

## **Unit 5: Group Behaviour**

Definition, types, formation of groups, building effective teams. Conflict: Meaning, nature, types, process of conflict, conflict resolution. Power and politics: Basis of power, effectiveness of power tactics.

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A group is defined as two or more individuals, interacting and interdependent, who have come together to achieve a particular objective.

M.E. Shaw defined a group “as two or more people who interact and influence one another.”

### **Types of Groups:**

People join groups for a number of reasons. They might be looking for affiliation, a fulfillment of social needs. Groups also add to an individual's sense of security, status or self-esteem. Or perhaps a goal is easier to accomplish if a group of people concentrate on achieving it, pooling their talents and knowledge. Or, the sheer size of the group might provide the power and influence needed to accomplish the goal.

### **Following are the different types of Groups;**

#### **1. Formal group:**

This group is defined by the organizational structure. After planning, organizations group the activities and put those under a formal structure, deciding their goals and objectives and strategies to achieve the same. Formal group members report to their superiors and interact with each other to achieve the common goals.

Usually a formal group comprises those whose nature of job is more or less homogeneous. In a shop floor a gang engaged in doing the same job, represents a formal group. Similarly, in a call- centre, all out-bound callers handling the same customer account represent a formal group. Thus, formal group is formed based on job specialization and similarity of skill-



sets to reap the advantages of division of labour.

Formal groups are relatively permanent and usually work under a single supervisor, although the structure of the formal group may vary. For example, the finance group works under the chief financial officer at an organization. There may be groups within the finance group, like the accounts payable group and the treasury group, each with their own supervisor as well.

Task forces and committees are also formal groups, because they've been created with formal authority within an organization. Task forces are usually temporary and set up for a particular purpose, while committees can be more permanent in nature, like a planning committee or a finance committee, and can be an integral part of an organization's operation.

## **2. Command group:**

This is a formal group, determined by the organization's hierarchal chart and composed of the individuals that report to a particular manager. For instance, the manager of training has a command group of his employees, the training group. This group is also known as task group. A task is defined as cross-functional activities, carried out by group members to accomplish a common goal. A team represents the nature of a command group. A command group can be formed by drawing members from various formal groups. For example, to achieve success in new product launches, organizations may form a command group. Once the task is achieved, group members may be sent back to their specific formal groups.

## **3. Committees:**

To achieve results, organizations often form permanent or temporary committees, drawing members from various formal groups. Committees also represent the presence of cross-functional members. While for a command group, goals may be specific, for committees, it is varied.

For example, to ensure better transparency and accuracy in purchase decisions, various members drawn from the user sections such as, finance, marketing, HR and Sales, may represent a Tender Purchase Committee



(TPC), in an organization.

Such committees may be permanent in nature. Again, there may be the presence of temporary committees in organizations, who may be entrusted to achieve temporary goals such as a committee to probe into a case of fund embezzlement against a particular member.

#### **4. Informal groups:**

Informal groups are formed within a formal organizational structure. Informal group members primarily meet the social or affiliation needs sharing their common interests. Thus informal groups are not organizationally determined; the members themselves form such groups to fulfil their needs for social interaction.

In a particular organization, functional proximity primarily determines the formation of informal groups. These apart, like-minded people, that is, those who have the same personality and attitude constructs or those who belong to similar status (in terms of hierarchy or economic status) also form informal groups. The constructive use of informal groups may benefit an organization. However, inefficient management may render informal groups counter-productive.

An informal group is one that's not organizationally determined or influenced and usually formed by the members themselves in response to the need for social contact. For instance, your workplace might have a group of people who get together during the lunch hour to knit and help each other with yarn projects, or a group that is drawn together by cultural similarities and wants to introduce the rest of the organization to their traditions.

Informal groups are important in that they exist outside the formal hierarchy of an organization but are the structure of personal and social interactions that managers are wise to respect and understand. Employees motivate one another, informally (and formally) train one another and support one another in times of stress by providing guidance and sharing burdens. In fact, if one employee in an informal group is subject to an



action by the organization that the others see as unfair, strikes can happen until that situation is corrected.

**An informal group may be a;**

- **Friendship group:** Friendship groups are formed by like-minded people. These are groups of people who have come together because they share common ideas, common interests or other similarities, like age or ethnic background.
- **Interest group:** Those who have common interests form interest groups. An interest group is usually informal, and is a group of people who band together to attain a specific objective with which each member is concerned. Within an organization, this might be a group of people who come together to demand better working conditions or a better employee evaluation process. Outside of an organization, this term is frequently used in political situations to describe groups that give a point of view a voice.
  - **Reference group or membership group:** Reference groups are formed based on the compatibility of decisions and opinions. While membership groups are formed for the affiliation related needs.

**Formation of groups:**

**Five Stages of Group Development**

**1) Forming Stage-**

1. The very first stage of group development is the forming stage. This stage presents the time where a group is just formed and the members are starting to come together as a team. In this stage, the members are learning what to do. At this stage, most members of the group are extremely polite and are still very happy about their future. Since team flexibility and team roles have not yet been established, a team leader will often take over the reins of individual members.

**2) Storming Stage-**



1. The storming stage is the second stage of group development. In this stage, the group members have understood the work and therefore the dispute and the competition are at a high level.

### 3) Norming Stage-

This is the stage where the group becomes fun and enjoyable because the interaction among the members is easier, productive, and cooperative.

### 4) Performing Stage-

1. At this stage, a sense of belongingness is established because the talents, skills, and experience of each group member are acknowledged. The work becomes more flexible. At this stage, team members are increasingly respecting those in leadership positions. Now that everyone has started to get acquainted with the team's processes, team members feel more comfortable as they work to accomplish new tasks.

### 5) Adjourning Stage-

This stage is very crucial in group development. This stage shows that the project has come to an end.

### Building effective teams:

An **effective team** is one which contributes to the achievement of organizational objectives by performing the task assigned to it and providing satisfaction to its members. Team effectiveness depends on the complementarity of team members, other factors remaining the same. From this statement, it appears that there are many factors in **effective teams**. These factors are skills and role clarity, supportive environment, super-ordinate goals and team rewards. Let us see how these factors **make effective teams**.

1. **Skills and Role Clarity:** For an effective team, two things are required from its members; skills which are complementary to the team requirement and



understanding of one's own role as well as roles of other members. While skills are relevant for job performance, understanding of roles helps members to meet the requirement of one another thereby solving the problems which the team faces. Thus, team members may tend to contribute positively to the teamwork. Even if one member lacks behind, he may tend to affect others because of chain reaction just like a rotten apple injures its companions.

2. **Supportive Environment:** A team loaded with skilled members cannot perform well if the organizational climate is not supportive for that. If the organizational climate is not in tune with high achievement, team members may not show high degree of enthusiasm and they will use only a part of their skills in performing the jobs. Therefore, managers at higher levels particularly at the top level should set organizational climate and culture which enthuse team members to put their best.
3. **Super-ordinate Goals:** Super-ordinate goals are those which are above the goals of a single team or a single individual. An individual works better if he is able to link how his goal attainment leads to the attainment of a higher-level goal. These super-ordinate goals, then, serve to focus attention, unify efforts, and stimulate more cohesive team efforts.
4. **Team Rewards:** Team performance depends on how reward is linked to team performance and how members perceive this linkage. If team members perceive that reward to contingent on team performance, they will put their maximum. Rewards of both types- financial and non-financial- should be taken into consideration. Further, organizations need to achieve a careful balance between encouraging and rewarding individual initiative and growth and stimulating full contributions to team success. Innovative non-financial team rewards for responsible behavior may include the authority to select new members of the group, make recommendations regarding a new supervisor, or propose discipline for team members.

The positive aspect of all these factors leads to **team effectiveness** and team members share common values regarding product quality, customer satisfaction, and share the responsibility for completing a project on schedule.

### **Conflict:**

**Meaning:** Conflict is any disagreement between two or more people and groups. Whenever two or more people have different interests, values, goals, and understanding conflict arises. It may be in a person, within



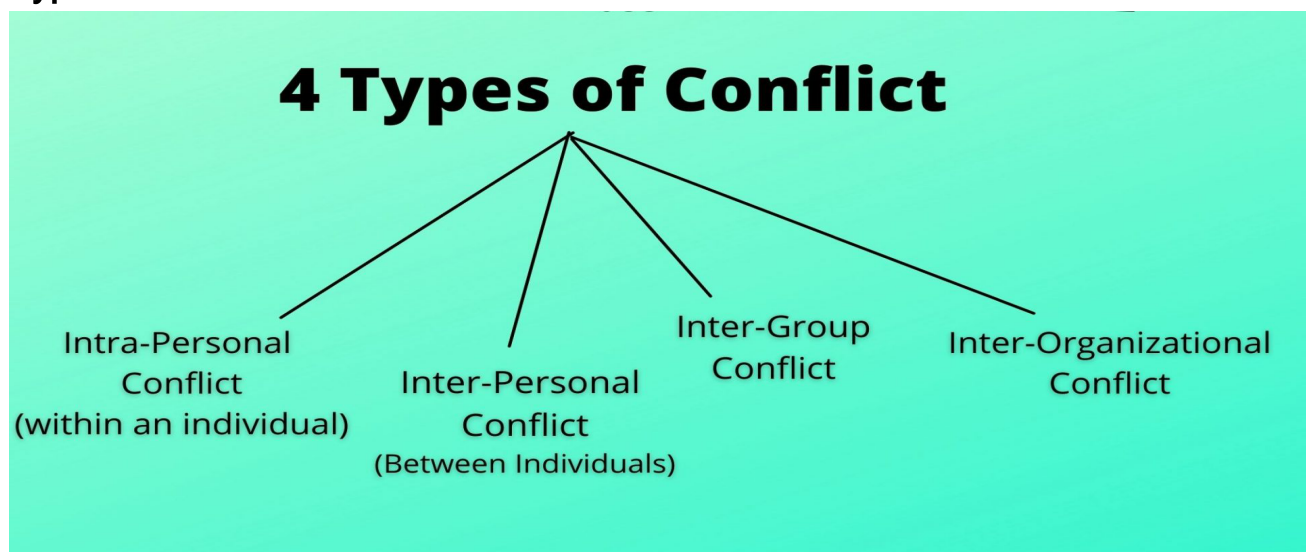
people, within groups, or within organizations.

In other words, conflict refers to all kinds of opposition or antagonistic interaction between or among individuals and groups. It exists whenever one party perceives that another party has hampered or is about to hamper, the accomplishment of goals.

### Nature:

- It occurs when two or more parties pursue mutually exclusive goals, values, or events.
- It can exist either at talent or over level.
- It is the opposite of cooperation.
- It is a dynamic process.
- It indicates a series of events.
- It is a misunderstanding.
- It is inevitable.
- It is a reason for creativity.
- It is a part of us everyone's life.

### Types of Conflict:



- **Intra-Personal Conflict (Within an Individual):**  
Intra-personal conflict arises inside an individual. It arises due to divergent

goals and multiple roles, which the individual is expected to play.

Goal conflicts occur when an individual faces the problem of choosing among competing goals. Role conflicts arise when the expectations of a role are materially different or opposite and the individual can meet one expectation only at the cost of other expectations.

It also occurs due to role ambiguity. Role ambiguity occurs when an individual is not clear regarding his duties and responsibilities.

- **Interpersonal Conflict (Between Individuals):**

It occurs in a condition when two or more persons interact with one another. Such interaction may take place between peers or seniors and subordinates.

The conflict between them may arise due to the difference in their choices made by them. It is a result of an individual's inability to confirm the norms of the groups. The main causes of it are personality differences, perceptions, clash of values and interests, power and status differences, scarcity of resources, etc.

- **Inter-Group Conflict:**

It occurs between two or more groups in the organization. Many intergroup conflicts arise for organizational causes rather than interpersonal causes. The conflict between line and staff, between production and sales department, and between management and unions, are examples of group conflicts. The major reasons for intergroup conflicts are competition for scarce resources, joint decision making, task interdependence, introduction to change, and incompatible goals.

- **Inter-Organizational Conflict**

Inter-organizational conflict is called when it arises between two organizations. It is a result of business competition. Both the conflicting parties generally engage in providing similar types of services or products. Both parties become barriers to each other's success.

The conflict process—that is, the process by which conflict arises—can be





seen in five stages. Those stages are:

1. Potential opposition or incompatibility
2. Cognition and personalization
3. Intentions
4. Behavior
5. Outcomes

### 1. Potential Opposition or Incompatibility

The first stage in the conflict process is the existence of conditions that allow conflict to arise. The existence of these conditions doesn't necessarily guarantee conflict will arise. But if conflict does arise, chances are it's because of issues regarding communication, structure, or personal variables.

- **Communication.** Conflict can arise from semantic issues, misunderstanding, or noise in the communication channel that hasn't been clarified. For instance, your new manager, Steve, is leading a project and you're on the team. Steve is vague about the team's goals, and when you get to work on your part of the project, Steve shows up half the way through to tell you you're doing it wrong. This is conflict caused by communication.
- **Structure.** Conflict can arise based on the structure of a group of people who have to work together. For instance, let's say you sell cars, and your co-worker has to approve the credit of all the people who purchase a vehicle from you. If your co-worker doesn't approve your customers, then he is standing between you and your commission, your good performance review, and your paycheck. This is a structure that invites conflict.
- **Personal variables.** Conflict can arise if two people who work together just don't care for each other. Perhaps you work with a man and you find him untrustworthy. Comments he's made, the way he laughs, the way he talks about his wife and family, all of it just rubs you the wrong way. That's personal variable, ripe to cause a conflict.



## 2. Cognition and Personalization

In the last section, we talked about how conflict only exists if it's perceived to exist. If it's been determined that potential opposition or incompatibility exists and both parties feel it, then conflict is developing.

If Joan and her new manager, Mitch, are having a disagreement, they may perceive it but not be personally affected by it. Perhaps Joan is not worried about the disagreement. It is only when both parties understand that conflict is brewing, and they internalize it as something that is affecting them, that this stage is complete.

## 3. Intentions

Intentions come between people's perceptions and emotions and help those who are involved in the potential conflict to decide to act in a particular way.

One has to infer what the other person meant in order to determine how to respond to a statement or action. A lot of conflicts are escalated because one party infers the wrong intentions from the other person. There are five different ways a person can respond to the other party's statements or actions.

- **Competing.** One party seeks to satisfy his own interests regardless of the impact on the other party.
- **Collaborating.** One party, or both, desire to fully satisfied the concerns of all parties involved in the conflict.
- **Avoiding.** One party withdraws from or suppresses the conflict once it is recognized.
- **Accommodating.** One party seeks to appease the opponent once potential conflict is recognized.
- **Compromising.** Each party to the conflict seeks to give up something to resolve the conflict.

## 4. Behavior

Behavior is the stage where conflict becomes evident, as it includes the statements, actions and reactions of the parties involved in the conflict. These behaviors might be overt attempts to get the other party to reveal

intentions, but they have a stimulus quality that separates them from the actual intention stage.

Behavior is the actual dynamic process of interaction. Perhaps Party A makes a demand on Party B, Party B argues back, Party A threatens, and so on. The intensity of the behavior falls along a conflict oriented continuum. If the intensity is low, the conflict might just be a minor misunderstanding, and if the intensity is high, the conflict could be an effort to harm or even destroy the other party.

## 5. Outcomes

Outcomes of a conflict can be either functional or dysfunctional:

- Functional outcomes occur when conflict is constructive. It may be hard to think of times when people disagree and argue, and the outcome is somehow good. But think of conflict, for a moment, as the antidote to groupthink. If group members want consensus, they're bound to all agree before all the viable alternatives have been reviewed. Conflict keeps that from happening. The group may be close to agreeing on something, and a member will speak up, arguing for another point of view. The conflict that results could yield a positive result.
- Dysfunctional outcomes are generally more well known and understood. Uncontrolled opposition breeds discontent, which acts to sever ties and eventually leads to the dissolution of the group. Organizations meet their ultimate demise more often than you'd think as a result of dysfunctional conflict. People who hate each other and don't get along can't make decisions to run a company well.

### Conflict Resolution:

Conflict resolution is a way for opposing parties to find a peaceful solution to their disagreement that leaves all parties reasonably satisfied. Sometimes, the person who resolves a conflict may be a neutral party or mediator while at other times, they may be someone involved in



the conflict who takes an outside perspective to find a solution.

## **Conflict resolution strategies:**

There are five common strategies or methods to resolve conflicts in the workplace:

### **1. Accommodating**

This method of conflict resolution, also known as smoothing, involves one party acquiescing, giving the opposing party exactly what it needs to resolve the problem. In some cases, accommodating can be an appropriate resolution to conflict. This method allows you the chance to resolve a problem in the short term while working toward a long-term solution.

### **2. Avoiding**

This method involves simply ignoring the fact that there may be a conflict. People tend to avoid conflict when they do not wish to engage in it. Avoiding allows them to ignore that there is a problem.

There are situations in which avoiding conflict can be an appropriate response, such as when there is no clear solution or a frustrated party needs time to calm down before confrontation. However, avoidance can require more effort than merely facing the problem and can cause friction between the disagreeing parties.

### **3. Compromising**

Also known as reconciling, compromising seeks a mutual agreement to settle a dispute. Both parties willingly forfeit some of their conditions in the interest of reaching an agreement. This can be a quick way to resolve a conflict without it becoming a bigger issue. Compromise can also be used as a temporary method to avoid conflict until the parties involved can implement a more permanent solution.

### **4. Collaborating**

Like the compromising method, collaboration involves working with the other party to find a mutually agreeable solution to a problem. For example, a salesperson and client may work together to negotiate contract terms



until both parties find it agreeable.

## 5. Competing

Competing is an uncooperative, overly assertive method used by people who insist on winning the dispute at all costs. This method is not often identified as bringing satisfactory resolutions, as it doesn't allow for collaborative problem-solving.

### Power and Politics:

Power and politics are considered as major aspects of organization. Power and politics play a huge role in industry and govern how to make decisions, interaction of employees with one another. Both concepts fundamentally influence the behaviour of individuals and group and assist in problem solving in organizational setting. In businesses, the impact of power depends on whether workers use positive or negative power to influence others in the workplace. Politics may directly influence who has the power and decide whether the overall culture of the workplace supports productivity.

### Basis of Power:

The concept of power derives its ultimate meaning from the 2 strong bases of power. In other words, the following 2 bases are the core foundation for organizational power. They are as follows:

- Formal Power refers to the power that establishes because of the individual's position in an organization.
- Informal Power refers to the power that comes from an individual's unique characteristics. These are the most effective because personal skills, traits and knowledge influence personal power.

### Sources of Formal Individual Power

1. **Legitimate Power** – The power to monitor and use the organization's resources in order to accomplish organizational goals. For example Firing, demotion, & subordinate's authority. Another example is that of a CEO who



uses a Private Jet to travel.

2. **Reward Power** – The power that allows you to give pay raises, promotion, praise, interesting projects, and other rewards to your subordinates. Moreover, there is a limit to the number of rewards, however, it can be a great tool to motivate subordinates.
3. **Coercive Power** – The power to punish or to withhold a punishment. Punishments have negative side effects and should be used with caution. Furthermore, punishments can be:
  - o Suspension to demotion
  - o Termination
  - o Unpleasant job assignments
  - o Withholding of praise and goodwill

## Sources of Informal Individual Power

1. **Expert Power** – An informal concept of power that stems from superior ability or expertise. In this, the group members will tend to consult this person (the expert) for advice or help on a project. However, it is this dependency that gives the individual power over their peers.
2. **Referent Power** – Fame is a critical aspect of referent power. However, this fame could be in the field of film, sports, music stars, etc. Moreover, agreeable, conscientious, and giving people are also awarded referent power. People with referent power possess high expertise. Their ability to obtain resources, and also to secure their surroundings is what provides them referent powers.
3. **Charismatic Power** – Intense form of referent power that comes from someone's personality. It also comes from physical attributes or abilities that induce others to follow and believe in that person.

### Effectiveness of power tactics:

Effectiveness is the capability of producing a desired result or the ability to produce desired output. Specifically, evidence indicates that **rational, persuasion, inspirational appeals, and consultation** tend to be the most effective power tactics.



- **Rational persuasion.** A tactic that is used to try and convince someone with a valid reason, rational logic, or realistic facts.
- **Inspirational appeals.** A tactic that builds enthusiasm by appealing to emotions, ideas and/or values.
- **Consultation.** A tactic that focuses on getting others to participate in the planning process, making decisions, and encourage changes.

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## **Unit 6: Emerging Challenges**

Emerging challenges, managing diversity, globalisation, technology transformation, e - business, promoting ethical behaviour.

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