings of workers but also its promises should be supported by actions. According to the studies conducted by J. Luft, openness and an atmosphere of trust builds healthy relationship and closes credibility gaps, thus contributing to communication effectiveness.

GUIDELINES FOR EFFECTIVE COMMUNICATION

These guidelines are designed to help management improve their skills in communicating so as not only avoid any barriers to effective communication, but also to strengthen the basis for optimum results which depend upon the clear understanding of the desired communication.

The Ideas and Messages should be Clear, Brief and Precise

The ideas to be communicated must be well planned and clearly identified. This will eliminate ambiguity so that the message will not be subject to more than one interpretation. The message must be clear, precise and to the point and free from distortions and noise. It should also be brief so that only necessary and sufficient meanings are provided.

Sense of Timing

The message should not only be timely so that the decisions and actions can be taken in tie and when necessary, but also the timing of the message and the environmental setting in which the message is delivered and received is equally important.

Integrity

The communication must pass through the proper channels to reach the intended receiver. The communication flow and its spread must avoid bypassing levels or people. When these concerned levels are omitted or bypassed, it creates bickering, distrust, confusion and conflict. Accordingly, the established channels must be used as required.

Consult with others who are involved in Planning the Communication

If people have participated in the planning process, they would be highly motivated to give active support to such communication. The people who are concerned must know exactly what they need and when they need the communication.

Consider the Receiver's Interest

Take the receivers interests into account, and then the receiver will be more responsive to the communication. The management must clarify any part of the communication that may be necessary and must encourage comments, questions, and feedback. The management must always be helpful in carrying out the intended message of the communication.

Mode of Delivery

While delivering the communication, avoid negative statements like, "I am not sure it will work", but be confident and definitive. The success of the communication also depends upon the tone of the voice if the communication is verbal, expressions and emotions exhibited,

attentiveness to the receiver and so on. The written communication should be polite and unambiguous.

Use proper Follow-up

All communications need a follow-up to ensure that these were properly understood and carried out. The response and feedback to the communication should determine whether the action to the communication has been prompt, appropriate and accurate.

Communication should be Comprehensive

Communication should be complete so as not only to meet the present demands. It should also fee based on future needs of the organization as well as individuals.

Recently, the nature of managerial and organizational communication has changed dramatically, mainly because of break through of the electronic technology and advent of computers. Now cellular phones, E-Mail and Internet have made the communication quick and convenient. It is now even possible for managers from different cities to meet by teleconferencing method without leaving their offices. At the same time, psychologists are beginning to discover some problems associates with these new advances in communication.

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:-

Leadership is the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of groups objectives.

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".

"Leadership is the activity of influencing people to strive willingly for group objectives"-George.

TYPES OF LEADERSHIP:

1. **INFORMAL LEADERSHIP:-**It occurs when others in the organization unofficially accord (give) a person the power and influence to guide and direct their behavior.

2. **FORMAL LEADERSHIP:-**It occurs when an organization officially gives the power and authority to a person to guide others in an organization.

CHARACTERISTICS OF LEADERSHIP:-

➢ Leadership is a continuous process of influencing others behavior.

➢ Leadership is basically a personal quality that enables leader to influence the subordinates behavoiur at work.

➢ The success of a leader depends on the acceptance of his leader by the followers.

➢ There is a relationship between leader and followers which arises out of functioning for a common goal.

FEATURES OF LEADERSHIP

The features of leadership are as follows:

• Leadership is the process of influencing behavior of individuals of an organization.

• Leadership uses non-coercive methods to direct and coordinate the activities of the individuals of an organization.

• Leadership directs the individuals to attain the tasks assigned to them by following the instructions of their leaders.

• A leader possesses qualities to influence others.

• Leadership gives the individuals, a vision for future.

• Leadership is a group activity. Leader influences his followers and followers also exercise influence over his leader.

- Leadership is meant for a given situation, given group for a pre-determined period of lime.
- Leadership is continuous process of influencing behavior. It encourages liveliness in the group.

Importance of Leadership

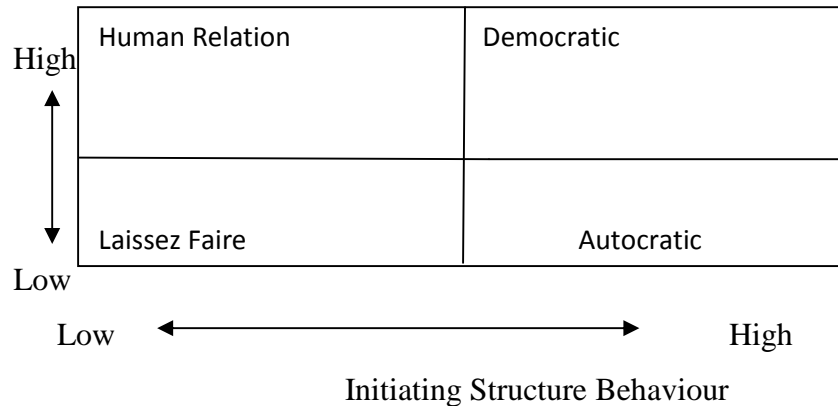The following points can judge the importance of leadership:

- A leader should act as a friend of the people whom he is leading.
- A leader must have the capacity to recognize the potentials of the individuals and transform them into realities.
- A leader should have the confidence of the individuals of the organization.
- A leader must be able to unite the people as a team and build up team spirit.
- A leader should be able to maintain discipline among his group and develop a sense of responsibility.
- A leader must be able to build up a high morale among the individuals of the organization.
- A leader should motivate his people to achieve goals.
- A leader should try to raise the morale of the individuals and should maintain ethical standards among the individuals.
- A leader should act as a link between the work groups and the forces outside the organization.

FUNCTIONS OF LEADERSHIP:-

- ➢ DEVELOPING TEAM WORK: - Leaders prime responsibility is to bring the followers together and develop them. He has to create a healthy working environment for his work team.
- ➢ RESPECTING THE TEAM: - Leader act as the link between the team members and the management in communicating the problems, grievances, needs etc.
- ➢ COUNSELLING: - Guidance and advice from the leader, helps the team members in problem solving.
- ➢ MANAGING TEAM: - Monitoring by the leader helps in completing the task on time.
- ➢ USING PROPER POWER: - Exercise of power needs to simulate positive response from the subordinates.

> ➤ SECURING GROUP EFFECTIVENESS: -The leader should help the group perform effectively and gain rewards.

LEADERSHIP STYLES

High	Human Relation	Democratic
	Laissez Faire	Autocratic
Low		

Low ←——————————→ High

Initiating Structure Behaviour

AUTOCRATIC OR AUTHORITARIAN

In this type of leadership, there is a complete centralization of authority in the leader, i.e., authority is centered in the leader himself. He has all the powers to make decisions. He uses coercive measures and adopts, negative method of motivation. He wants immediate obedience of his orders and instructions. Any negligence on the part of subordinates results in punishment. There is no participation from the subordinates in decision-making. A leader thinks that he is the only competent person in the organization. According to Edwin B. Filippo, there are following three types of leaders in autocratic:

1. **Hard Boiled or Strict Autocrat:** Leader, under such type uses negative influence and expects that the employees should obey his orders immediately. Non-compliance of his orders results in punishment. He makes all decisions and does not disclose anything to anyone. He is quite rigid on performance.

2. **Benevolent Autocrat:** Benevolent autocrat leader uses positive influences and develops effective human relations. He is known as paternalistic leader. He praises his employees if they follow his orders and invites them to get the solutions of the problems from him. He feels happy in controlling all the actions of his subordinates.

3. **Manipulative Autocrat:** Leader, under such type is manipulative in nature. He creates a feeling in the minds of his subordinates and workers that they are participating in decision-making processes. But he makes all decisions by himself. Non-compliance of his orders also results jn punishment.

ADVANTAGES:-

- Subordinates are incompetent and inexperienced.
- Leaders want to be active and dominant in decision-making.
- Leaders would be highly competint to make right decisions.

LIMITATIONS:-

- It results in low morale and job satisfaction.
- Employee's efficiency tends to decline over years.
- Potential manager-leader does not allow employees to exhibit their talents.

DEMOCRATIC OR PARTICIPATIVE

Democratic or Participative leadership is also known as group centered or consultative leadership. In this type of leadership, leaders consult their groups and consider their opinion in the decision-making process. Leaders encourage discussion among the group members on the problem under consideration and arrive at a decision depending on their consent. Participation or involvement of the employees in the decision-making process is also rewarded. Exchange of ideas among subordinates and with the leader is given encouragement. Leaders give more freedom to their group members, who feel that, their opinions arc honored and they are given importance. It develops a sense of confidence among subordinates and they derive job satisfaction. It improves quality of decision as it is taken after due consideration of valued opinions of the talented group members.

ADVANTAGES:-

- It gives opportunity to the subordinates to develop their individual abilities and take up greater responsibilities.
- Provides job satisfaction and improves the morale of employees.
- Subordinates participation in decision making helps make right decision.

LIMITATIONS:-

- Decision making may be time consuming.
- Few dominating employees may try to influence decisions in their favour.
- Responsibility for implementing decision-making cannot be fixed on an individual subordinates but on the whole group.
- Sometimes decisions will not be taken at the right time.

LAISSEZ-FAIRE OR FREE REIN

In this type of leadership, there is virtual absence of direct leadership. It is, therefore, known as "no leadership at all". There is complete delegation of authority to subordinates so that they can make decisions by themselves. Absence of leadership may have both positive and negative effects. Free rein leadership may be effective if members of the group are highly committed to their work. The negative aspect shows that the leader is not competent enough to lead his group effectively. Members may feel insecure and develop frustration for lack of decision-making authority.

ADVANTAGES:-

➢ The leader fully delegates the powers of decision making to his/her subordinates

➢ Subordinates are well competent and knowledgeable.

➢ Organizational goals and objectives are well communicated to the employee.

LIMITATIONS:-

➢ There are chances of heavy mismanagement.

➢ There are chances of disturbance and confusion in decision making.

BUREAUCRATIC

This type of leadership emphasizes the rules and regulations of an organization. The behavior of a leader is determined by the rules, regulations and procedure to be followed under his leadership. The leader and the subordinates both follow these rules and regulations. Therefore, there is no difference between the management and the administration in this type of leadership. The employees, themselves cannot do anything in this regard. It is the rules that determine their performance.

MANIPULATIVE

This type of leadership manipulates the employees to attain their assigned tasks. A manipulative leader is quite selfish and exploits the aspirations of the employees for his gains. He knows very well the needs and desires of the employees but he does very little to fulfill them. Due to such attitude, he has to face the hatred of the employees at times.

PATERNALISTIC

The paternalistic leadership believes in the concept that the happy employees work better and harder. It maintains that the fatherly altitude is the right one for better relationship between the manager and the employees. Everyone within the organization should work together like a family.

EXPERT LEADERSHIP

The expert leadership emerged as a result of complex structure of modern organizations. This type of leadership is based on the ability, knowledge and competence of the leaders. He handles the situation skillfully with his talent. The employees feel relieved as they are working under a person who is expert and can handle the situation without any problem.

In modern organizations, human resources vary in terms of skill, knowledge and competences. They differ in quality, determination and their attitude towards the organization. They exhibit different behaviors as they differ in attitude and outlook also. The leader must understand their behavior and accordingly can make use of the various types LEADERSHIPS. The manager should assess the situation and adopt that type of leadership, which suits that situation. He should remember that leadership is situational. If situation changes, the use of leadership among its various types also changes. A successful leader is the one who assesses the situation, studies the psychology of the subordinates and adopts the most useful type of leadership to lead the people at work to accomplish the organizational goals.

THEORIES OF LEADERSHIP

A number of theories and approaches to study leadership have been developed. There are broadly three theories of leadership.

- Trait Theory
- Behavior Theory
- Contingency Theory

(a) Trait Theory

This theory of studying leadership is taken into consideration to analyze the personal, psychological and physical traits of strong leaders. The assumption made in this theory was that some basic traits or set of traits differentiates leaders from non-leaders. For example, the leadership traits might include intelligence, assertiveness, above average height, self-confidence, initiative and understanding of interpersonal human relations. The existence of these traits determines the importance of leadership. Possession of these traits helps the individuals to gain possession of leadership. Since all individuals do not have these qualities, only those who have them would be considered potential leaders.

Some of the weakness of this theory is:

- All the traits are not identical with regard to essential characteristics of a leader.
- Some traits may not be inherited, but can only be acquired by training.

- It does not identify the traits that are most important and that are least important for a successful leader.

- It does not explain the leadership failures, in spite of the required traits.

- It has been found that many traits exhibited by leaders are also found among followers without explaining as to why followers could not become leaders.

- It is difficult to define traits in absolute terms.

- Thus, the trait theory has been criticized for lack of conclusiveness and predictability.

(b)   Behavior Theory

The behavioral theory assumed that effective leaders behaved differently from ineffective leaders. It also identified the need of consistency of behavior of good leaders. This theory can be more clearly understood with the help of following case studies.

- **The Michigan Studies:** Researchers at the University of. Michigan, led by Rensis Likert, began studying leadership in the late 1940s. Depending on broad discussions with both the managers and sub-ordinates, the Michigan studies identified two forms of leadership behavior. They are discussed as below:

    - ❖ **Job-centered leadership behavior :** The first was called job-centered leadership behavior, which focuses on performances and efficient completion of the assigned tasks. A job-centered leader interacts with group members to explain task procedures and oversee their work.

    - ❖ **Employee centered leadership behavior:** The second behavior was identified as employee centered leader behavior, which focuses on, high performance standards to be accomplished. This can be done by developing a cohesive work group and ensuring that employees are satisfied with their jobs. Thus, the leader's primary concern is the welfare of the ordinates. The Michagan researchers thought a leader could show signs of one kind of behavior, but not both.

- **The Ohio State Studies:** At about the same time, a group of researchers at Ohio State also began studying leadership. The Ohio State leadership studies also identified two major kinds of leadership behaviors or styles, which are as follows:

    - ❖ **Initiating-structure behavior:** In initiating-structure behavior, the leader clearly defines the leader-subordinate roles so that everyone knows what is expected. The leader also establishes formal lines of communication and determines how tasks will be performed.

❖ **Consideration behavior:** In consideration behavior, the leader shows concern for subordinates feelings' and ideas. He attempts to establish a warm, friendly and supportive.

The most obvious difference between Michigan and Ohio State studies is that the Ohio State researchers did not position their two forms of leader behavior at opposite ends of a single continuum. Rather, they assumed the behaviors to be independent variables, which means that a leader could exhibit varying degrees of initiating structure and consideration at the same time i.e. a particular leader could have higher ratings on both measures, low ratings on both or high ratings on one and low on the other.

The Ohio State researchers found that a leader's behavior remains consistent over a period of time, if the situation also remains same. But the researchers could not come up with one best combination of behavior suitable to all the situations. The researchers used to believe that the leaders in possession of both types of behavior are most effective. However, their studies at International Harvester found that leaders rated highly on initiating structure behavior have higher performing but dissatisfied sub-ordinates, whereas leaders rated highly on consideration structure had lower-performing sub-ordinates who showed signs of higher satisfaction.

Most experts now agree that no single set of traits or behaviors appears to be common to all good leaders. The universal approaches to leadership can help managers examine their own leadership characteristics and match them against the traits most commonly identified with good leaders. In order to understand the full complexity of leadership, contingency theory is to be studied.

(c) Contingency Theory

The main assumption of contingency theory is that the behavior of an appropriate leader varies from one situation to another. The motive of a contingency theory is to identify key situational factors and to specify how they interact to determine appropriate behavior of a leader

The three most important and widely accepted contingency theories of leadership are as follows:

- **The LPC theory:** The first contingency theory of leadership is Fred Fielder's Least Preferred Co-worker (LPC) Model. Fielder identified two types of leadership: task-oriented and relationship-oriented. Fielder believes that a leader's tendency to be task-oriented or relationship oriented remains constant. In- other words, a leader is either task-

oriented or relationship-oriented while leading his group members. Fielder used the Least Preferred Co-worker (LPC) scale to measure the type of leadership. A leader is asked to describe characteristics of the person with whom he or she is least comfortable while working. They can do this by marking in a set of sixteen scales at each end, by a positive or negative adjective. For example, three of the scales Fielder uses in the LPC are:

Helpful	--------------------	Frustrating	8 7 6 5 4 3 2 1
Tense	-------------------	Relaxed	1 2 3 4 5 6 7 8
Boring	-------------------	Interesting	1 2 3 4 5 6 7 8

The leader's LPC score is (hen calculated by adding up the numbers below the line checked on each scale. A high total score is assumed to reflect a relationship orientation and a low score, a task orientation by the leader. The LPC measure is controversial because researchers disagree about its validity. This is because some of the LPC measures show whether the score is an index of behavior, personality or some other unknown factor.

According to Fielder, the contingency factor favours the situation from the leader's point of view. This factor is determined by leader-member relations, task-structure and position-power, which are discussed as below:

- **Leader-member relations:** A Leader-member relation refers to the nature of relationship between the leader and his work group. If the leader and the group enjoy mutual trust, respect, confidence and they like one another, relations will remain good. If there is little trust, respect or confidence and. if they do not like one another, relations will remain bad. Good relations are assumed to be favourable and bad relations unfavorable.

- **Task-structure:** Task-structure is the degree to which the group's task is clearly defined. When the task is routine, easily understood, and unambiguous and when the group has standard procedures, the structure is assumed to be high. When the task is non-routine, ambiguous, complex, with no standard procedures and precedents, structure is assumed to be low. High structure is more favourable for the leader and low structure is unfavorable. If the task structure is low, the leader will have to play a major role in guiding and directing the group's activities. If the task structure is high, the leader will not have to pay much attention.

- **Position-power:** Position-power is the power vested in the position of a leader in an organization. If the leader has the power to assign work, administer rewards and punishment, recommend employees for promotion or demotion, position-power is

assumed lo be strong. If the leader does not have required powers, the position-power is weak. From the leader's point of view, strong position power is favourable and weak position power is unfavorable.

Fielder and his associates conducted various studies highlighting if a situation favors the leadership and group effectiveness or not.

When the situation includes good relations, high structure and strong power, a risk-oriented leader to lie most effective. However, when relations are good but task structure is low and position-power is weak, LI relationship-oriented leader is considered to be most effective.

- A final point about LPC theory is that, Fielder argues that any particular-type of leadership, which is measured by the LPC is inflexible and cannot be changed. In other words a leader cannot change his behavior to fit a particular situation. Fielder's contingency theory has been criticized on the ground that LPC measure lacks validity and that the assumption about the inflexibility of the leader's behavior is unrealistic.

(d)   The 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 sub-ordinates 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 behavior: directive, supportive, participative and achievement-oriented. According to this model managers can adjust their behavior to include any four kinds of leadership behavior mentioned above. For instance, while leading a new group of sub-ordinates, the leader may be directive in giving guidance and instructions to them. He may also adopt supportive behavior 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 behavior by which he can participate with employees in making decisions and take their suggestions as well. Finally, the leader may use achievement-oriented behavior to encourage continued high performance of sub-ordinates.

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. Sub-ordinates 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.

Figure 14.1: Path-Goal Model of Leadership
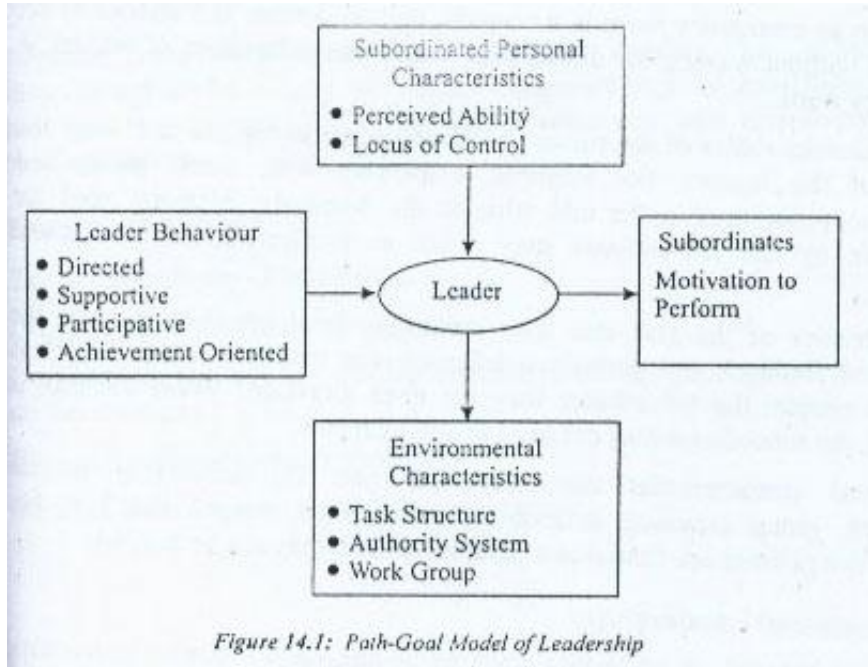
Leaders do not always have control over environmental factors, but the theory emphasizes that leaders can use the control they want, to adjust the environment and to motivate sub-ordinates.

Difference between Manager and Leader

Sr No	Manager	Leader
1.	Administrator	Innovate
2.	Has Subordinates	Has Followers
3.	Focus on systems	Focus on people
4.	Rely on control	Inspire trust
5.	Accept the status quo	Challenge the status quo
6.	Managers imitate	Leaders originate
7.	Managers copy	Leaders show originality

FAILURE OF LEADERSHIP:-

Leaders often fail to produce the results expected by the institutions or employees or by their followers.

TEN COMMON REASONS FOUND FOR FAILURE:-

- Insensitive to others.
- Arrogant and aloof in behaviour.
- Betrayal of trust and failure to meet commitments.
- Overly ambitious and tries too hard to get ahead by playing politics.
- Failure to properly handle specific problems and shifting the blame to others.
- Unwilling to delegate or to build a work team.
- Unable to think broadly or technically.
- Unable to select and develop an effective staff.
- Unable to adapt to a superior with a different leadership style.
- Over dependence on a superior or a mentor.

TRADE UNIONS

Meaning

A Trade Union is essentially an association of employees of a particular trade or industry formed to safeguard the interests of its members against certain vindictive management actions. Associations of employees or persons working in the industry and wage earners engaged in one or more professions, undertaking or business. Others view that these also include employer's organizations and friendly societies.

Definition

"An association of workers in one or more profession, an association carried on mainly for the purpose of protecting and advancing the members economic interests in connection with their daily work. – G.D.H. Cole

"A Continuing long term association of employees, formed and maintained for the specific purpose of advancing and protecting the interest of members in their working relationship" – Dale Yoder.

Characteristics:

1. Association of employees,

2. Voluntary association,

3. Permanent body,

4. Common interest, good rapport with the management, good relations

5. Need for trade union

6. To ensure job security and right pay for the members

7. To ventilate the grievances of employees to the management

8. To have better bargaining power

9. To secure better condition of service

10. To have a say in management decisions

Functions of Trade Unions:

- Safeguarding the interests if employees

- Ensure better working conditions and living conditions

- Secure promotion and training opportunities

- Collective bargaining

- Participation in management decisions

- Education

- Recreation

- Social service

- Political affiliation

- Giving strike calls

Voluntary trade union recognition

The most common way a union can gain recognition for collective bargaining purposes is by the employer simply agreeing to recognise it voluntarily. In practice this means the union becomes recognised by the employer without using any legal procedures.

Statutory trade union recognition

If an employer and trade union find they are unable to come to a voluntary recognition agreement, a trade union can make an application for statutory **re**cognition. This only applies where the employer, together with any associated employers, employs 21 or more workers

TYPES OF TRADE UNIONS / UNION STRUCTURE

Union Types / Union Structure

I.   **Craft Unions –**Workers of the same craft or category of the job form union called craft unions. The basic logic is that the workers belonging to the same craft face similar problems mostly non-managerial. E.g. Drivers association, signaling staff union in Indian Railways.

II.   **General Unions –** Workers of any industry any region or any job or occupation form into one union in order to protect the overall interest of workers.

III. **Industrial Unions –** Workers of different categories form into union called Industrial or Vertical union. The logic behind this is the workers of same industry have more or less same kind of problems.

IV. **Federation and Confederation –** Industrial unions either of the same industry or of different industry form into an association to improve their strength. During critical situations unions / federations may resort to concerted action without losing their individuality. In such situations the federations form into an associations called confederations. E. g. Indian Railways, Central government employees.

Questions

Part A

1. Explain the process of communication.
2. Define leadership.
3. Identify the different styles of leadership.
4. Define communication.
5. What are the principles of good communication?
6. What are the traits of a good leader?
7. What is meant by managerial grid?
8. Define group.
9. List the various features of group.
10. Differentiate Formal and Informal Group

Part B

1. Explain the process of communication. How to improve organizational communication?
2. What are the different styles of leadership? Explain.
3. Explain any 2 theories of leadership.
4. Explain the various types of groups.
5. Enumerate the factors influencing the group
6. Discuss the barriers of communication.
7. Leaders are born or made – Discuss
8. Explain the role of trade union in organization

9. Explain the different types of communication
10. What are the different types of trade union?