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**Chapter Name:** Organizational Behaviour

# Unit Outline

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# 1 Why Should I study the subject?

Most people get their first job on account of some specialized knowledge such as accounting, programming, engineering, medicine etc. But as people move up the corporate ladder, technical skills do not matter so much.

What matters more is the ability to manage people and get work done through them.

That is what the subject of Psychology of Human Behaviour at Work is all about.

Therefore, knowledge of this subject will help you to understand people better and if you understand people better, it will help you manage them better. It will also help you lead a more satisfying and fulfilling life. It will bring happiness to you and those around you.

## 1.1 Understand the Importance of Interpersonal Skills

- The ability to get along with others is vital to get success in all walks of life.
- Whether one is a manager doctor engineer or even a housewife the manner in which we interact will determine whether our life will be happy or a miserable one
- Interpersonal skills refer to the ability to work well with other people.



- A person with good interpersonal skills has a high degree of self awareness and a capacity for understanding the feelings of others.



- Individuals with this skill are able to interact well with others, engage in persuasive communications, show leadership, deal successfully with disagreements and conflicts and more.

## 1.2 Benefits of having Managers with Good Interpersonal Skills

1. Attracting and Retaining Talent Employees: Managers of organization with good interpersonal skills make the workplace a more pleasant place and hence are able to attract and retain their talented employees.

2. Job satisfaction: Managers with good interpersonal skills develop good social relationships with their co-workers which in turn leads to higher levels of job satisfaction.



## 1.2 Benefits of having Managers with Good Interpersonal Skills

3. Less stress: Employees experience less stress when managers develop good relationships with them. They are also less likely to quit the organization.

4. More profits: A number of studies have found that organizations that are good places to work perform financially better and make more profits.

Therefore modern management education lays a lot of emphasis on understanding of human behaviour and on the development of interpersonal skills.



## 1.2 Who are managers and What do they do?

- In simple words, managers are individuals who get things done through other people.
- Managers take decisions, make resources available and direct others towards attaining goals.
- Managers are usually found in organisations.



# According to Robbins & Judge (2013), an Organisation is:

1. a consciously coordinated social unit
  2. composed of two or more people
  3. which functions on a relatively continuous basis
  4. to achieve a common goal or a set of goals
- An Organisation consists of two or more people who have knowingly come together to work on a continuous basis for attaining some common goals.

- An organisation may take the form of a hospital, college, manufacturing form, a service firm like a Bank, a Church, military, retail, store or even a government
- The task of a manager is to supervise the activities of other people and such different organisations and ensure the goals are attained.
- Managers are sometimes referred to as administrators especially in organisation whose goal is not to make profits.



## 1.2 Functions of a Manager

According to Henri Fayol (a French industrialist), managers had to perform five management functions: planning, organizing, commanding, coordinating, and controlling.

However, modern management gurus have reduced these five managerial or management functions to four: planning, organizing, leading, and controlling.

## 1.2 Functions of a Manager

### Planning

Planning: The planning function of a manager involves.

- (a) Clearly defining the goals of the organization
- (b) Deciding on a step-by- step plan or strategy to achieve those goals.
- (c) Developing a comprehensive plan that integrates the various activities that lead to the goals.

The planning function of the manager increases as he rises to higher positions in the organization. Planning is a key function of managers in middle and higher management positions.

## 1.2 Functions of a Manager

### Organizing

Organizing: The organizing- function of a manager involves:

- (a) Designing the structure of the organization.
- (b) Deciding what tasks are to be completed, how it Will be done, who will do them, how the tasks will be grouped, who reports to whom, and where and how decisions will be made.

## 1.2 Functions of a Manager

### Leading

Leading: A manager gets things done through others. In order to do so, an important function of the manager is to direct and motivate people, communicate effectively and resolve conflicts among members of the organization.

## 1.2 Functions of a Manager

### Controlling

Controlling: This function of the manager involves ensuring that things are going as planned and closely tracking or monitoring the organization's performance.

If the manager finds that there is a deviation from or difference between the goals set and the actual performance, it is the responsibility of the manager to make the necessary corrections and bring organization back on track.

Thus the controlling function of a manager is all about monitoring, comparing and making corrections when needed.

## 1.2 Management/ Managerial Roles

### **MANAGEMENT / MANAGERIAL ROLES**

Roles are behaviours or sets of behaviours related to the job.

Henry Mintzberg carefully observed what managers do at work and came to the conclusion that managers perform 10 different but highly interrelated roles.

These roles can be broadly grouped under three categories:

- 1.) Interpersonal roles.
- 2.) Informational roles.
- 3.) Decisional roles.

## 1.2 Functions of a Manager

### Interpersonal Roles

The interpersonal roles of a manager are that of a figurehead, leader and liaison.

- (a) As a figurehead, the manager has to perform duties that are routine, ceremonial and symbolic in nature. He is expected to fulfill certain social and legal duties.
- (b) As a leader, the manager is responsible for hiring and training people. He has to also motivate and discipline them as and when required.
- (c) In the role of a liaison, the manager has to develop and maintain a network of people both inside and outside the organization who will provide information and favours.

## 1.2 Functions of a Manager

### Informational Role

In his informational role, the manager acts as a monitor, disseminator and spokesperson of information.

- (a) As a monitor, the manager collects information from various sources inside and outside the organizations. The sources may be the news media or other people. The information may be regarding what rival organizations are planning or about changes in public preferences. The manager thus acts as the nerve centre of information.
- (b) In the role of a disseminator, the manager is responsible for transmitting or sharing the information with other members of the organization.
- (c) As a spokesperson, the manager represents and speaks on behalf of the organization. He conveys information relating to the organization's plans, policies, actions and results to outsiders. He thus plays the role of an expert.

## 1.2 Functions of a Manager

### Decisional Role

There are four decisional roles that a manager has to play: entrepreneur, disturbance handler, resource allocator and negotiator.

(a) As an entrepreneur, the manager has to study the environment and the organization carefully and look for opportunities. He has to start new projects that will benefit and improve organizational performance.

(b) In the role of a disturbance handler, the manager needs to take necessary corrective - actions when the organization faces unexpected problems and difficulties.

(c) As a resource allocator, the manager is responsible for distributing human, physical, and monetary resources in a way that will bring the organization maximum benefits.

(d) As a negotiator, the manager negotiates on behalf of his unit or organizations. He discusses and bargains with other units and organizations in a way that is advantageous and brings benefits to his own unit or organization.

## 1.2 Management/ Managerial Skills

The key to being an effective and successful leader lies in the display of appropriate behaviour skills and actions.

According to Robert Katz, managers need to have three broad management skills:

1. Technical Skill
2. Human Skill
3. Conceptual Skill



## 1.2 Functions of a Manager

### Technical Skill

Technical skill: Technical skill refers to "the ability to apply specialized knowledge or expertise" (Robbins and Judge, 2013).

It is a person's knowledge and ability of any particular type of process or technique. For example, the skills possessed by engineers, surgeons, accountants etc. Technical skills involve things.

Technical skills may be acquired through formal education and training in universities or through direct experiences on the job.

## 1.2 Functions of a Manager

### Human Skill

Human skill: Human skill refers "to the ability to work with, understand and motivate other people, both individually and in groups" (Robbins and Judge, 2013).

It is the ability to deal effectively with people and build teamwork. Human skills are concerned with people.

Since managers get things done through other people, they must have good human skills. Unfortunately, many employees have good technical skills but lack good human skills. They may be poor listeners or insensitive to the needs of others or cannot resolve conflicts among people or cannot delegate or motivate etc.

## 1.2 Functions of a Manager

### Conceptual Skill

Conceptual skill: Conceptual skill "is the ability to analyze and diagnose complex situations" (Robbins and Judge, 2013).

It is ability to logically express and interpret information. Conceptual skills deal with ideas.

Conceptual skills are important in decision-making. Managers need to spot problems, identify solutions that can correct them, evaluate those solutions and select the best one.

A manager who has good technical and interpersonal Skills may still fail if he does not have conceptual skills. As people rise up the organizational ladder, technical skills become less important and human and conceptual skills assume greater importance.

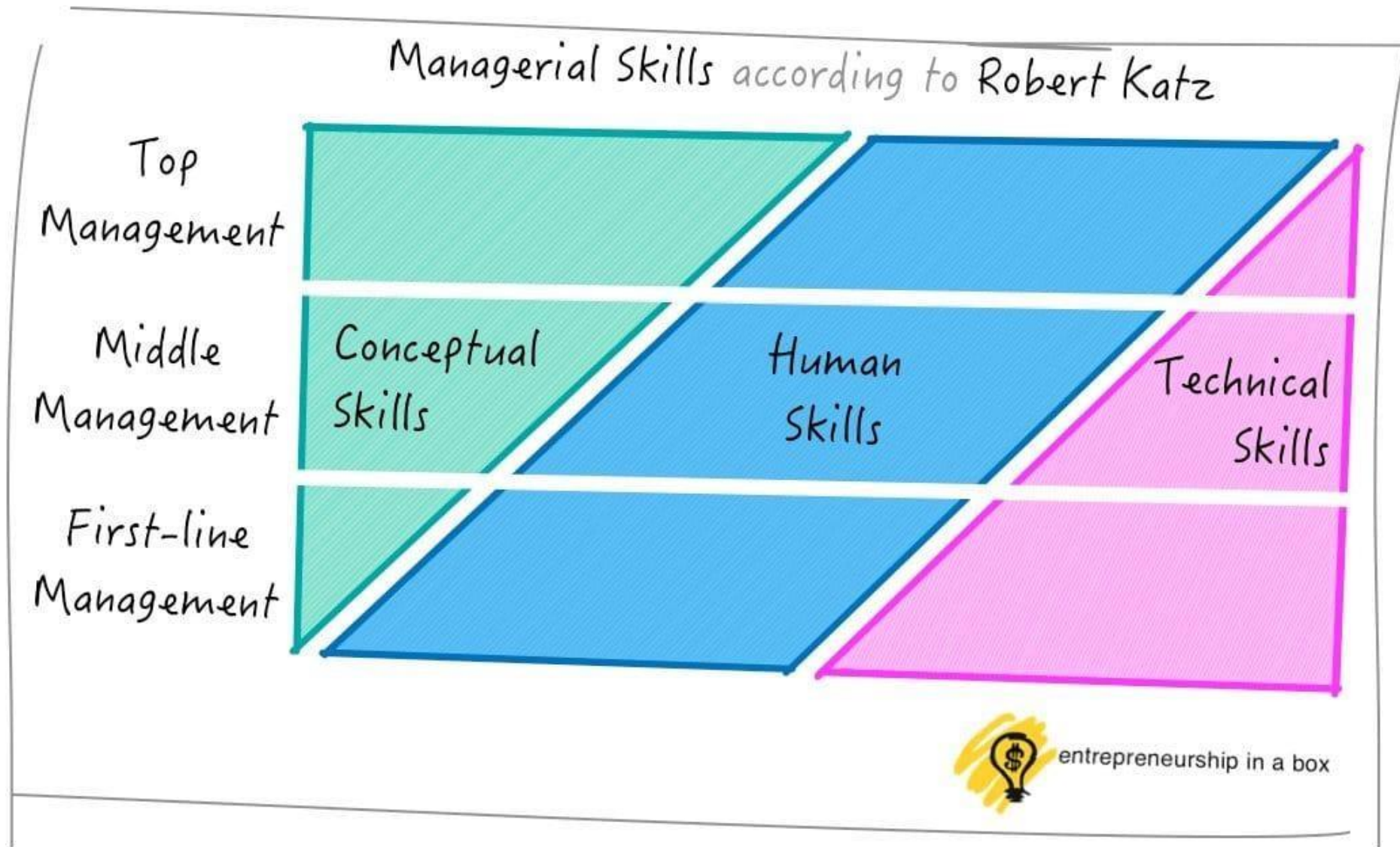
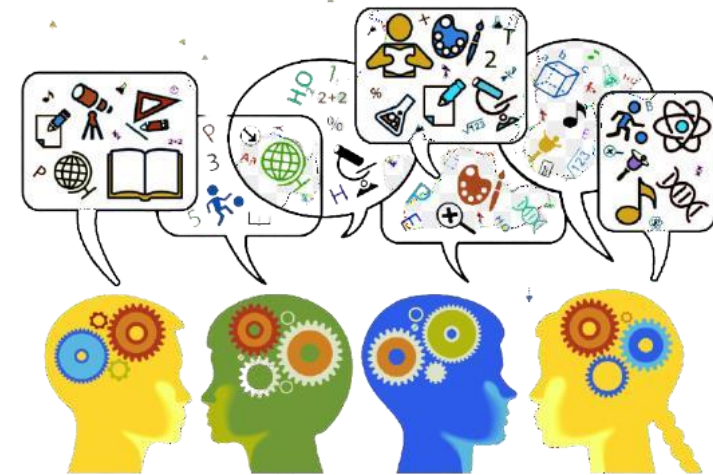


Figure 1.1 Relative importance of skills at different levels of the organisation

## 1.3 Defining organizational behavior, disciplines that contribute to the OB field

Organizational behavior is a field that helps us to understand people better and hence manage them better. Organizational behavior is popularly known as OB.

Robbins and Judge (2009) define organizational behavior as "a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness."





## 1.3 Organizational behavior is Interdisciplinary

Organizational behaviour is an applied behavioural science. It has been built with contributions from several other fields. The other major sciences that have contributed to organizational behaviour are psychology, sociology, social psychology, and anthropology. The contribution of Psychology is more at the micro or individual level whereas the other sciences have contributed more at the macro or group level.

## 1.3 Organizational behavior

The following sciences have contributed significantly to OB:

1. Psychology: Psychology is described as "a science that seeks to measure, explain and change the behaviour of humans and other animals" (Robbins and Judge, 2013), The main concern of a psychologist is to understand and explain individual behaviour. Psychology has made important contributions to OB in the following areas: learning, perception, motivation, training, emotions, leadership effectiveness, job satisfaction, performance appraisal, employee selection techniques, employee design, work stress, attitude measurement etc.
2. Social Psychology: Social psychology studies how people influence each other by combining concepts and ideas from psychology and sociology. Social psychology has made important contributions to OB in the following areas: behavior and attitude change, communication, group processes and decision making, conflicts, power etc. In recent times, the work of social psychologists in the area of change management -how change should be implemented and how obstacles to change can be overcome - has been very useful to OB.

## 1.3 Organizational behavior

The following sciences have contributed significantly to OB:

3. Sociology: Sociology is the "study of people in relation to their social environment or culture" (Robbins and Judge, 2013). Sociology has made important contributions to OB in the following areas: intergroup behavior, organizational theory, organizational technology, power and politics, organizational change and organizational culture.

4. Anthropology: Anthropology is "the study of societies to learn about human beings and their activities" (Robbins and Judge, 2013). The work of anthropologists has helped OB understand the difference in values, attitudes and behavior of people in different countries and different organizations. It has also contributed to OB's understanding in the areas of organizational culture and organizational environment.

## 1.4 The Challenges and Opportunities before Organizational Behaviour

The dawn of the new century has brought in new challenges for organizational behavior. Managers face people issues of the kind that they have never faced before. The need to understand the behavior of people has become more important than ever before. Fortunately, OB has risen to these challenges and provided managers with meaningful insights that will help them solve these problems.

## 1.4 The Challenges and Opportunities before Organizational Behaviour

### The challenge of Globalization

Organizations no longer operate within national borders. They operate all over the world. For example, software companies like Infosys and TCS earn a major chunk of their revenues from the US and European markets. The world has become a global village. Globalization is having a tremendous impact on the way people are managed and businesses are run. The manager's job has changed significantly.

1. Foreign assignments: Globalization has resulted in managers being regularly sent on foreign assignments. International transfers have become very common. Managers have to manage offices and divisions in different countries. They also have to manage employees whose needs, attitudes and aspirations are very different from those of employees at home.

## 1.4 The Challenges and Opportunities before Organizational Behaviour

2. Working with culturally different people: Managers working on foreign assignments have to deal with bosses, peers and subordinates who have been raised in completely different cultures. They have different communication styles, are motivated by different things and so on. A challenge for modern managers is to understand these geographic, cultural and religious differences and change their management style accordingly. Only then will they be effective managers.



## 1.4 The Challenges and Opportunities before Organizational Behaviour

3. Handling the backlash of anticapitalism: The focus of capitalism is on efficiency, growth and profit. Such values are popular in certain parts of the world (such as US, Australia etc) but are unpopular and arouse anger in other parts of the world (such as France, the Middle East etc). A challenge for managers is to be sensitive to the different values of their employees. Managers must learn to modify their management styles and strike a balance between the objectives of the organization and the values of the people they are working with.

4. The problem of outsourcing and low-cost labor: Fierce competition has resulted in jobs from advanced and developed countries being given to workers in developing nations where labor is extremely cheap. For example, the same job for which \$6 (Rs. 360 approx.) per hour is paid in the US is done at 30 cents (Rs. 18 approx.) per hour in China. Hence jobs are moving to the developing countries creating problems of unemployment in the developed countries. Outsourcing of jobs has led to severe criticisms from labor groups as well as politicians of advanced countries. These conditions have made it necessary for managers to take every step and decision very carefully.

## 1.4 The Challenges and Opportunities before Organizational Behaviour

5. The danger of terrorism: incidents of terrorism like those that occurred on 9/11 and 11/26 have had a great impact on the business world and changed the world.. Studies have found that managers have cut down on' their business travel due to fear of tenor attacks. security of the employees and reducing their fears of a-terror attack are important concerns of managers today. The real challenge for a manager is when he has to go to another country and work with people who have negative feelings and sentiments against the manager's country. For example, an American manager who has to work in Pakistan. OB's knowledge on issues such as emotions, motivation, leadership and appropriate leadership can help managers overcome this challenge.

Outsourcing of jobs has led to severe criticisms from labor groups as well as politicians of advanced countries. These conditions have made it necessary for managers to take every step and decision very carefully.

They need to strike a fine balance between the goals of the organization and their responsibilities to the community in which they work.

## 1.4 The Challenge Of Managing a Diversified Workforce

The employees of modern organizations are very different from those in the past. They come from diverse backgrounds. The concern of globalization is on differences between people from different countries whereas workforce diversity is concerned with differences among people from the same country.

The modern workforce is becoming increasingly diverse and heterogeneous. They differ from each other with regard to gender, age, education, race, talent/ability, ethnicity, sexual orientation, lifestyle and values.

## 1.6 There are three major demographic factors that will shape the Indian workforce

1. Gender: The percentage of women in the workforce has been increasingly rapidly all over the world. In India, it is predicted that by the year 2050, women will comprise 46% of the total workforce. This will lead to greater concern regarding issues such as child care, maternity leave, sexual harassment etc. Organizations face the challenge of ensuring that there is no discrimination in the hiring and employment practices due to gender. There should be equal opportunities for all.

2. Age: The Indian workforce will have a sharp rise in the number of employees who are in their thirties and forties (sometimes called as "thorties"). Handling a workforce in this age group will be a big challenge for managers as people in their thirties are at their peak with regard to earnings, savings and productivity. In contrast to India, the number of elderly people in the workplace has increased tremendously in other parts of the world. The US workforce is often described as an aging workforce. Organizations need to work out strategies to accommodate older workers.

# There are three major demographic factors that will shape the Indian workforce

3. Urbanization: It is also expected that by 2050 the proportion of people living in urban settings in India will sharply increase from the current 30% to 62% Urbanization brings its own share of problems. It leads to higher cost of living but lower standards of living, migrants living away from their families etc. This in turn creates other social issues and problems.

## 1.6 Some other challenges on account of workforce diversity are:

- (1) Race: The workplace of today has people from different races working together. In the US the percentage of Asians and Blacks in the workforce has increased tremendously. Organizations face the challenge of ensuring that there is no discrimination on account of race. There should be equal access and opportunities for all.
- (2) National origin: Many employees in an organization are immigrants who do not have a good command over the language of English or whose accents are very different. This can sometimes create problems when communication in the workplace is in English. There is a possibility of misunderstanding.
- (3) Disability: There is great pressure on organizations to show concern and care for people suffering from physical and mental disabilities. Managers need to develop strategies to make jobs available for the physically and mentally challenged.

## 1.6 Some other challenges on account of workforce diversity are:

4) Domestic partners: Homosexuality has been legalized in many parts of the world and live-in relationships have also become more common. Managers face the challenge of accommodating such couples who are asking for the same benefits and rights as traditionally married couples.

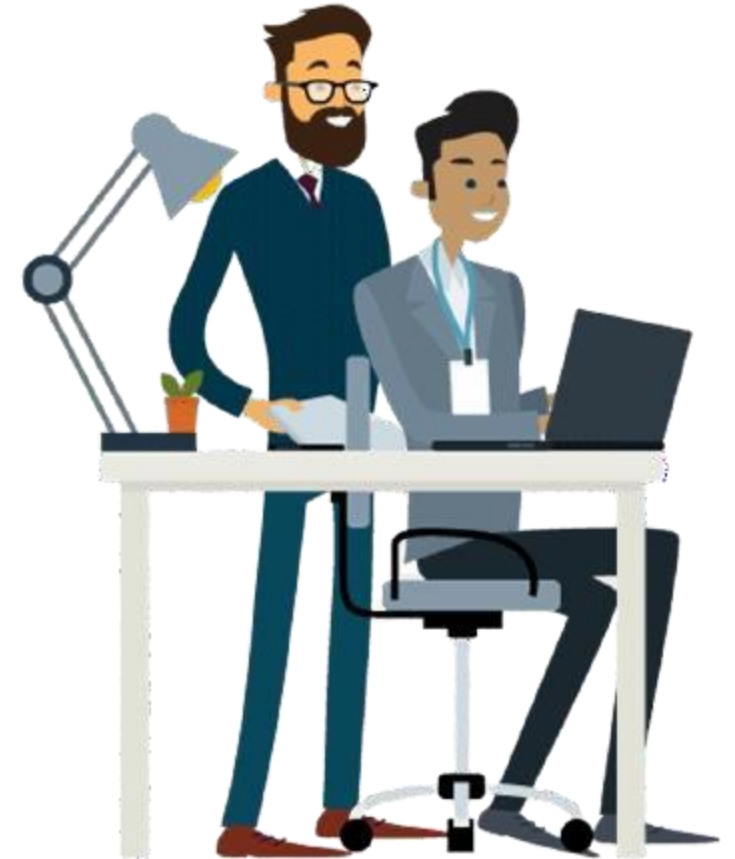
(5) Religion: The modern workplace has people from different religions working for them. Followers of Hinduism, Islam, Christianity, Buddhism, Sikhism and other different faiths are all found in the workplace. Organizations need to ensure that employees are not discriminated on account of their religious beliefs. Managers should develop sensitivity to the rituals, customs, dressing, festival days of employees of different religious backgrounds.



It must be remembered that workforce diversity is not always a disadvantage. If handled well it can lead to greater creativity and innovative in the organization. However, poor handling can result in high employee turnover as well as conflicts.

## ⑦ Exhibit 1.1: One workplace, different ways

The HR head was shocked. And the 22-year-old BPO staffer was agitated. It was the end of the month and the fresh recruit was upset with his first salary. “I don’t want PF — I want cash in hand,” he said. His take-home had been cut substantially due to PF deductions. “It is mandatory — think about social security,” the HR head said. The reply aggravated him. “I am 22. Do I care about my retirement? Social security – what’s that?” he retorted.



Two generations – different needs and very different demands. Raman Roy, 50, the BPO industry veteran, has lived through many such clashes in his professional life. This is just one of them in flashback. “Sometimes oldies would look at them and their preposterous demand – wide-eyed, mouth open,” says Roy.



Workplaces have always been multi-generational. And flashpoints have always existed. But what's new is that hyper economic growth, tech-revolution and globalisation — all of it compressed in a short span — have amplified the inter-generational differences in India.



From a closed economy, stifled by the Licence Raj and a socialist mindset, suddenly India and Indians today are in the middle of an outsourcing boom living a 24/7 life and chasing global dreams. As a result, workplace attitudes and norms have altered and mindsets have undergone a sea change overnight.

In a buoyant India, younger workers are a different breed — with an open mind and a global worldview. While on one hand their attitudes and aspirations are similar to their counterparts in countries like the US, the gap between them and the older generation here has widened, says Mercer (Asia) head Rajan Srikanth.



HR policies too are being tweaked around and made flexible. For example, the definition of long service has changed, says Philips India HR head Vineet Kaul. Earlier, it was 25 years of service — today workers are being rewarded for sticking around beyond 2-5 years. Definitions of work-hours, workstations, attendance has changed. From leaves to compensations, perks to office facilities, many companies like Quattrro are willing to customise policies to suit different employee segments. D Shivakumar, head of Nokia India, finds that his one-on-one interaction with 350 staff at least once every month has worked very well.



It's the old problem with the same old solution — constant communication and feedback. Just that with amplified differences, corporate India will have to pursue them more vigorously.



Managing and accommodating such a diverse and changing workforce is one of the biggest challenge that managers face today.

They need to recognize the difference; in their employees and develop suitable strategies for dealing with differences in lifestyles, family needs, Work styles etc. They can do so by:

1. Providing employees with diversity training
2. Modifying the welfare and benefits programs to satisfy the needs of the diverse workforce.



## 1.7 The challenge of coping with Temporariness

The deadly combination of rapid change, globalization • and advancing technology has had a profound impact on organizations. Not only organizations have to be fast and flexible to survive but they also have to deal with a climate of temporariness. Temporariness means that everything in the organization is transient or temporary; nothing is constant or permanent. Temporariness may be at the job level or at the organizational level.

Job Temporariness may take different forms:

1. In the past, employees would be assigned to a work group with whom they would work for days together. This gave the employees a sense of security and stability.

Unfortunately this is not the case today. Jobs are continuously redesigned to cope with changes in technology. The employee's job description and work group keeps on changing.



2. Employees are frequently rotated in different departments to meet the constantly changing work assignments.

3. Temporary workers are being appointed in place of permanent workers to save the long term costs of pensions.

4. Tasks are being done by flexible teams rather than individuals.



Organizations themselves are in a continuous state of flux. They are constantly transforming themselves in different ways such as:

- (1) Embarking on major capacity expansions.
- (2) Selling loss making divisions.
- (3) Engaging in mergers and acquisitions to consolidate their existing businesses.
- (4) Downsizing.
- (5) Outsourcing or subcontracting noncritical divisions.



## To cope with the climate of temporariness, employees need to:

1. Develop new skills and update their knowledge to cope with their new job descriptions and changes in technology.
2. Be flexible as they are moved from one work group to another and from one project to another project. They no longer have the comfort of working with the same people in the same place.
3. Learn to live with unpredictability and the insecurity of employment.



The challenge for managers is to cope with a climate that is highly unpredictable and temporary in nature. They also need to prepare their employees for the same. Managers and employees need to display great flexibility, tolerance and spontaneity to successfully handle the climate of temporariness.

Knowledge of OB equips managers to deal with temporariness by providing insights in to continual change, ways to overcome employee resistance and a 'ate an organizational culture that embraces change.

## ⑦ The Challenge of Striking Work-Life Balance

- People have both work and nonwork lives. Employees in the past worked 8 to 9 hours for 5 days in a week.
- This is no longer the case with modern workers.
- The line dividing work and nonwork hours has become blurred and has almost disappeared.
- Today a 24/7 job has become common resulting in employees experiencing high levels of stress and personal conflicts.



## Many factors have contributed to the blurring of the line between personal life and work life:

1. The emergence of the global organization has created a situation where organizations never sleep. At any point of time, its employees are working at some place somewhere in the world. Hence, people working in global firms have to be available 24 hours a day.
2. The advances in Communication technology allow employees to operate from virtually anywhere -home, restaurant, beach, airport, car etc. Thus employees are able to work for longer hours.
3. Organizations have become more demanding. They expect their employees to work harder and longer. Employees in the US today work 50 or more hours every week.
4. The number of dual-career couples has increased. Thus for a married couple, it is difficult to give adequate time to their family members and friends.

- Employees are becoming increasingly dissatisfied with their work-life imbalance. To correct this imbalance, employees are demanding greater flexibility in their jobs and work schedules.



- In fact for many employees a job offering greater work-life balance is preferable to a job with greater job security.

A study conducted in 2013 by Tata Institute of Social and The Key-Consumer Diagnostics to Sciences (1155) what young India thinks found that around 54% of youth will consider a job with less work time and more number of youth look for flexible timings while opting for a job. The new generation seeks "life-work" balance instead of "work-life" balance.

If organizations want to attract and retain talented and motivated employees then they must help their employees strike a balance between their work lives and personal lives. This is another challenge that modern managers face at work.



## 7 Exhibit 1.2: Helping Hand

**HELPING HAND**

### Available @workplace: Pharma, crèche, even path lab

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**NEW DELHI** Finding it difficult to perform day-to-day chores along with your hectic office hours? Don't worry, your employer is offering a helping hand.

To ensure productivity at work, firms such as Bharti Airtel, HCL Technologies, MTS mobiles, Intel, Accenture, KPMG, among others, are introducing facilities to take care of employees' personal daily chores.

From getting medicines and grocery to setting up



**ASHIMANYU**  
fresh fruit counters, ATM machines, and offering tughlai cuisine, companies are walking that extra mile to ensure employee comfort.

**HCL Technologies'**

Assisting HCLites Anytime! covers facilities such as crèches, medical emergency services, among others. "Such initiatives support systems that enable employees to balance both work and home) without compromising on either front," said Srinathi Shivashankar, associate vice president, diversity and sustainability, HCL Technologies.

Bharti Airtel has launched an in-house pharmacy with a pathological laboratory, which has already been used by over 60% of its employees within four months of the launch.

Along with an enriching career, employees prefer organisations that would help them in meeting their personal and professional commitments with ease," said Sanjay Sachdeva, chief supply chain officer, marriott operations, India and South Asia, Bharti Airtel.

Such services influence employees' willingness to perform better, human resource experts said. "The effort will improve employees' productivity," said Ruparna Chakraborty, senior vice-president, TeamLease, a staffing firm.

*Source: Hindustan Times, Mumbai, March 25, 2015.*

## 1.7 The challenge of coping with Temporariness

Creating a favorable and conducive work environment is another challenge that modern managers face. Managers have realized that putting additional pressures on the employees to cope with fierce competition will not work. Rather creation of a positive work environment will be more beneficial and advantageous in the long run.

Realizing this, OB researchers have started focusing more on positive organizational citizenship or positive organizational behaviour. Positive organizational citizenship suggests that:

1. Rather than focusing on what is wrong with organizations and employees, OB researchers should focus more on what is good in organizations.
2. Organizations should focus on human strengths and develop techniques to unlock employee potential. It should aim at increasing employee vitality and resilience. This can be done through a concept/techniques called 'reflected best-self'. As per this concept employers should ask employees to describe situations in which they were at their 'personal best' or exceptionally good. They should thus try to understand their employees' strengths and exploit it rather than focusing on the employee's weaknesses/limitations.

## Employees commit the biggest fraud in Indian companies

Current and former employees are the biggest perpetrators of fraud in Indian companies, followed by agents and intermediaries, according to a survey by US-based risk consulting firm Kroll Inc.

### FRAUD

Respondents affected in the past 12 months

68%

- Most common types of fraud
- Most common perpetrators
- Most common means of discovery

(in %)

|                                       | India | Global average |
|---------------------------------------|-------|----------------|
| ● Theft of physical assets or stock   | 28    | 29             |
| ● Management conflict of interest     | 27    | 21             |
| ● Junior employees of our own company | 61    | 39             |
| ● Agents and/or intermediaries        | 49    | 27             |
| ● By a whistle-blower at our company  | 66    | 44             |

### CYBER SECURITY

Respondents who experienced a cyber incident in the past 12 months

73%

- Most common types of cyber incident
- Most common perpetrators
- Most common target

(in %)

|                                                          | India | Global average |
|----------------------------------------------------------|-------|----------------|
| ● Data deletion or corruption by malware or system issue | 28    | 22             |
| ● Data deletion by malicious insider                     | 27    | 19             |
| ● Accidental placement of sensitive data*                | 25    | 10             |
| ● Employee records                                       | 59    | 40             |
| ● Trade secrets/R&D/IP                                   | 48    | 40             |

\*that was indexed by a search engine (eg, Google)

Source: Kroll

Source: Mint, Thursday, January 19, 2017.

## ⑦ The Challenge of Improving Ethical Behavior

- In the highly competitive business world, managers are under constant pressure to perform better and increase profits, which often results in managers cutting corners or breaking rules or engaging in unethical practices.
- Managers constantly face ethical dilemmas. Ethical dilemmas are “**situations in which individuals are required to define right and wrong conduct.**” (Robbins and Judge, 2013)



Some common ethical dilemmas employees encounter in the workplace are:

- (1) Whistle blowing - Doubts as to whether they should report or ignore illegal activities happening in the organization.
- (2) Politics - Whether they should play organization politics to advance their careers.
- (3) Manipulation - Whether they should give a positive report of a poorly performing subordinate in order to save the subordinate's job.

Employees experience ethical dilemmas when faced with such situations. This is because there is no clear cut definition of what is good ethical behavior. Besides till common excuse given for an unethical behavior is that "everyone does it" or "do not try to be a Raja Harish Chandra."

## Managers have responded to this problem with:

- (1) Code of ethics: Organizations have clearly written down what constitutes ethical or unethical behavior\_ These code of ethics are widely distributed among the employees so that they can resolve ethical dilemmas.
- (2) Seminars: Managers are conducting seminars. workshops, training programs to improve ethical behavior.
- (3) Protective mechanisms: Organizations have setup mechanisms where employees can report cases of unethical behavior anonymously. They can discuss these issues without having to reveal their identity.

- Inculcating ethical practices among employees and creating an organization with an ethical culture is a major challenge that managers face.



**THANK YOU!**