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Exam Code - MPOB

Management Process and Organisational Behaviour

SEMESTER - 1

P.G. DIPLOMA IN HUMAN RESOURCE MANAGEMENT

BLOCK - 2



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MASTER IN BUSINESS ADMINISTRATION
MANAGEMENT PROCESS ANDORGANISATIONAL BEHAVIOUR
Block 3
DETAILED SYLLABUS

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Historical perspectives of OB, Approaches to OB, Importance of OB, Relationship between management process and OB, frame work for learning OB, Challenges in OB, HRM and OB, Globalisation and OB

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Concept of Personality and its determinants, Approaches to personality traits and dimensions, Personality attributes,Elements of the perceptual process, Importance and factors influencing perception and Challenges of performance appraisal

UNIT 11 : Values, Attitude and Emotions **Page 214-230**

Introduction, Values, Attitudes, Definition and Concept of Emotions, Emotional Intelligence

UNIT 12: Leadership **Page 231-248**

Meaning and Features of Leadership, Importance of Leadership, Qualities of a Good Leader, Difference between Leader and Leadership Styles: Autocratic Leadership Style, Democratic Leadership Style and Free-Rein Leadership Style; Likert's Management System

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Concept of Group and Group Dynamics;Types of Groups: Formal Group and Informal Group; Concept of Group Behaviour: Group Norms,Group Cohesion Inter-Group Behaviour; Stages of Group Development, Group Decision-Making; Team, Types of Team: Team Building and Managing Effective Team

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Introduction, Power, Politics, Conflict, Negotiations and Stress

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BLOCK INTRODUCTION

This is the third block of the course ‘ Management Process and Organisational Behaviour’. The Block is divided into 5 units which are related to the concepts of Principles of Management. Block 3 deal with the basic concepts of values, attitudes, emotions, concept of leadership, performance of group and team and power, politics, conflict negotiation and stress. At the end of the block some case studies related to management were discussed. It is primarily a learner oriented Self learning material, as it satisfies the requirements of the learners in the filed of ‘management’.

The block is divided into 7 units:

Unit 9 : Introduction to OB

Unit 10 : Personality and Perception

Unit 11: Values, Attitude and Emotions

Unit 12: Leadership

Unit 13: Group and Team

Unit 14: Power, Politics, conflict negotiation and stress

Unit 15: Case Study

UNIT 9: INTRODUCTION TO ORGANISATIONAL BEHAVIOUR (OB)

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Historical Perspective to OB

9.4 Basic Approaches of OB

9.4.1 Importance of OB

9.4.2 Relationship between Management Process and OB

9.5 The Framework for Learning OB

9.6 Challenges in OB

9.7 Human Resources Management and OB

9.8 Globalization and OB

9.9 Let Us Sum Up

9.10 Further Reading

9.11 Answers To Check Your Progress

9.12 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- Organisational Behaviour (OB)
- describe historical perspectives of OB
- explain approaches to OB
- discuss importance of OB
- analyse framework for learning OB
- describe relationship between management processs and OB
- describe relationship between Human Resources Management and OB
- discuss the challenges in OB
- explain globalization and OB

9.2 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR (OB)

Organizations are social systems. If one wishes to work in them or to manage them, it is necessary to understand how they operate. Organizations combine science and people – technology and humanity. Unless we have qualified people to design and implement, techniques alone will not produce desirable results. Human behaviour in organizations is rather unpredictable. It is unpredictable because it arises from people's deep-seated needs and value systems. However, it can be partially understood in terms of the framework of behavioural science, management and other disciplines.

Organizational Behaviour is field of study that investigates the impact that individuals, groups and structure have on behaviour within organization. It is the study and application of knowledge about how people act within organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations, such as business, government, schools and services organizations. It covers three determinants of behaviour in organizations: individuals, groups, and structure. It applies the knowledge gained about individuals, and the effect of structure on behaviour, in order to make organizations work more effectively. OB covers the core topics of motivation, leadership behaviour and power, interpersonal communication, group structure and process, learning, attitude development and perception, change process, conflict, job design and work stress.

9.3 HISTORICAL PERSPECTIVES OF OB

Different writers have provided different categorization schemes for studying organizational behaviour. In order to facilitate easy understanding, we can identify the following theories which had contributed to the evolution of management theory.

Max Webber's Bureaucratic theory of Management

It was Max Webber who propounded the bureaucratic theory of organisation and management. The term 'bureaucracy' has been widely used with

invidious connotations directed at government and business. Bureaucracy is an administrative system designed to accomplish large-scale administrative tasks by systematically coordinating the work of many individuals. Weber has observed three types of power in organisations: traditional, charismatic and rational-legal or bureaucratic. He has emphasised that bureaucratic type of power is the ideal one.

Characteristics of Weber's Bureaucracy:

Weber has given a number of features of bureaucracy. Accordingly, following features suggest the characteristics of bureaucratic organisations.

1. Administrative Class:

Bureaucratic organisations generally have administrative class responsible for maintaining coordinative activities of the members.

2. Hierarchy:

The basic feature of bureaucratic organisation is that there is hierarchy of positions in the organisation. Hierarchy is a system of ranking various positions in descending scale from top to bottom of the organisation.

3. Division of Work:

Work of the organisation is divided on the basis of specialisation to take the advantages of division of labour. Each office in the bureaucratic organisation has specific sphere of competence.

4. Official Rules:

A basic and most emphasised feature of bureaucratic organisation is that administrative process is continuous and governed by official rules. Bureaucratic organisation is the antithesis of ad hoc, temporary, and temporary and unstable relations. A rational approach to organisation calls for a system of maintaining rules to ensure requirements of uniformity and coordination of efforts by individual members in the organisation.

5. Impersonal Relationships:

A notable feature of bureaucracy is that relationships among individuals are governed through the system of official authority and rules. Official positions are free from personal involvement, emotions and sentiments. Thus, decisions are governed by rational factors rather than personal factors.

6. Official Record:

Bureaucratic organisation is characterised by maintenance of proper official records. The decisions and activities of the organisation are formally recorded and preserved for future reference.

Benefits of Bureaucracy:

The following are the advantages of Bureaucracy:

1. The rules and procedures are decided for every work it leads to, consistency in employee behaviour. Since employees are bound to follow the rules etc., the management process becomes easy.

2. The duties and responsibilities of each job are clearly defined there is no question of overlapping or conflicting job duties.

3. The selection process and promotion procedures are based on merit and expertise. It assists in putting right persons on right jobs. There is optimum utilisation of human resources.

Disadvantages of Bureaucracy:

The following are the disadvantages of Bureaucracy:

1. This system suffers from too much of red tape and paper work.

2. The employees do not develop belongingness to the organisation.

3. The excessive reliance on rules and regulations and adherence to these policies inhibit initiative and growth of the employees. They are treated like machines and not like individuals. There is neglect of human factor.

Frederick Winslow Taylor's Scientific Management

Frederick Winslow Taylor (1856-1915) was an American inventor and engineer that applied his engineering and scientific knowledge to management and developed a theory called scientific management theory. In broad terms, scientific management theory is the application of industrial engineering principles to create a system where waste is avoided, the process and method of production is improved, and goods are fairly distributed. These improvements serve the interests of employers, employees, and society in general.

The concept of scientific management is based on 4 basic principles:

1. Each task must be scientifically designed so that it can replace the old, rule-of-thumb methods.

2. Workers must be scientifically selected and trained so that they can be more productive on their jobs.
3. Bring the scientifically designed jobs and workers together so that there will be a match between them.
4. There must be division of labour and cooperation between management and workers.

Key Concepts of Scientific Management

The key concepts of scientific management are:-

Scientific task planning: - Scientific task is the amount of work which an average worker can perform during a day under normal working conditions.

Time and motion studies: - This have been advocated by Taylor with a view to isolate the wasteful and unproductive motions on job. The time study would indicate the minimum time required to do a given job and the motion study is carried out to find out the best sequence of motions to do a job.

Standardization:- Under scientific management, certain standards have to be set in advance regarding task, raw material, quality, work method etc.

Differential piece rate system: - Taylor advocated differential piece rate system based on actual performance of the worker. In this scheme, a worker who completes the normal work gets wages at higher rate than a worker who fails to complete the same with the given time limit.

Functional foremanship:- Taylor advocated functional foremanship where a factory is divided in different components, each incharge of a specialty. These perform the planning function and provide the expert advice to the workers. The workers are expected to implement the commands of functional specialists.

Henri Fayol's Administrative Theory

Henri Fayol is known as the father of modern management theory, because of his pioneering efforts in systematizing the management principles. According to Fayol, managers should perform the following 5 functions –

1. Planning
2. Organizing
3. Commanding

4. Coordination
5. Controlling

Henri Fayol's 14 principles of management were discussed in unit1.

The Hawthorne Studies / Neo-Classical Theory

As we have allready discussed in Unit 1,the human relations theory (also called neo-classical theory) tried to compensate for the deficiencies in classical theory (scientific management and administrative management) modifying it with insights from behavioral sciences like psychology, sociology and anthropology. This theory gained popularity after the famous studies of human behavior in work situations conducted at the Western Electric Company from 1924 to 1933. These studies eventually became known as the 'Hawthorne Studies' because many of them were conducted at Western Electric's Hawthorne plant near Chicago.

Some of the major phases of Hawthorne experiments are as follows:

1. Illumination Experiments:

Illumination experiments were undertaken to find out how varying levels of illumination (amount of light at the workplace, a physical factor) affected the productivity. The hypothesis was that with higher illumination, productivity will increase. In the first series of experiments, a group of workers was chosen and placed in two separate groups. One group was exposed to varying intensities of illumination.

Since this group was subjected to experimental changes, it was termed as experimental group. Another group, called as control group, continued to work under constant intensities of illumination. The researchers found that as they increased the illumination in the experimental group, both groups increased production. When the intensity of illumination decreased, the production continued to increase in both the groups.

The production in the experimental group decreased only when the illumination was decreased to the level of moonlight. The decrease was due to light falling much below the normal level.

Thus, it was concluded that illumination did not have any effect on productivity but something else was interfering with the productivity. At that time, it was concluded that human factor was important in determining

productivity but which aspect was affecting, it was not sure. Therefore, another phase of experiments was undertaken.

2. Relay Assembly Test Room Experiments:

Relay assembly test room experiments were designed to determine the effect of changes in various job conditions on group productivity as the illumination experiments could not establish relationship between intensity of illumination and production. For this purpose, the researchers set up a relay assembly test room two girls were chosen.

These girls were asked to choose for more girls as co-workers. The work related to the assembly of telephone relays. Each relay consisted of a number of parts which girls assembled into finished products. Output depended on the speed and continuity with which girls worked. The experiments started with introducing numerous changes in sequence with duration of each change ranging from four to twelve weeks.

An observer was associated with girls to supervise their work. Before each change was introduced, the girls were consulted. They were given opportunity to express their viewpoints and concerns to the supervisor. In some cases, they were allowed to take decisions on matters concerning them.

Following were the changes and resultant outcomes:

1. The incentive system was changed so that each girl's extra pay was based on the other five rather than output of larger group, say, 100 workers or so. The productivity increase as compared to before.

2. Two five- minute rests one in the morning session and other in evening session were introduced which were increased to ten minutes. The productivity increased.

3. The rest period was reduced to five minutes but frequency was increased. The productivity decreased slightly and the girls complained that frequent rest intervals affected the rhythm of the work.

4. The number of rest was reduced to two of ten minutes of each, but in the morning, coffee or soup was served along with the sandwich and in the evening, snack was provided. The productivity increased.

5. Changes in working hours and workday were introduced, such as cutting an hour off the end of the day and eliminating Saturday work. The girls were allowed to leave at 4.30 p.m. instead of usual 5.00 p.m. and later at 4.00 p.m. productivity increased.

As each change was introduced, absenteeism decreased, morale increased, and less supervision was required. It was assumed that these positive factors were there because of the various factors being adjusted and making them more positive. At this time, the researchers decided to revert back to original position, that is, no rest and other benefits. Surprisingly, productivity increased further instead of going down.

This development caused a considerable amount of redirection in thinking and the result implied that productivity increased not because of positive changes in physical factors but because of the change in girls' attitudes towards work and their work group.

They developed a feeling of stability and a sense of belongings. Since there was more freedom of work, they developed a sense of responsibility and self-discipline. The relationship between supervisor and workers became close and friendly.

3. Mass Interviewing Programme:

During the course of experiments, about 20,000 interviews were conducted between 1928 and 1930 to determine employees' attitudes towards company, supervision, insurance plans, promotion and wages. Initially, these interviews were conducted by means of direct questioning such as "do you like your supervisor?" or "is he in your opinion fair or does he have favorites?" etc.

This method has disadvantage of stimulating antagonism or the oversimplified 'yes' or 'no' responses which could not get to the root of the problem, the method was changed to non- directive interviewing where interviewer was asked to listen to instead of talking, arguing or advising.

During the course of interviews, it was discovered that workers' behaviour was being influenced by group behaviour.

4. Bank Wiring Observation Room Experiment:

These experiments were conducted to find out the impact of small groups on the individuals. In this experiment, a group of 14 male workers were formed into a small work group. The men were engaged in the assembly of terminal banks for the use in telephone exchanges.

The work involved attaching wire with switches for certain equipment used in telephone exchanges. Hourly wage for each worker was fixed on the basis of average output of each worker. Bonus as also payable on the basis of group effort.

It was expected that highly efficient workers would bring pressure on less efficient workers to increase output and take advantage of group incentive plan. However, the strategy did not work and workers established their own standard of output and this was enforced vigorously by various methods of social pressure. The workers cited various reasons for this behaviour viz. fear of unemployment, fear of increase in output, desire to protect slow workers etc.

The following were the main conclusions drawn by Prof. Mayo on the basis of Hawthorne studies:

1. Social Unit:

A factory is not only a techno-economic unit, but also a social unit. Men are social beings. This social characteristic at work plays an important role in motivating people. The output increased in Relay Room due to effectively functioning of a social group with a warm relationship with its supervisors.

2. Group Influence:

The workers in a group develop a common psychological bond uniting them as £ group in the form of informal organisation. Their behaviour is influenced by these groups. Pressure of a group, rather than management demands, frequently has the strongest influence on how productive workers would be.

3. Group Behaviour:

Management must understand that a typical group behaviour can dominate or even supersede individual propensities.

4. Motivation:

5. Supervision:

The style of supervision affects worker's attitude to work and his productivity. A supervisor who is friendly with his workers and takes interest in their social problems can get co-operation and better results from the subordinates.

6. Working Conditions:

Productivity increases as a result of improved working conditions in the organisation.

7. Employee Morale:

Mayo pointed out that workers were not simply cogs, in the machinery, instead the employee morale (both individual and in groups) can have profound effects on productivity.

8. Communication:

Experiments have shown that the output increases when workers are explained the logic behind various decisions and their participation in decision making brings better results.

9. Balanced Approach:

The problems of workers could not be solved by taking one factor i.e. management could not achieve the results by emphasizing one aspect. All the things should be discussed and decision be taken for improving the whole situation. A balanced approach to the whole situation can show better results.



CHECK YOUR PROGRESS

Q.1 Define Organisational Behaviour.

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Q.2 State two benefits of Bureaucracy.

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9.4 BASIC APPROACHES OF ORGANISATIONAL BEHAVIOUR

- **An Interdisciplinary Approach:** It is integrating many disciplines. It integrates social sciences and other disciplines that can contribute to the Organizational Behaviour. It draws from these disciplines any ideas that will improve the relationships between people and organization.
- **Scientific Management Approach:** The fundamental concern of the scientific management school was to increase the efficiency of the worker basically through good job design and appropriate training of the workers. Taylor is the father of the scientific management movement and he developed many ides to increase organizational efficiency. Taylor showed that through proper job design, worker selection, employee training and incentives, productivity can be increased. The scientific management school advocated that efficiency can be attainted by finding the right methods to get the job done, through specialization on the job, by planning and scheduling, by using standard operating mechanisms, establishing standard times to do the job, by proper selection and training of personnel and through wage incentives.
- **A Human Resources (Supportive) Approach:** It is developmental approach concerned with the growth and development of people toward higher levels of competency creativity and fulfilment, because people are the central resource in any organizations and any society. It helps people grow in self-control and responsibility and then it tries to create a climate in which all employees may contribute to the limits of their improved abilities. It is assumed that expanded capabilities and opportunities for people will lead directly to improvements in operating effectiveness. Work satisfaction will be a direct result when employees make fuller use of their capabilities.
- **A Contingency Approach:** Traditional management relies on one basic principle– there is one best way of managing things and these

things can be applied across the board in all the instances. The situational effect will be totally ignored in this traditional management. Situations are much more complex than first perceived and the different variables may require different behaviour which means that different environments required different behaviour for effectiveness. Each situation must be analyzed carefully to determine the significant variables that exist in order to establish the kinds of practices that will be more effective. Contingency theorist argues that the external environment and several aspects of the internal environment govern the structure of the organization and the process of management. Effective management will vary in different situations depending on the individual and groups in the organization, the nature of jobs, technology, the type of environment facing the organization and its structure.

- **A Systems Approach:** This implies that organization consists of many inter related and inter dependent elements affecting one another in order to achieve the overall results. Conceptually a system implies that there are a multitude of variables in organization and that each of them affects all the others in complex relationships. An event that appears to affect one individual or one department actually may have significant influences elsewhere in the organization. Systems theorists describe the organization as “open to its external environment”, receiving certain inputs from the environment such as human resources, raw materials etc, and engaging in various operations to transform those raw materials into a finished products and finally turning out the “outputs” in its final form to be sent to the environment. The organization, since it is open to the environment, also receives feedback from the environment and takes corrective action as necessary. This input-transformation process-output model with the feedback mechanism can be illustrated through a simple example.

9.4.1 Importance of Organizational Behaviour

- It builds better relationship by achieving people's, organizational, and social objectives.
- It covers a wide array of human resource like behaviour, training and development, change management, leadership, teams etc.
- It brings coordination which is the essence of management.
- It improves goodwill of the organization.
- It helps to achieve objectives quickly.
- It makes optimum utilization of resources.
- It facilitates motivation.
- It leads to higher efficiency.
- It improves relations in the organization.
- It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

9.4.2 Relationship between Management Process and Organizational Behaviour

Although most of the times, the terms OB and management process are used synonymously, yet there exist certain minute differences between the two.

Organization is a structure with several subsystems where individuals and activities are organized to achieve certain predetermined goals through division of labour and coordination of activities. Division of labour refers to how the work is divided among the employees and coordination refers to how all the various activities performed by the individuals are integrated or brought together to accomplish the goals of the organization. The term organizing is used to denote one aspect of the managerial activities when he or she is preparing and scheduling the different tasks that need to be completed for the job to be done. Thus, organizational behaviour means the interaction between the individual and the organization.

Management refers to the functional process of accomplishing the goals of the organization through the help of

others. A manager is an individual who is given the responsibility for achieving the goals assigned to him or her as part of the overall goals of the organization and who is expected to get the job done. The terms top management, middle management and lower management are frequently used to indicate the hierarchical levels of those who are engaged in the process of getting the goals of the organization accomplished. Thus, the term management process is much broader and it is essential in all organizations in order to achieve the organizational goals.

9.5 THE FRAMEWORK FOR LEARNING OB

The basic OB model suggests study of the organization at following three levels:

1. Organization
2. Group
3. Individual

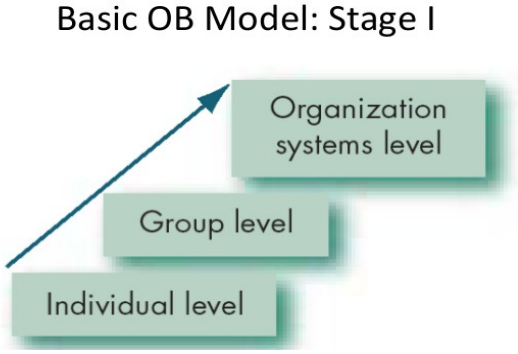


Figure 9.1: Basic OB Model

The purpose of understanding organizations from all three levels (individual, group, and organization) is to develop a well-rounded view that will prepare us for the challenges that managers face in today's business environment. Focusing on the individual level allows us to understand individual differences, perception, motivation, and learning. Focusing on the group level shows us how more than two people can work together in groups or teams within an organization. Focusing on the organization level allows us to see the effects of the organizational environment, technology, strategy, structure, and culture.

9.6 CHALLENGES IN OB

Following are the major challenges in OB:

- **Improving People Skills:** Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.
- **Improving Quality and Productivity:** Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations.
- **Managing Workforce Diversity:** This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce.
- **Empowering People:** The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped.

- **Stimulating Innovation and Change:** Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.
- **Emergence of E-Organization:** The application of Internet operations initially covered a small part of the business. But today, millions of firms are now selling anything over the Internet. They are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions.
- **Improving Ethical behaviour:** The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. Differentiating right things from wrong behaviour has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

9.7 HUMAN RESOURCE MANAGEMENT (HRM) AND OB

The relationship between organizational behaviour and human resource management stems from the fact that human resource management can be used as a tool for shaping organizational behaviour. Organizational behaviour is a term used to define the concept of the behaviour for individuals who constitute the human elements of an organization. This is related to human resources, which is a concept that is used to describe the management of the employees in any organization. From the description of the two terms, it is easy to see how organizational behaviour and human resource management are related.

The effective use of human resources can be used to shape the perceptions and behavior of the employees in an organization, resulting in a desired outcome in their organizational behavior. This link between organizational behavior and human resource management can be seen in the area of the workers' attitudes toward their jobs. Part of the responsibilities of the human resources department is managing the issues related to the welfare of the employees in an organization. When this responsibility is pursued diligently, the employees will have a more positive attitude toward their jobs and will be more willing to go the extra mile in furthering their duties.

A recognition of the fact that it is the individual employees within an organization who carry out whatever organizational behavior is in place in the establishment also shows a link between organizational behavior and human resource management. Since the individuals are the vehicles for organizational behavior they can be nudged in the right direction through the human resource department, which is charged with the management of employees. Examples of proper management for employees include the organization of orientation courses or classes for new employees where they will be informed about the corporate image of the organization and the expected organizational behaviour from employees needed to maintain that image.

One of the factors of organizational behaviour is the attitude of employees toward each other, ranging from the communication of management to employees, communication between the various levels of employees, and communication between employees and those outside the organization. Employees will be more productive in an atmosphere where they feel they can thrive, such as one where the relationships are clearly defined. Part of the responsibility of human resource is to enable such an environment within the organization through effective application of targeted good organizational practice.

9.8 GLOBALIZATION AND OB

The importance of organizational behaviour (OB) has accentuated subsequent to globalization and the consequent changes in business practices. Globalization has many dimensions. The most general is the

economic globalization. OB studies are now increasingly becoming complex due to the effect of globalization. Some of the important areas of concern are changing technology with a sharp increase in cross-border technology transfers, the mobility of organizations and people in the global world, the competition for markets and customers on a global scale, etc.

Globalization can be taken to mean the increasing trend to interaction beyond physical boundaries. The causes of globalization include deregulation and privatization of public sectors in certain countries, technological convergence, and increased competition. Furthermore, globalization has taken many forms such as foreign investment and international partnerships.

From the perspective of business organiza-tions, there are three different types of globalizations—multinationals, global, and international companies. The cascading effect of globalization even transcends to the tasks or the operational environments of business organiza-tions.

The effect of globalization on organizations is an increase in alliances and partnerships rather than on authority and control. This is characterized by the breakdown of tall hierarchies, increase in use of teams, reorganization of functional departments into cross-functional groups, reduction in centralized control, and allowing more local autonomy.

Another key aspect, from the perspective of a business organization, is the harvesting of the knowledge of the people. This is facilitated by knowledge management practices, using various tools, techniques, and values. Through knowledge management, organizations can acquire, develop measure, distribute, and provide a return on their intellectual assets.

Globalization has also changed the nature of managerial work, requiring managers, in the globalized era, to increase their judgmental power, use of persuasion and influence, shaping of the behaviour of the people, etc.