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BBA | Semester I | UK1MDCMGT101

Organisational Behaviour

Course Code: UK1MDCMGT101 • Module 3 Notes

Module 3: Group Dynamics, Teamwork and Leadership

1. Nature of Work Groups and Teams: Taxonomies and Comparative Architecture

In contemporary organizations, the fundamental unit of work execution shifted decisively from the isolated individual employee to collaborative work groups and high-performing cross-functional teams. A **Group** is defined as two or more interacting and interdependent individuals who come together to achieve particular organizational or personal objectives. Groups exist along dual operational classifications:

- **Formal Groups:** Designated work structures defined by the organization's official hierarchy, with clearly assigned operational tasks, reporting lines, and delegated authority. Sub-types include *Command Groups* (supervisors and their direct immediate subordinates specified on formal organization charts) and *Task Groups* (cross-functional committees and project taskforces assembled to complete a specific objective, dissolving upon completion).
- **Informal Groups:** Naturally occurring social alliances that emerge spontaneously across the work environment in response to the human psychological need for social contact, companionship, mutual security, and shared interests. Sub-types include *Interest Groups* (employees uniting to advocate for better cafeteria food or sports facilities) and *Friendship Groups* (individuals bonding over shared demographic, cultural, or recreational affinities).

Work Groups versus High-Performing Work Teams

While all teams are groups, not all groups develop into high-performing teams. Administrative science distinguishes sharply between traditional work groups and true teams:

Comparative Dimension	Traditional Work Group	High-Performing Work Team
Primary Leadership Mode	Single, clearly designated authority figure	Shared, rotating, and collaborative leadership
Nature of Accountability	Individual personal accountability only	Mutual collective and individual accountability
Synergy Generation	Neutral or sometimes negative synergy	Positive synergy (output exceeds sum of individual inputs)
Skill Composition	Random, variable, or overlapping skills	Complementary, cross-functional specialized skills
Performance Measurement	Sum of individual work contributions	Collective team work-products and outcomes

Comparative Dimension	Traditional Work Group	High-Performing Work Team
Operational Meetings	Efficient information-sharing and delegation	Open-ended problem-solving and consensus building

2. Bruce Tuckman's Five-Stage Model of Group Development

Work groups do not emerge as fully mature, highly productive units overnight. In 1965, educational psychologist Bruce Tuckman articulated a foundational developmental framework, subsequently expanded in 1977 to include five sequential developmental stages:

1. Forming (Orientation Stage)

Characterized by a high degree of uncertainty regarding the group's purpose, structure, authority hierarchy, and operational ground rules. Members test the waters to determine what behaviors are acceptable. Members are polite, guarded, and dependent upon formal leadership for guidance. The forming stage is complete when members begin to view themselves as part of the group.

2. Storming (Conflict and Confrontation Stage)

Characterized by intragroup conflict as members resist the constraints that the group imposes upon their individuality. Conflicts erupt over who will control the group, how tasks should be divided, and differing working styles. Subgroups and coalitions frequently form, challenging formal leadership. If managed poorly, groups can become permanently stalled in the storming stage; however, healthy resolution of storming clarifies roles and establishes realistic operational boundaries.

3. Norming (Cohesion and Structure Stage)

Characterized by the emergence of close interpersonal relationships, mutual trust, and strong group identity. Camaraderie and group cohesion solidify as members establish shared expectations, behavioral norms, and standard operating procedures. The group crystallizes its consensus on what constitutes acceptable work performance.

4. Performing (Synergy and Task Execution Stage)

The group's structural architecture and emotional energy shift from getting to know each other to performing the task at hand. Members operate collaboratively with high synergy, mutual respect, flexible role execution, and autonomous problem-solving. In permanent work units, performing represents the final operational stage of maturity.

5. Adjourning (Termination and Transition Stage)

Applicable to temporary project taskforces, cross-functional ad-hoc committees, and special assignment teams. The focus shifts from high task performance to wrapping up activities, documenting final deliverables, and disbanding. Members experience mixed emotional reactions—celebrating accomplishment while mourning the loss of camaraderie.

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3. Core Group Properties: Norms, Roles, Status, Size, and Cohesiveness

Every work group develops an internal social structure governed by five foundational properties:

Group Norms and the Power of Conformity

Norms are acceptable standards of behavior within a group that are shared and enforced by its members. Norms dictate performance output levels, dress codes, punctuality, and resource allocation. Solomon Asch's landmark conformity experiments demonstrated that individuals experience intense psychological pressure to conform to group consensus, frequently agreeing with obviously incorrect judgments made by a unanimous majority to avoid social ostracism.

Group Roles and Role Conflict

A role represents a set of expected behavior patterns attributed to someone occupying a given position in a social unit. In work environments, role dynamics include: **Role Identity** (attitudes and behaviors consistent with a role); **Role Perception** (an individual's view of how they are supposed to act); **Role Expectation** (how others believe one should act in a given context); and **Role Conflict** (a situation in which an individual is confronted by divergent, mutually incompatible role expectations, such as a supervisor having to discipline a personal friend).

Status Hierarchies and Status Inequity

Status refers to a socially defined position or rank given to groups or group members by others. Status differences arise from an individual's formal organizational power, personal capability, or social attractiveness. Status incongruence—such as a junior technician being assigned the largest corner office—creates acute organizational friction and resentment among senior colleagues.

Group Size and the Social Loafing Dilemma

Group size significantly impacts performance. Smaller groups (5 to 7 members) are faster at executing tasks, exhibit higher individual accountability, and facilitate open communication. Larger groups (12 or more members) are superior for gathering diverse facts, brainstorming innovative ideas, and complex problem-solving. However, larger groups suffer from **Social Loafing** (the Ringelmann Effect)—the tendency for individuals to expend less effort when working collectively in a group than when working individually. Social loafing is mitigated by establishing individual accountability, measuring individual inputs, and tying team rewards to verifiable individual contributions.

Group Cohesiveness and Productivity Dynamics

Cohesiveness refers to the degree to which members are attracted to each other and motivated to stay in the group. The relationship between cohesiveness and productivity is moderated by the group's **Performance Norms**:

- High Cohesiveness + High Performance Norms → **Highest Productivity**.
- High Cohesiveness + Low Performance Norms → **Lowest Productivity** (the group unites to restrict output).
- Low Cohesiveness + High Performance Norms → Moderate Productivity.

- Low Cohesiveness + Low Performance Norms → Moderate to Low Productivity.

4. Group Decision-Making Techniques and Pathologies

Group decision-making pools diverse knowledge, generates more comprehensive alternatives, increases solution acceptance, and bolsters democratic legitimacy. However, groups are slower, consume immense executive time, are vulnerable to dominant vocal personalities, and suffer from ambiguous responsibility.

Group Decision-Making Pedagogies

To overcome unstructured meeting paralysis, organizations deploy four structured decision methodologies:

- **Brainstorming:** Formulated by Alex Osborn, an idea-generation process that explicitly encourages freewheeling creative thinking while strictly prohibiting criticism or evaluation during the initial ideation phase, maximizing the quantity of ideas.
- **Nominal Group Technique (NGT):** A structured group meeting method that restricts verbal discussion during the decision-making process. Members independently write down their ideas silently; each member presents one idea to the group for recording on a flipchart; ideas are discussed for clarification; finally, members silently and independently rank the ideas using secret ballots, choosing the highest aggregate ranked alternative.
- **The Delphi Technique:** A decision-making framework designed to reach expert consensus without physical co-presence. Independent experts complete anonymous questionnaires across multiple iterative rounds. A central coordinator summarizes responses and provides feedback, allowing experts to refine their estimates until mathematical consensus emerges, completely eliminating dominant personality intimidation.
- **Electronic Meetings / Collaborative Decision Support:** Utilizing digital platforms where members enter anonymous proposals and vote simultaneously via digital scorecards.

Group Pathologies: Groupthink and Groupshift (Polarisation)

Cohesive groups are vulnerable to severe cognitive distortions that produce catastrophic decision failures:

1. Groupthink: Formulated by social psychologist Irving Janis, Groupthink represents a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, where members' strivings for unanimity override their motivation to realistically appraise alternative courses of action. Classic historical disasters attributed to Groupthink include the Bay of Pigs invasion and the Space Shuttle Challenger launch disaster. Janis identified eight primary symptoms of Groupthink:

- **Illusion of Invulnerability:** Excessive collective optimism encouraging extreme risk-taking.
- **Collective Rationalization:** Disregarding warnings and refusing to reconsider basic assumptions.
- **Belief in Inherent Morality:** Assuming the group's ethical purity, ignoring moral consequences.

- **Stereotyped Views of Out-Groups:** Viewing adversaries as too evil, weak, or stupid to bargain with.
- **Direct Pressure on Dissenters:** Coercing any member who expresses doubts regarding group orthodoxy.
- **Self-Censorship:** Members withholding their own misgivings and counterarguments.
- **Illusion of Unanimity:** Assuming silence indicates consent.
- **Self-Appointed Mindguards:** Members protecting leadership from contradictory information.

Preventing Groupthink requires appointing a formal Devil's Advocate, inviting outside independent experts, encouraging open debate, and holding second-chance reconsideration meetings.

2. Groupshift (Group Polarisation): A phenomenon where group discussion causes members to shift toward a more extreme position in the direction of their initial predisposition. Cautious groups become excessively conservative; risk-tolerant groups take reckless, radical gambles due to diffusion of personal responsibility.

5. Organizational Citizenship Behaviour (OCB) and Workplace Altruism

Dennis Organ defined Organizational Citizenship Behaviour (OCB) as individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization. Organ identified five foundational dimensions of OCB:

- **Altruism:** Voluntarily helping specific colleagues with work-related problems (e.g., assisting an overloaded peer, helping orient a new recruit).
- **Conscientiousness:** Going well beyond minimum required role expectations in punctuality, housekeeping, attending meetings, and conserving company resources.
- **Civic Virtue:** Responsible, active participation in the political life of the organization (e.g., attending voluntary town halls, keeping updated on corporate news).
- **Sportsmanship:** Exhibiting a positive attitude and willingness to tolerate inevitable workplace inconveniences without petty complaining or grievance filing.
- **Courtesy:** Proactive, polite behaviors aimed at preventing interpersonal friction (e.g., consulting colleagues before taking actions that affect their workflows).

6. Classical Leadership Theories: Trait, Behavioural, and Contingency Models

Leadership represents the interpersonal influence process of directing, guiding, and inspiring human groups toward achieving shared organizational missions. The academic study of leadership evolved across multiple foundational theoretical paradigms:

Trait Theories of Leadership (The "Great Man" Paradigm)

Early twentieth-century research assumed that leaders are born, not made, possessing innate physical, intellectual, and personality traits. While early trait research failed to isolate universal leadership

traits, contemporary integration with the Big Five personality model proves that effective leaders consistently exhibit high Extraversion, Conscientiousness, Openness to Experience, and high Emotional Intelligence.

Behavioural Theories: Ohio State, Michigan, and the Managerial Grid

In the late 1940s and 1950s, researchers shifted their focus from what leaders *are* (traits) to what leaders *do* (behaviors), establishing that leadership can be taught:

- **Ohio State Leadership Studies:** Isolated two independent behavioral dimensions: *Initiating Structure* (task-oriented behavior organizing work, defining roles, and establishing clear deadlines) and *Consideration* (relationship-oriented behavior establishing mutual trust, respect, and warmth for subordinates' ideas).
- **University of Michigan Studies:** Identified two contrasting styles: *Production-Oriented Leadership* (emphasizing technical task execution) and *Employee-Oriented Leadership* (emphasizing interpersonal relationships and personal employee needs, producing higher satisfaction and productivity).
- **Blake and Mouton's Managerial Grid:** Mapped leadership across a 9x9 grid along dual axes: Concern for Production (horizontal) and Concern for People (vertical). Five cardinal styles emerged: (1,1) Impoverished Management (exerting minimum effort); (9,1) Authority-Compliance Management (maximizing production while ignoring people); (1,9) Country Club Management (maximizing friendly harmony while neglecting production); (5,5) Middle-of-the-Road Management (adequate balance); and **(9,9) Team Management** (the ideal style achieving high production through committed, empowered people).

Contingency Theories: Fiedler, Hersey-Blanchard, and Path-Goal

Recognizing that no single leadership style is universally effective, contingency theorists incorporated situational context:

- **Fred Fiedler's Contingency Model:** Leadership effectiveness depends upon matching a leader's fixed style (measured via the Least Preferred Co-worker - LPC scale: High LPC = Relationship-oriented; Low LPC = Task-oriented) with Situational Favorableness, determined by Leader-Member Relations, Task Structure, and Leader Position Power. Low-LPC task leaders excel in extremely favorable or extremely unfavorable situations; High-LPC relationship leaders excel in moderately favorable situations.
- **Hersey and Blanchard's Situational Leadership Theory (SLT):** Leaders must adapt their style to the *Readiness / Maturity* of their followers (combining task competence and psychological willingness):
  - R1 (Low Competence, Low Willingness) → **Telling / Directing Style (S1)**: High task, low relationship.
  - R2 (Low Competence, High Willingness) → **Selling / Coaching Style (S2)**: High task, high relationship.
  - R3 (High Competence, Low Willingness) → **Participating / Supporting Style (S3)**: Low task, high relationship.

    - R4 (High Competence, High Willingness) → **Delegating Style (S4)**: Low task, low relationship.

- **Robert House's Path-Goal Theory:** Grounded in Vroom's expectancy theory, the leader's job is to assist followers in attaining their goals and provide necessary direction and support to ensure their goals are compatible with organizational objectives. House identified four leadership behaviors: Directive, Supportive, Participative, and Achievement-Oriented leadership.

7. Contemporary Leadership Models: Transformational, Charismatic, and Servant Leadership

In modern volatile environments, organizations require visionary leadership architectures that inspire profound human commitment:

Transactional versus Transformational Leadership

Bernard Bass expanded James MacGregor Burns' political leadership model into corporate governance:

- **Transactional Leadership:** Guides followers toward established goals by clarifying role requirements and task responsibilities, deploying *Contingent Reward* (exchanging rewards for effort) and *Management by Exception* (active monitoring for deviations, or passive intervention only when standards are breached). Transactional leadership maintains stability but does not inspire breakthrough innovation.
- **Transformational Leadership:** Inspires followers to transcend their own self-interests for the good of the organization, achieving extraordinary performance through the **Four Is**:
    - **Idealized Influence (Charisma):** Serving as a role model of high ethical integrity, earning deep trust and respect.
    - **Inspirational Motivation:** Articulating an appealing, evocative strategic vision that inspires optimism and collective purpose.
    - **Intellectual Stimulation:** Challenging old assumptions, encouraging innovation, and fostering creative problem-solving without fear of criticism.
    - **Individualized Consideration:** Acting as a personalized coach and mentor, attending to each follower's individual developmental needs.

Robert Greenleaf's Servant Leadership

Servant Leadership inverts traditional corporate hierarchies by asserting that the leader's primary moral obligation is to serve followers. Servant leaders prioritize the growth and well-being of people and the communities to which they belong. Characteristics include deep listening, empathy, healing, self-awareness, persuasion rather than coercion, conceptualization, stewardship, and dedicated commitment to the growth of employees.

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8. Charismatic, Authentic, and Cross-Cultural Leadership Perspectives

In addition to transactional and transformational models, contemporary administrative science investigates specialized leadership paradigms that shape organizational commitment:

Charismatic Leadership and the Attribution Process

Originating from Max Weber's sociological classification of authority, charismatic leadership describes an interpersonal dynamic where followers attribute heroic or extraordinary leadership abilities when they observe certain behaviors. Modern theory (formulated by Robert House and Jay Conger) articulates four core characteristics of charismatic leaders:

- **Vision and Articulation:** Formulating an idealized future vision that proposes a future substantially better than the status quo, articulating it in terms that resonate with followers' deepest hopes.
- **Personal Risk:** Willingness to incur high personal risk, incur substantial financial costs, and engage in self-sacrifice to achieve the articulated vision.
- **Sensitivity to Follower Needs:** Perceptive understanding of others' abilities and responsive adaptation to their psychological needs and emotional distress.
- **Unconventional Behavior:** Engaging in novel, counter-normative behaviors that challenge established institutional orthodoxies and demonstrate passionate conviction.

Crucially, behavioural scientists distinguish between *Socialized Charismatic Leadership* (altruistic, empowering followers, institutionalizing governance) and the *Dark Side of Charismatic Leadership* (narcissistic ego-inflation, personal loyalty cults, silencing dissent, leading enterprises into catastrophic financial ruin).

Leader-Member Exchange (LMX) Theory

Formulated by George Graen, Leader-Member Exchange (LMX) theory challenges the traditional assumption that leaders treat all subordinates uniformly. Instead, LMX posits that leaders establish distinct dyadic relationships with different followers, creating two structural groups:

- **The In-Group:** Subordinates who establish high trust, mutual respect, and interpersonal compatibility with the leader. In-group members receive privileged information, high developmental coaching, assignment to prime strategic projects, and greater latitude. In exchange, they invest high discretionary effort and loyalty.
- **The Out-Group:** Subordinates who maintain formal, transactional relationships governed strictly by employment contracts. Out-group members receive routine assignments, standard compensation, and minimal executive interaction, exhibiting lower job satisfaction and higher turnover.

Authentic and Ethical Leadership

In an era shaken by corporate financial scandals and executive fraud, organizational scholars prioritize **Authentic Leadership**. Authentic leaders are self-aware individuals who understand their core values, exhibit transparent relationship management, process information objectively, and act upon

their moral convictions consistently. Relatedly, **Ethical Leadership** requires executives to operate both as a *Moral Person* (exhibiting personal honesty, fairness, and trustworthiness) and as a *Moral Manager* (proactively communicating ethical standards, rewarding whistleblowers, and disciplining infractions without favoritism).

Cross-Cultural Leadership: The GLOBE Framework

The Global Leadership and Organizational Behavior Effectiveness (GLOBE) research project, surveying over 17,000 managers across 62 global societies, examined how cultural differences moderate leadership expectations. The GLOBE study confirmed that while certain leadership attributes are universally endorsed (e.g., visionary planning, trustworthiness, communicative clarity, integrity), other attributes are culturally contingent—such as participative decision-making (deeply valued in Scandinavian and Anglo cultures, but viewed as managerial weakness or indecisiveness in authoritarian high-power-distance societies).

9. Team Architecture and Followership Dynamics

To maximize collective effectiveness, modern enterprises structure diverse team topologies and develop proactive followership capabilities:

Team Typologies: Self-Managed, Cross-Functional, and Virtual Teams

Workplace teams are structured according to specific operational mandates:

- **Self-Managed Work Teams (SMWTs):** Formal groups of employees who operate with substantial autonomy, taking collective responsibility for an entire operational workflow. Members schedule work shifts, assign tasks among themselves, manage inventory, coordinate with suppliers, and conduct peer performance evaluations, eliminating traditional supervisory overheads.
- **Cross-Functional Teams:** Groups composed of employees from roughly the same hierarchical level but from diverse functional departments (e.g., engineering, marketing, supply chain, finance, and quality assurance). Cross-functional teams are indispensable for accelerated new product development and complex enterprise problem-solving, breaking down departmental silos.
- **Virtual Teams:** Teams that utilize collaborative enterprise software, videoconferencing, and asynchronous digital channels to link physically dispersed members across different cities, nations, and time zones. Managing virtual teams requires building intentional trust, establishing structured communication protocols, and ensuring equitable contribution.
- **Belbin's Team Roles Model:** Management theorist Meredith Belbin demonstrated that balanced teams require nine distinct behavioral roles across three categories: Action-Oriented Roles (Shaper, Implementer, Completer Finisher); People-Oriented Roles (Coordinator, Teamworker, Resource Investigator); and Thought-Oriented Roles (Plant, Monitor Evaluator, Specialist).

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Robert Kelley's Followership Typology

Leadership does not exist in a vacuum; effective leadership depends upon competent, proactive followership. Organizational theorist Robert Kelley classified followers along two behavioral axes: *Critical Thinking* (independent vs dependent) and *Engagement* (active vs passive), yielding five distinct followership styles:

- **Exemplary (Effective) Followers:** Independent, critical thinkers who are actively engaged. They challenge leaders constructively, offer creative solutions, take initiative, and demonstrate passionate commitment to enterprise goals.
- **Alienated Followers:** Highly independent and critical thinkers who are psychologically disengaged and passive. Often former exemplary followers who experienced disillusionment, they exhibit cynicism, skepticism, and constant criticism without offering constructive alternatives.
- **Conformist Followers (Yes-People):** Highly active and energetic, but completely uncritical and dependent upon leadership for direction. They obey orders unquestioningly, avoiding constructive dissent and reinforcing dangerous Groupthink.
- **Passive Followers (Sheep):** Passive in behavior and uncritical in thinking. They do only what they are explicitly told and require constant supervisory prodding.
- **Pragmatic Survivors:** Chameleonic followers who maintain a middle-of-the-road posture, adjusting their behavior to survive organizational politics and whichever leadership faction holds power.

Trust Dynamics and Interpersonal Trust Building

Trust serves as the fundamental lubricating oil that makes team collaboration and organizational leadership possible. Behavioural scholars identify three hierarchical stages of organizational trust:

- **Calculus-Based (Deterrence-Based) Trust:** The most basic, fragile form of trust, grounded in fear of punishment or legal contractual sanctions if promises are breached. Common in early-stage commercial transactions.
- **Knowledge-Based Trust:** Grounded in behavioral predictability developed through sustained history and repeated interactions. A manager trusts an employee because they possess reliable knowledge of their competence, working habits, and past delivery dependability.
- **Identification-Based Trust:** The deepest, most resilient form of trust, operating when members completely understand, internalize, and appreciate each other's desires and values. Team members act as advocates for one another, and collective synergy reaches its peak.

When trust is violated through managerial deceit or perceived betrayal, organizational performance plummets. Repairing damaged trust requires four structural steps: immediate acknowledgement of the breach, sincere apology accepting personal responsibility, concrete restitution to affected parties, and establishing verifiable behavioral safeguards to prevent recurrence.

Through the cohesive integration of high-performing team dynamics, structured group decision-making, organizational citizenship behaviors, and transformational leadership practices, modern

enterprises cultivate collaborative workplace cultures capable of navigating complexity and sustaining competitive excellence.

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