Business Communication and Soft Skills

Managing People

Business Communication & Soft Skills

Block

5
MANAGING PEOPLE

Editorial Team

Prof. R. Prasad
IFHE (Deemed-to-be-University), Hyderabad

Dr. P. V. L. Ramana
IFHE (Deemed-to-be-University), Hyderabad

Prof. Radhamohan
IFHE (Deemed-to-be-University), Hyderabad

Dr. Vijaya Chandra Kumar Chambravalli
IFHE (Deemed-to-be-University), Hyderabad

Prof. Showry
IFHE (Deemed-to-be-University), Hyderabad

Prof. Asha Binu Raj
IFHE (Deemed-to-be-University), Hyderabad

Content Development Team

Prof. Asha Binu Raj
IFHE (Deemed-to-be-University), Hyderabad

Dr. P. V. L. Ramana
IFHE (Deemed-to-be-University), Hyderabad

Prof. K. Veena
IFHE (Deemed-to-be-University), Hyderabad

Prof. M. Sitamma
IFHE (Deemed-to-be-University), Hyderabad

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Ms. Jayashree Murthy

Mr. Chandrasekhar

IFHE (Deemed-to-be-University), Hyderabad

IFHE (Deemed-to-be-University), Hyderabad

Mr. Prasad Sistla

IFHE (Deemed-to-be-University), Hyderabad

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Our E-mail id: cwfeedback@icfaiuniversity.in

Center for Distance and Online Education (CDOE)
The ICFAI Foundation for Higher Education

(Deemed-to-be-University Under Section 3 of UGC Act, 1956)

Donthanapally, Shankarapalli Road, Hyderabad- 501203.

BLOCK 5:   MANAGING PEOPLE

The fifth block on the course of Business Communication & Soft Skills deals with managing people and the non-quantifiable factors in management. The first unit is about the need for Emotional Intelligence in management, the second unit is about the role Interpersonal skills play in management. The third unit discusses leadership and change management skills and the fourth unit stresses on the importance of multi-cultural communication skills.

The twenty sixth unit, *Emotional Intelligence in Management,* discusses the need for emotional intelligence in the workplace. Emotional Intelligence (EI) is the capacity for recognizing our own feelings and those of others, for motivating the self and for managing emotions in internal and external relationships. This unit discusses the nature and evolution of Emotional Intelligence, the components of EI and the impact that emotions have at the workplace. It explains the various applications of EI at the workplace, and the role of EI in Indian organisations. It also shows the methods of improving EI.

The twenty seventh unit, *Interpersonal Skills* analyses the role of interpersonal skills in a management scenario. Interpersonal skills are related to the ability to understand and manage one's own feelings, actions and motivations, and those of others in social contacts. This unit explains the interpersonal competencies that are essential for managers, such as self-awareness, control, motivation, acknowledging interests of subordinates and communication skills. It discusses how interpersonal skills can be developed. This unit also explains the concept of transactional analysis and the various types of transactions that take place between individuals.

The twenty eighth unit, *Leadership and Change Management Skills* deals with leadership and change management skills of a manager and their importance. Leadership is the act of influencing the behaviour of others so that they perform the functions of the organisation. This unit explains how leadership skills can be developed and the various types of skills required for becoming a successful leader. It also discusses change and crisis management skills.

The twenty ninth unit, *Multi-Cultural Communication Skills* is about how a manager needs to develop multi-cultural communication skills to be able to cater to a varied work force. The culture of an individual has an impact on the way he/she will behave in certain situations. This unit gives an overview of different cultures, and explains the need for multi-cultural communication. It also explains the need to be sensitive while dealing with other cultures and the common mistakes committed in cross cultural communication.

Unit 26

Emotional Intelligence in Management

Structure

26.1   Introduction

The previous unit discussed the role of creativity in organisations. It analyzed the various methods of enhancing and developing creativity, and how it helps to bring new perspective in an organisation. This unit is on Emotional Intelligence.

Emotional Intelligence (EI) is the capacity for recognizing our own feelings and those of others, for motivating the self and for managing emotions in internal and external relationships. EI finds several applications at the work place, especially between peers and subordinates. A person with a high EI is better able to manage his/her relations with others at the work place. The two major components of EI are personal competence and social competence.

This unit will discuss the nature and evolution of Emotional Intelligence, the components of EI and the impact that emotions have at the workplace. It explains the various applications of EI at the workplace, and the role of EI in Indian organisations. It also shows the methods of improving EI.

26.2   Objectives

After studying this unit, you will be able to:

- Discuss the concept of Emotional Intelligence to assess the feelings of oneself and that of others

- Explain how to manage and apply emotions at the workplace to know EI influences the behavior of employees and organizational culture

- Demonstrate how to improve EI for developing personal and social competence

- Show how EI training can help organizations for managing and motivating emotions in oneself and in one's relationships

26.3   The Nature of Emotional Intelligence

Emotions can be defined as "a feeling and its distinctive thoughts, psychological and biological states, and range of propensities to act." The word 'emotions' come from the Latin word *motere* which means 'to move.' All emotions induce a desire to act. There are basically two types of emotions – primary and secondary. What a person feels at first is primary emotion and primary emotion leads to secondary emotion. For example, if anger is a secondary emotion then the primary emotion is what a person feels just before getting angry, which could be a feeling of being assaulted, insulted, or forced.

26.4   Evolution of Emotional Intelligence

In 1983, a Harvard psychologist, Howard Gardner, proposed a model named 'multiple intelligence.' This model explained seven kinds of intelligence in which two skills – social adeptness and knowing one's inner world – were related more to emotions than to intelligence. This model was a major step in the study of the differences between emotional and intellectual capabilities of human beings.

The phrase "emotional intelligence" was coined by Dr. Peter Salovey (Salovey) of Yale University and Dr. John Mayer (Mayer) of the University of New Hampshire in 1990. Salovey and Mayer identified four abilities and skills required for emotional intelligence and called them the four branches of emotional intelligence. They were:

- The ability to recognize emotions

- The ability to use emotion to assist the thought process

- The ability to be aware of emotions

- The ability to manage emotions

These four abilities formed the four branch model of emotional intelligence. The first branch involves the ability to understand emotions from the facial expressions and postures of a person. The second branch involves the ability to use emotions to assist the thought process. The third branch relates to the ability to be aware of emotions and understand their likely development in due course and their outcomes. The fourth branch relates to the ability of an individual to manage emotions. A test called the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) was formulated for assessing the four abilities described in the model of Mayer and Salovey.

Emotional intelligence helps people to identify and manage one's own emotions, as well as the emotions of others around them. Emotional intelligence expects three skills in employees - emotional awareness, or the ability to identify and understand one's own emotions; the ability to incorporate those emotions and apply them to tasks at workplace, like decision making and problem solving; and the ability to manage emotions, which includes both regulating and controlling one's own emotions when necessary and helping others to do the same.

The concept of emotional intelligence is sometimes referred to as emotional quotient or EQ. It has gained wide acceptance in recent years, and have many applications at workplace. Some employers today have incorporated emotional intelligence tests into their recruitment and interview processes. There are many EQ tests conducted by employers to assess the emotional intelligence level of candidates who are interviewed.

In 1995, with the publication of the book *Emotional Intelligence, Why It Can Matter More Than IQ* by Daniel Goleman (Goleman), the concept of Emotional Intelligence received worldwide attention. Goleman's theory of emotional intelligence has more applications in the workplace as it helps to envisage and develop the characteristic features that distinguish outstanding performers from others at any level of a job.

Exhibit 26.1 analyses the three rule in communication in relation to Steve Jobs emotional intelligence.

Exhibit 26.1: Rule of Three Applied by Steve Jobs

In his book, *Improving Emotional Intelligence 2021*, Bill Murphy Jr. illustrates the story of Steve jobs' story of emotional intelligence in the name of Three rules of Jobs.. Steve Jobs is known for introducing three major breakthroughs- Macintosh, iPod and iPhone at Apple. People have an incorrect understanding of emotional intelligence.

What is Emotional intelligence?

This also Jobs explains in three ways:

- It's not about simply being nice to people, or connecting with them on an emotional level.

Contd. ....

> - Emotional intelligence is not purely about empathy.
>
> - In fact, emotional intelligence is developing awareness on how emotions affect one's own communication and leveraging human emotions to make one's views clearer, relatable, and persuasive.
>
> While addressing Stanford students, Jobs presents three stories. In fact they were eight stories, organized in three themes that include his adoptive parents, dropping out of college, studying calligraphy, getting fired from Apple, rebounding with NeXT and Pixar, considering death as a child, his cancer diagnosis, and finally, the *Whole Earth Catalog*.
>
> Jobs strong view was that it is not enough to have smart and good and clever ideas but what matters more than what you have to say is what the people you're talking with will actually hear.

Source: https://www.inc.com/bill-murphy-jr/how-emotionally-intelligent-minds-like-steve-jobs-use-rule-of-3-to-become-exceptionally-persuasive.html?cid=sf01002 OCT 2, 2021

Characteristics of Emotional Intelligence

In his book titled "Emotional Intelligence - Why It Can Matter More Than IQ" 1995, Daniel Goleman , an American psychologist, developed an emotional intelligence framework consisting of five elements that define emotional intelligence:

1. **Self-Awareness** – People with high emotional intelligence are usually very self-aware . They know their strengths and weaknesses. They understand their emotions, and because of this, they don't let their feelings take control while interacting with others. They're confident – because they can control their emotions don't let their emotions get out of control. They work on the areas of their weaknesses, so they can perform better. This self-awareness is the most important part of emotional intelligence.

2. **Self-Regulation** – it refers to one's ability to control their emotions and impulses. People who self-regulate typically don't allow themselves to express their emotions easily by becoming too angry or sad or jealous. They don't make impulsive, careless decisions. They think carefully and analyse the facts before they act.   Characteristics of self-regulation are thoughtfulness, and ability to control emotions.

3. **Motivation** – People with a high degree of emotional intelligence are usually motivated . Being motivated help them to be more productive, accept challenges, and are very effective in whatever they do.

4. **Empathy** – This is perhaps the second-most important element of emotional intelligence. It helps one to identify with and understand the wants, needs, and viewpoints of other people around us. Such people who are good in empathizing are good at recognizing the feelings of others. As a result,

empathetic people are usually excellent at managing relationships , are effective listeners, and can better relate with others

5. **Social Skills** – People with good social skills, are always liked and well accepted by others. It is another sign of high emotional intelligence. Those with strong social skills are typically good in interpersonal relationships and are good team players. They can manage disputes and conflicts, are excellent communicators, and are good in building and maintaining relationships.

Check Your Progress - 1

1. The word 'emotion' comes from the Latin word motere which means _____.
   a. To move
   b. To progress
   c. To motivate
   d. To cause
   e. To assess

2. _____ is defined as a feeling and its distinctive thoughts, psychological and biological states, and range of propensities to act.
   a. Disgust
   b. Emotion
   c. Persuasion
   d. Motivation
   e. Intelligence

3. Who proposed the 'multiple intelligence' model which describes seven kinds of intelligence?
   a. Daniel Goleman
   b. Dr. Peter Salovey
   c. Dr. John Mayer
   d. Howard Gardner
   e. David R. Caruso

4. Who identified the four abilities and skills required for emotional intelligence and called them the four branches of emotional intelligence?
   a. Howard Gardner
   b. Peter Salovey and John Mayer
   c. David R. Caruso
   d. Daniel Goleman

    e.   Dr. John Mayer

5.   Which of the following is not a branch of emotional intelligence as identified by Salovey and Mayer?

    a.   The ability to recognize emotions

    b.   The ability to use emotions to assist the thought process

    c.   The ability to be aware of emotions

    d.   The ability to manage emotions

    e.   The ability to mismanage emotions

6.   The fourth branch in the four branch model of emotional intelligence is the ability to _____.

    a.   Recognize emotions

    b.   Manage emotions

    c.   Be aware of emotions

    d.   Understand the emotions of others

    e.   Assist the thought process

26.5 Components of Emotional Intelligence

Emotional intelligence is the 'capacity for recognizing our own feelings and those of others, motivating ourselves, and managing emotions well, in ourselves and in our relationships.' Thus, emotional intelligence has two major components – personal competence and social competence.

Personal competence refers to awareness of the self and management of the self. Awareness of the self relates to knowledge of one's feelings, emotions, etc. Management of the self relates to being able to adapt to changing situations.

Social competence includes social awareness, i.e. the capacity to understand the feelings of others, and the management of relationships, i.e. the ability to work effectively with others. Components of EI.

Components of Emotional Intelligence

The two components of emotional intelligence – personal competence and social competence are explained here:

1. **Personal Competence**

    • **Awareness of the Self (identification)**

        Awareness of emotions and awareness of the impact of emotions. Self-assessment: awareness of own strengths and weaknesses. Self-confidence

    • **Management of the Self (regulation)**

        Self-control Adaptability to changing situations Reliability, Truthfulness, and Dependability Meticulousness Orientation toward achievement and growth Optimism, Willingness to take the initiative.

2. **Social Competence**

   - **Social Awareness (identification)**

     Appreciation of the strengths and weaknesses of others (Empathy). Awareness about the organization. Orientation toward service.

   - **Management of Relationships (regulation)**

     Conflict management skills influence communication skills catalyst for change relationships building skills Ability to work in teams helping others improve leadership skills.

Check Your Progress - 2

7. The capacity for 'recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships' is known as _____.

   a. Intelligence
   b. Intelligence quotient
   c. Emotional intelligence
   d. Emotional quotient
   e. Emotional management

26.6 Analyzing the Impact of Emotions at the Workplace

Emotions pervade all levels of the organization and they play an important role in organizational excellence. Emotions commonly found in organizations can be classified into positive and negative emotions. Both kinds of emotions influence the behavior of employees and also the organizational culture. Emotions also differ among individuals based on racial characteristics, gender, etc.

26.6.1 Negative Emotions at Workplace

Emotions that are unhelpful to the attainment of organizational objectives are negative emotions. Such emotions are unavoidable in organizations. Managers have to identify the causes and results of negative emotions that exist at the workplace. The roots of many problems that occur in organizations like absenteeism, high employee turnover, and decrease in productivity can be traced to negative emotions at the workplace. Negative emotions, if left unchecked, could cause serious problems to the organization so they have to be sorted out before they become toxic. Toxic emotion is the pain that causes people to lose their self-esteem and disengage themselves from work.

Some indicators of negative emotions at the workplace are given here.

- Inadequate team effort
- Poor working conditions

- Employees unsuitable for the job
- Constant fear of change
- Repeated changes in organizational structure
- Very high or low levels of stress
- Lack of trust in top management decisions
- Lack of job security, lack of appreciation for good work, etc.
- Inter departmental conflicts
- Poor career growth opportunities
- Poor supervision

Consequences of negative emotions at workplace

If the negative emotions that exist in the organization are not recognized and proper corrective actions not taken, they may become toxic, affecting the proper functioning of the organization. Some of the outcomes of negative emotions in an organization are absenteeism, high employee turnover, decreased motivation, reduced quality in performance, and an increasing number of conflicts.

Managers should identify if any negative emotions exist in the organization. They have to become active listeners in the organization and also show compassion for those who have problems. The mental health of employees should be given due consideration as they may face problems related to office politics, low morale, and so on. This will help to ensure effective functioning of the organization.

26.6.2 Positive Emotions at Workplace

Emotions that are conducive to the performance of employees in the organization are positive emotions. Managers have to ensure that such emotions continue to exist in the organization. Positive emotions at the workplace help to increase productivity as the presence of such emotions boost the morale of the employees and help them perform better.

26.6.3 Managing Emotions at Workplace

Positive as well as negative emotions play an important role in all organizations. While positive emotions should remain in the organization, negative emotions have to be eliminated. For example, the presence of happiness, which is a positive emotion, in the organization can help in bettering performance. Anger, which is a negative emotion, can cause poor performance. Positive emotions should be encouraged while negative emotions have to be identified in the initial stages and necessary steps taken to manage them.

To succeed in today's work environment, says Daniel Goleman, author of "Working with Emotional Intelligence", it's important to understand our emotions, control our reactions, and recognize how our emotions affect our actions and the actions of others. When we manage our emotions, we're better able to handle the changes and challenges all jobs bring, such as adjusting to a

new boss or co-worker, working on a team, or handling a conflict with a co-worker or a customer. Some emotions are more challenging when we encounter them at work. Five hard-to-handle emotions that are common in the workplace that we need to pay attention to, according to research by Ohio State professor Cynthia Fisher, are: frustration; worry or insecurity; anger; feeling "down"; and dislike.

- Frustration: The complexity of today's work environment and the demands of work pressurizes us to perform duties under frustration or irritation. This is one of the most common negative workplace emotions

- Worry or insecurity: Change and the threat that employees have or apprehend with the change due to the feeling of loss of control that change often triggers, can make us feel nervous or insecure at work. This can even affect our self confidence because we might have to work beyond our comfort zone.

- Anger: getting into arguments, fights etc showing the negative emotion or anger is sometimes common at workplace.

- Feeling "down": sometimes employees feel "low" or have a bad day. When this happens, one may not be very energetic, one may worry more than usual, one may feel distracted or guilty about time away from family and friends or may feel disappointed or unhappy.

- Dislike: it is natural for individuals to dislike a few others around them when they work with a wide variety of personalities. This is because of differences in personalities, opinions, perceptions etc.

Check Your Progress - 3

8. Which of the following is not an outcome of the existence of negative emotions at the workplace?

    a. Increase in customer complaints

    b. Increased wastage in production process

    c. Reduction in product quality

    d. Increase in conflicts

    e. Reduced absenteeism and increased employee turnover

Activity 26.1

Rose is the sales manager of an insurance company. Of late, she has been noticing that there are a lot of negative emotions among her sales team in the form of low productivity, absenteeism, increased employee turnover, etc. Prepare an action plan which will enable her to keep the sales team emotionally balanced.

Answer:

26.7   Applications of Emotional Intelligence at the Workplace

At the workplace, emotional intelligence is very important. It is believed that while cognitive skills help to get a job, it is emotional intelligence that helps to get promotions. Those who are in the higher levels of the organizational hierarchy require more emotional intelligence than those who are in the lower levels. It is believed that at the workplace, emotional intelligence is twice as important as analytical and technical skills.

26.7.1 Emotional Intelligence and Career Development

Emotional intelligence is one important characteristic that determines the career development of a person as a person with emotional intelligence possesses qualities like self-awareness, self-control, empathy, and social skills. These qualities help a person select the career that suits him/her and to excel in it. Persons with high emotional intelligence have the ability to identify the needs of people who deal with them and therefore be able to maintain healthier relationships with them.

Emotional Intelligence is a good predictor of employee's career success. It is also required to lead successfully and manage the workforce. It seems that managers and workers who just do their jobs are satisfactory, but the ones who have personal and social awareness do much better. It helps in efficient performance, teamwork, leadership and management. By becoming more self-aware, your client can learn to manage his response and behaviour in stressful situations. By becoming more cognizant and intuitive about the emotions of others, leaders can form stronger social and business relationships. Hence it is a prerequisite for effective management and leadership.

Emotional intelligence is highly related to "soft skills." By focusing on certain competencies, one can help self as well as others to think differently, build self-confidence, become more motivated, and change own as well as other's behaviours. Some specific soft skills in this context are:

- Personal Accountability
- Ethics and Integrity
- Decision Making
- Communication
- Conflict Resolution
- Flexibility and Adaptability

26.7.2 Emotional Intelligence and Leadership

An emotionally intelligent leader will be able to clearly understand the various situations that take place in the organization and to anticipate the likely emotional outcome of each situation. For leaders, the ability to understand and be aware of their own emotions and also those of others helps to keep those who work under them emotionally balanced. Leaders with high emotional intelligence manage relationships with others more effectively and this, in turn, will help to enhance the productivity of the organization.

Emotional intelligence has a very significant role in leadership. Emotionally intelligent leaders are more successful than others. Leaders, who are emotionally intelligent foster safe work environments, where employees feel comfortable to take calculated risks, suggest ideas and give feedback. As a leader, people constantly challenge himself, find ways to resolve the problems. The leader needs self-regulation to manage own emotions during interaction with followers. So having the ability to keep calm and deal with the situation is necessary. Successful leaders are socially aware and understand that they need to be flexible and adaptable, as well as able to read and empathize with others. Leaders' success is related to the ability to focus on interpersonal and intrapersonal skills. They keep their emotions and egos aside and do not allow personal vendettas between them and followers to be a hindrance to performance.

Leaders who are low in emotional intelligence create stressful situations at workplace due to their failure to handle their own emotions as well as others which manifests as verbal attacks on others by being passive and aggressive. Those who empathize with others and are emotionally intelligent will have assertiveness during interpersonal communication and successful leaders tend to be more assertive. Team leaders and managers need to resolve conflicts and not being emotionally intelligent can also mean an inability to address such difficult situations (Refer Exhibit 26.2)

Exhibit 26.2: Great Leaders Dramatically Improve their Teams and Organizations

Researchers Dr. Jack Zenger and Dr. Joseph Folkman gathered over 100,000 direct reports from employees about their leaders from hundreds of different organizations and found nine key traits the most successful leaders possess. Here are a few that are most related to emotional intelligence:

- They work to inspire and motivate those around them
- They focus on collaboration between team members, which creates synergy and a better experience for employees

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- They "walk the talk," or act with integrity and honesty with every team member

- They build trust, which stems from consistently acting with integrity and honesty

- They develop and support others, and they always celebrate the successes of their employees and encourage them to learn more and develop their skills

- They always build relationships, which communicates that each team member is valued, and that their concerns are important and will be addressed.

Source: https://www.gottman.com/blog/emotional-intelligence-key-successful-leadership/

26.7.3 Emotional Intelligence and Team Building

In many organizations, work is accomplished on the basis of teams and the emotional intelligence exhibited by team members is crucial to the team's performance. The emotional intelligence exhibited by the team members helps them to unite and be efficient in operations. A team which does not show signs of emotional intelligence cannot succeed in its operations.

The team members should get a chance to know each other before work begins. If there is any negative behavior, the reason should be identified and corrective action taken. Decisions should be made on the basis of the opinion of each member in the team. Each member should be supported in his/her activities. His/her contributions to the team should be commended. In case any problem arises, the attention should be on solving the problem and not on finding fault with each other.

26.7.4 Emotional Intelligence in Indian Organizations

Indian organizations are increasingly adopting various strategies to motivate employees emotionally. For example, cash incentives, stock options, holiday options, etc. are provided to employees. The emotional intelligence exhibited by employees is also used as one of the criteria for giving promotions.

26.8   Improving Emotional Intelligence

According to Daniel Goleman, emotional intelligence can be learned. The major components of emotional intelligence are personal competence and social competence. Developing emotional intelligence involves developing both personal competence and social competence.

To develop personal competence, a person has to:

- Focus on his/her emotional reactions to situations

- Contemplate why he/she responds the way he/she does

- Think of different ways to understand hurtful situations
- Find productive ways to cope with emotional stress, if it remains

To develop social competence a person has to:

- Pay attention to the emotions and behavior of others
- Try to understand the behavior of others by discussing it with third parties
- Identify the various ways to deal with situations
- Examine the effects of his/her actions

The following suggestions could be useful in improving emotional intelligence at a personal level.

- Identify the emotions that exist in each situation. In case there are negative emotions present which affect work, try to detect ways to manage those emotions so that work is not affected further.
- Take the responsibility for your own feelings instead of holding others responsible for them. Understand that the feelings of a person are his/her own responsibility and that others cannot be blamed for that.
- Show suitable emotions in response to the emotions of others. Showing thoughtfulness to the emotions of others would help them to manage their emotions.
- Do not judge or be critical of the actions of others, but show empathy and listen to them.
- Avoid or try to spend as little time as possible with people who try to reject, ignore, mock, tease, judge, or diminish the feelings of others.

26.8.1 Characteristic Features of People with High IQ or EQ

Developing emotional intelligence requires dedicated effort. Understanding the characteristic features of people with high IQ and EQ will be useful in this effort. There are two popular acronyms used in management - IQ and EQ. IQ refers to Intelligence Quotient and is considered as a measurement of intelligence and is expressed as a number. It is calculated based on the performance of a person in 'an intelligent test'. The average IQ is 100 and if one scores 100 it means that half the population scores are higher; if the score is more than 100, say 120, there are more persons of the same age group with scores less and only a few people have scores more than that person. Higher scores indicate they are smarter.

EQ is emotional quotient. It refers to a person's ability to be empathetic and able to deal sensitively with others. They are presented in Table 26.1.

Table 26.1: Characteristic Features of People with High IQ or EQ

	High IQ	**High EQ**
Men	Unexpressive and isolated, Strong-willed, Emotionally balanced, Motivated, Industrious.	Comfortable with themselves, others, and the society in which they live, Socially balanced and Jovial, Not prone to anxiety or worry, Musing, Committed to people or causes.
Women	Thoughtful, Anxious, Hesitate to express anger openly, Possess intellectual confidence.	Find meaning in life, Outgoing and Gregarious, Express their feelings appropriately rather than in outbursts which they may regret later.

Source: Goleman, Daniel "Emotional Intelligence: Why It Can Matter More Than IQ." Bantam Books.

26.8.2 Difference between Learning Emotional Intelligence and Cognition

The process of learning emotional intelligence and cognition are not the same as both the processes originate from different areas of the human brain. Cognition involves aspects like perception, judgment, understanding, knowledge, etc. and it is a mental process of learning. Learning emotional intelligence requires practice as it involves re-tuning of various circuits in the brain in addition to some circuits in the brain which run between the emotional centers of the brain to the prefrontal lobes (a part of the brain situated just behind the forehead, which is connected with emotion, mood, temperament, planning, etc.). This re-tuning is not an easy task as most of the emotional incompetence is learned in childhood. To change these habits, a retuning of the related circuits in the brain is required and this requires constant practice over a long period.

26.8.3 Requirements for Emotional Intelligence Training in Organizations

Many organizations provide emotional intelligence training for their employees. Such training programs require constant support from superiors. They should also have more sessions which provide practical training rather than sessions which are based more on educational or informative methods. The trainers should have the required qualities for providing emotional intelligence training and it is important to have a cordial relationship between the trainers and learners so as to enhance the effectiveness of the program. Employees who participate in the training program should be given ample opportunities for practicing what they studied. During the course of the program, some setbacks may occur in the form of some employees exhibiting old habits, etc. Such setbacks should be anticipated and dealt with appropriately.

26.8.4 Guidelines for Emotional Intelligence Training in Organizations

There are basically four stages in the emotional intelligence training programs that usually take place in organizations. They are Preparation, Training, Application, and Evaluation.

Stage One: Preparation

The preparation stage involves doing the homework for starting an emotional intelligence training program in an organization. In this stage, it is necessary to identify the competencies of the employees that need to be developed as a part of the program. The readiness of the employees for the training program should be assessed. The competencies that have to be developed in each of the employees would be different. These have to be identified and appropriate measures taken. Another aspect is regarding the nature of the job. The emotional intelligence required for each type of job is different and the training program should be prepared considering this aspect too. Each employee should be given the freedom to join or abstain from the program and also to choose the type of competencies that he/she should improve in case he/she decides to join the program.

Stage Two: Training

The trainers for emotional intelligence programs should be able to maintain a good relationship with the participants. The objective of each participant should be defined clearly and continuous feedback should be provided to them about the program. Each participant should be provided with the freedom to choose the program that meets his/her requirements.

Stage Three: Application

The skills obtained during the emotional intelligence training program have to be applied to the actual job situation and this is the third phase of the program. The situation that the employee confronts during the training program will differ from the situation he/she confronts on the job. The management, superiors, and subordinates have to therefore give the employee constant encouragement to implement what he/she learned from the training program in the actual work situation. A supportive organizational climate and follow-up assessment of skills learned is necessary for the success of the program.

Stage Four: Evaluation

The training program needs to be evaluated to find out if the programs require any modification. Many evaluation techniques are available for the purpose and evaluation will help to enhance the effectiveness of the program.

Activity 26.2

Arun is working as HR manager at a Five Star Hotel which employs about one hundred and fifty people. He has been given the responsibility of

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organizing an emotional intelligence training program for the employees, with the help of qualified trainers. Evaluate the various measures that he has to take to ensure the success of the program.

Answer:

Check Your Progress - 4

9. Identify the stages in the training program developed by Daniel Goleman and Cary Cherniss for developing emotional intelligence in organizations.

    a. Training and evaluation

    b. Training and application

    c. Preparation, training, application, and evaluation

    d. Preparation, training, and application

    e. Training, evaluation and application

10. Learning emotional competence requires a re-tuning of circuits in the brain that run between the emotional centers of the brain to the_____ in addition to various other brain areas.

    a. Prefrontal lobes

    b. Different circuits

    c. Neocortex

    d. Subcortex

    e. All circuits

26.9   Summary

-   Emotional intelligence is the capability to recognize our own feelings and those of others, motivate ourselves, and manage emotions well, both in ourselves and in our relationships. Emotional intelligence involves personal competence and social competence.

-   In organizations, positive and negative emotions are present. Positive emotions are advantageous to the performance of the employees while negative emotions hamper their performance.

-   Negative emotions that exist in the organizations have to be sorted out before they become toxic and hamper the performance of the organization.

- Emotional intelligence plays a very important role in organizations. For example, in career development, team building, and developing leadership skills, emotional intelligence is necessary.

- Emotional intelligence can be developed by constant practice over a long period of time.

- Various emotional intelligence training programs are available which can be implemented in organizations.

- Emotional intelligence training programs in organizations generally have four stages – Preparation, Training, Application, and Evaluation.

26.10   Glossary

Emotional Intelligence: It is the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.

Emotions: A feeling and its distinctive thoughts, psychological and biological states, and range of propensities to act can be called emotions.

Negative Emotions: Emotions that are unhelpful to the attainment of organizational objectives are negative emotions.

Positive Emotions: Emotions that are conducive to the performance of employees in the organization are positive emotions.

26.11   Self-Assessment Test

1. . How do managers identify the existence of negative emotions at the workplace? What are the consequences of the existence of such emotions?

2. What are the various ways by which an organization can be kept emotionally balanced?

3. What are the different ways by which emotional intelligence can be improved?

4. Evaluate the various stages in an emotional intelligence training program in organizations.

26.12   Suggested Readings/Reference Material

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9. Reddy, C.R. Business Communication Paperback, Dreamtech Press,2019

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26.13   Answers to Check Your Progress Questions

1. (a)   To move

The word 'emotion' comes from the Latin word '*motere'* which means 'to move.' This implies that all emotions induce a desire to act.

2. (b)   Emotion

Daniel Goleman defines emotions as "a feeling and its distinctive thoughts, psychological and biological states, and range of propensities to act."

3. (d)   Howard Gardner

Harvard psychologist Howard Gardner proposed the model 'multiple intelligence' in 1983. In this model, seven types of intelligence were described, of which two were related to emotions. They are social adeptness and knowing one's inner world.

4. (b)   Peter Salovey and John Mayer

Salovey and Mayer identified four abilities and skills required for emotional intelligence and called them the four branches of emotional intelligence. The four branches include the ability to recognize emotions, the ability to use emotion to assist the thought process, the ability to be aware of emotions, and the ability to manage emotions.

5. (e)   The ability to mismanage emotions

The four branches of emotional intelligence identified by Salovey and Mayer are the ability to recognize emotions, the ability to use emotion to assist the thought process, the ability to be aware of emotions, and the ability to manage emotions. The ability to mismanage emotions is not a branch of emotional

6. (b)   Manage emotions

Four abilities and skills are required for emotional intelligence according to the four branch model of emotional intelligence. The four

branches of emotional intelligence are the ability to recognize emotions, the ability to use emotions to assist the thought process, the ability to be aware of emotions, and the ability to manage emotions.

7. (c) Emotional intelligence

Daniel Goleman, in his book 'Working with Emotional intelligence' called emotional intelligence as the capacity to recognize our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.

8. (e) Reduced absenteeism and employee turnover

Increase in customer complaints, increased wastage in the production process, reduction in product quality, increase in conflicts, etc. are all caused by the presence of negative emotions at the workplace. Absenteeism and turnover of employees also increase due to negative emotions.

9. (c) Preparation, Training, Application, and Evaluation

Daniel Goleman and Cary Cherniss have developed certain guidelines for conducting training programs to develop emotional intelligence in organizations. These guidelines can be grouped into four stages: Preparation, Training, Application, and Evaluation.

10. (a) Prefrontal lobes

Learning emotional competence requires a re-tuning of circuits in the brain that run between the emotional centers of the brain to the prefrontal lobes (the part of the brain situated just behind the forehead, which is connected with emotion, mood, temperament, planning, etc.) in addition to various other brain areas. The intellectual center of the brain is the neocortex and the emotional center is the subcortex.

Unit 27

Interpersonal Skills

Structure

27.1   Introduction

The previous unit discussed the importance of Emotional Intelligence in an organisation, and how managers need to be aware of his/her own emotions, and that of those around, to be able to become a better manager. It explained the nature and evolution of Emotional Intelligence, the components of EI and the impact that emotions have at the workplace. This unit is on Interpersonal skills.

The ability of individuals to build and maintain relationships with other members of the organization constitutes their interpersonal skills. These skills are critical for managers in organizations as their primary job responsibilities include hiring, supervising, mentoring and retaining employees. Self-awareness, control, motivation and communication skills are some of the important interpersonal skills that managers should possess. Transactional analysis, which deals with the analysis of communication between individuals, is an effective tool that can help to enhance the interpersonal competencies of managers.

This unit explains the interpersonal competencies that are essential for managers, such as self-awareness, control, motivation, acknowledging interests of subordinates and communication skills. It discusses how interpersonal skills can

be developed. This unit also explains the concept of transactional analysis and the various types of transactions that take place between individuals.

This unit also discusses how success of an individual largely depends upon his/her interpersonal skills, and how these skills determine the quality of their relationships with others. It emphasizes the need to be open and empathetic to build positive relations in an organization, and also discusses how to deal with criticism and manage conflict.

27.2 Objectives

After studying this unit, you will be able to:

- Demonstrate how to develop interpersonal skills for interacting effectively with all members in the organization

- List various factors that affect interpersonal interactions to improve interpersonal relations

- Identify the essential interpersonal competencies for managers to perform the job effectively

- Explain the concept of Transactional Analysis to solve the problems that occur in interpersonal interactions

- Discuss the relationship between transactional analysis and managerial effectiveness to enhance interpersonal skills of managers

- List the ways of promoting positive relations at the workplace to analyse the communication culture of the organization

- Enumerate the approaches to manage conflict to handle conflicts effectively

27.3 Introduction to Interpersonal Skills

Interpersonal skills are related to the ability to understand and manage one's own feelings, actions, and motivations and those of others in social contacts. In an organization, a person with good interpersonal skills will be able to interact effectively with his/her superiors, subordinates, and peers. In various job situations like giving directions, motivating, decision-making, etc. interpersonal skills play an important role. The use of modern communication tools like e-mail, voice mail, etc. makes the role of interpersonal skills even more important as such tools do provide for the use of facial expression, gestures, etc. to assist the communication process.

Employees with good interpersonal skills generally exhibit the following qualities:

- Ability to treat others in the organization with respect

- Readiness to share knowledge with others

- Willingness to train others in the organization

- Good negotiation skills
- Conflict-resolving skills
- Readiness to accept feedback
- Ability to learn from mistakes
- Being accountable for his/her actions
- Ability to align with team goals and personal goals
- Ability to influence others positively

27.3.1 Essential Interpersonal Competencies for Managers

Managers require various interpersonal skills to perform their job effectively. Some of the essential interpersonal skills required by managers are examined below.

Self-awareness

Managers should have a clear awareness about their own strengths and weaknesses. Many managers exhibit weaknesses like the inability to take decisions in critical conditions, inability to understand the viewpoint of others, etc. Some managers try not to expose their weaknesses to others. All such weaknesses can hamper the productivity of the organization. If the managers are aware of their own weaknesses, it can serve as the preliminary step for them in overcoming them.

Control

Managers should be aware of whether they are able to maintain adequate control in the organization. There may be times when they lose control over various situations in the organization. In such cases, it is important for them to realize that it is time to improve their interpersonal and leadership abilities.

Motivation

For managers, motivating employees requires determination and optimism. They require determination to steer the organization toward success irrespective of the situation. Similarly, they should show optimism as this will motivate the employees to perform better. If managers do not show optimism, it will have an adverse impact on the performance of employees in the organization.

Exhibit 27.1 explains how employees are motivated to perform well at Paradise, famous Biryani brand at Hyderabad.

Exhibit 27.1: Motivating the Workforce in Paradise
Paradise is a Hyderabad based popular biriyani & food brand.   • People are important in food service business.   • When working 24 x 7 is the norm, passion to work becomes the boost.   • Constant reiteration and appreciation programs are conducted to strengthen the culture   • Employees who uphold the Paradise values are given a 'Dum' (Inspired by Dum biriyani) card.

Source: WiseViews Webinar https://online.ifheindia.org/heritage-business.html-2021

Acknowledging the interests of subordinates

It is necessary that managers understand the viewpoint and interests of subordinates in various organizational situations. This will enable them to identify if any conflict of interest exists between them and the subordinates and to handle the situation effectively in case it does exist.

Communication skills

Communication is an important component of interpersonal skills and managers have to communicate effectively in a way that is suitable for each situation. Managers should be able to adapt their communication style suitably while communicating with subordinates and to ensure that effective communication takes place. Additional interpersonal competencies which are also essential for managers to efficiently handle the contemporary workforce and to ensure job efficacy.

Importance of Interpersonal Competencies

*   **Listening:**
    o   To ensure correct interpretation of the information.
    o   To respond to a situation in an appropriate manner.
*   **Questioning:** It helps to demonstrate interest.
    o   To effectively approach a problem and cull out the desired answers.
    o   To ask open questions shall help managers to probe deeper into a situation. For example,
        'What strategies would you recommend to improve our customer relations?'
*   **Etiquette**:
    o   To understand and handle the expectations of members from different cultures.
    o   To build positive work relations especially when dealing with cross-cultural teams.
*   **Problem Solving:**
    o   To accurately identify the problem and assess its various aspects.
    o   To evaluate all the possible alternatives to solve the problem.

  o   To formulate an action plan to resolve the problem and effectively implement and monitor the same.
- **Social Awareness:**
  o   To effectively understand the problems and concerns of their team members For example, a new team member might be seeking guidance in understanding the work and cultural norms of his/her new workplace. A socially aware manager shall not only be able to identify the problem being faced by the new employee but shall also be able to find a way to comfortably induct him/her into the new workplace.
- **Self-management:**
  o   To control his/her emotions in a scenario considered inappropriate. For example, controlling or hiding emotions like frustration or anger, etc.
  o   To tackle situations with a calm and composed demeanour.
- **Responsibility and Accountability:**
  o   To make a commitment and fulfil the same.
  o   To build trust between the manager and his/her team members, sub-ordinates, etc.
  o   To be accountable for one's actions and reduce conflicts.
- **Flexibility and Adaptability:**
  o   To adapt to the needs of the constantly changing working conditions to be open and tolerant towards new ideas.

27.4   Developing Interpersonal Skills

Managers spend a substantial amount of time in interacting with others. It is therefore important for them to have good interpersonal skills. They have to develop the skills necessary to understand the behavior of others and also the skills necessary to improve their interactions with them. For those who are nervous about interpersonal interactions, the problem can be overcome to some extent through constant practice. It is necessary for managers to have a good understanding of the personality of each and every subordinate so that they can be assessed precisely. Many organizations have started using interpersonal skills as one of the criteria for selecting employees to managerial posts.

The following steps are helpful for managers to develop interpersonal skills.

27.4.1   Developing Assertiveness

Assertiveness is the ability to state one's point clearly without being aggressive. This is an important skill required by managers as it helps them to deal with belligerent people and uncomfortable situations more effectively. Assertiveness is a quality which helps in solving problems by ensuring that all the parties involved are able to find a reasonably satisfactory solution. To develop assertiveness, it is important for managers to treat others in the organization as they would like themselves to be treated.

Activity 27.1

John is the HR manager of a foreign bank operating in India. He is conducting a campus interview to select people for direct selling of the bank's products like housing loans etc. Direct selling is a job which requires very good interpersonal skills. How should he go about assessing the interpersonal skills of the students during the interview?

Answer:

27.4.2 Accepting Responsibility

In organizations, a person may have to take up additional responsibilities over and above the responsibilities which are part of the job. Accepting additional responsibilities which may arise out of various situations in the organization, can help the person to learn additional skills and can thus help in career advancement.

27.4.3 Managing Conflicts

Conflicts occur in all organizations and they have to be managed without affecting the functioning of the organization. Certain kinds of conflicts are good for the organization. But some personal conflicts can affect its functioning and so should be managed properly. Following are some of the approaches to conflict management.

Avoiding

This approach involves avoiding the conflict when one comes face to face with it. Avoidance can take the form of physical avoidance or psychological avoidance. For example, refusing to take a phone call is a form of physical avoidance while refusing to accept the seriousness of a problem is a form of psychological avoidance.

Accommodating

In this approach to conflict management, the stress is on reaching an agreement, and so an agreement is often reached by sacrificing one's position. For example, when a person is sure that he/she is wrong or when he/she wants to reduce the extent of loss in a losing situation, this approach could be adopted.

Competing

In competing as an approach to conflict management, no attention is paid to the concerns of the other parties involved in the conflict. This approach is generally adopted in organizations to implement unpopular decisions.

Collaborating

In this approach, it is assumed that conflict is a natural part of life and that the needs of the parties involved in the conflict are met. This approach can be adopted when it is necessary for the parties to the conflict to maintain a good relationship with each other on a long-term basis.

Compromising

In the compromising approach, the parties involved in the conflict give up something that they were trying to achieve in order to reach an agreement. When attempts for collaboration fail, this approach can be adopted as a back-up option.

Activity 27.2

There is an ongoing conflict between the management of a soft drinks manufacturing company and a major trade union, regarding pay hike. The trade union has a strong political affiliation and it would be unwise on the part of the management to pay no heed to its demands. At the same time, conceding the union's demands will put the company in deep financial trouble. Isabel Reeves, the CEO of the company, has to find a way out of this conflict. What approach should she adopt to do so?

Answer:

27.4.4 Factors Hampering Interpersonal Interactions

Various factors hamper proper interpersonal interactions. An understanding of these factors will be helpful in improving interpersonal skills.

Poor listening

Listening attentively is required to understand what the other person is trying to communicate. Asking for feedback during communication could go a long way in solving many organizational problems that arise out of poor communication.

Emotional arousal

An excess of negative emotions could affect the positive outcome of interpersonal interactions. If excessive negative emotions are at play during interpersonal interactions, the best course of action would be to stop the interaction till the emotions are brought under control.

Lack of time

Lack of time for interpersonal interactions often results in not giving enough importance to feedback. This may cause many misunderstandings in the organization, which may prove very costly at a later stage.

26

Differences in objectives

In some cases, there may be difference in the objectives of the parties involved in interpersonal interactions. Such interactions could become effective only when the parties involved in the interactions arrive at a common objective.

Check Your Progress - 1

1. Which of the following situations reflect psychological avoidance?
   a. Refusing to acknowledge the existence and seriousness of a problem
   b. Refusing to pay attention to solve the problem
   c. Refusing to meet the people involved in the conflict
   d. Refusing to take a phone call from a person involved in the conflict
   e. Managing conflicts without affecting the functioning of the organization

2. Which approach to conflict management is based on the assumption that conflict is a natural part of life and that it can be resolved?
   a. Accommodating
   b. Competing
   c. Collaborating
   d. Avoiding
   e. Competing

3. The approach to conflict management in which both the parties involved in the conflict give up something that they were trying to achieve with the intention of reaching an agreement is _____.
   a. Accommodating
   b. Compromising
   c. Avoiding
   d. Competing
   e. Collaborating

27.5   Transactional Analysis

A transaction is a unit of communication and transactional analysis is the analysis of communication between individuals. According to Dr. Eric Berne, an American psychiatrist who developed the concept of transactional analysis, "The unit of social intercourse is called a transaction. If two or more people encounter each other…sooner or later one of them will speak or give some other indication of acknowledging the presence of others. This is called the transactional stimulus. Another person will then say or do something which is in some way related to the

stimulus and that is called the transactional response." Transactional analysis can help managers solve the many problems that occur in interpersonal interactions. Ego states, games, types of transactions, and life positions are some of the concepts related to transactional analysis and are discussed here.

27.5.1 Ego States

Dr. Berne defined an ego state as 'a consistent pattern of feelings and experiences directly related to a corresponding pattern of behavior.' In transactional analysis, three ego states – Parent, Adult, and Child – which comprise a person's personality are discussed. Each of the ego states that a person exhibits is a playback of the recordings that take place about his/her life in his/her memory.

The three ego states together constitute the personality of the individual. According to Dr. Berne, all human interactions originate from one of the three ego states – the Parent, Adult, or the Child. Each ego state which originates from a particular area of the human brain has its own functions and language. Each ego state constitutes a particular way of thought or behavior.

The ego states exhibited by a person keep changing with the situation. In fact, a person may exhibit different ego states in the course of a single conversation. Transactional analysis deals with analyzing which ego state implemented a transactional stimulus and which ego state executed a transactional response.

Parent

During the early stages in life, a child interacts mostly with parents or parent figures. The child's brain records all the external stimuli that it receives during this stage. Whatever the child sees or hears get recorded in the brain without any editing as it is not able to associate any meaning with the words. The parent of one person differs from the parent of another person as the recordings made in each person's brain differ. The parent ego state can also take the form of critical parent or nurturing parent. A critical parent wants the child to behave the way he had learnt, perhaps in terms of values and beliefs, so that the child can understand the society better. Sometimes it may have negative impact.

A nurturing parent on the other hand always encourages the child to develop abilities so that the child can develop a balanced self-esteem.

Child

Child is the recording of internal events that takes place in a person's brain during childhood. This recording takes place along with the external recording of events that comprise the parent ego state. As the child has no vocabulary of its own, the recordings take place in the brain as feelings. These recordings can be in the form

of positive or negative experiences. For example, love is a positive experience while nervousness is a negative experience.

There are three types of child ego states.

The first one is Natural Child who is very open and vulnerable. The second one is "Little Professor' who always tries to find out new stuff on its own. The third one is 'Adaptive Child' behaviour wherein the person reacts to the happenings around, either by molding himself to fit in, or rebel.

Adult

Adult is a direct response to the current situation faced by an individual and is not influenced by his/her past. According to Dr. Berne, an Adult is 'principally concerned with transforming stimuli into pieces of information, and processing and filing that information on the basis of previous experience.' The Adult helps to keep a person emotionally balanced. It is this ego state which helps to determine if an emotion is suitable or not in each situation. It is the logical thinking side of personality. The Adult also helps a person foresee a problem and take suitable action.

The Parent, Child, and Adult ego states can be clearly differentiated as follows. When a person behaves as he/she observed his/her parents do, then that person is in the parent ego state. When a person is dealing with truth, by collecting information and computing without any predisposition, that person is in the adult ego state. When a person is feeling and acting as he/she did during his/her childhood, he/she is in the child ego state.

27.5.2 Indicators of Ego States

The ego state of a person cannot be understood just from words. Behavioral signs like gestures and postures which go together with the words play an important role in determining the ego state. For example, it is not possible to identify the ego state from the words alone when a person says to another, 'Let me help'. The behavioral signs of the person at the time are also crucial in determining the ego state[1].

27.5.3 Types of Transactions

Transactional analysis is an effective tool which can be used to enhance the effectiveness of organizational communication. Knowledge about various types of transactions could be useful in this process. Transactions take place between the ego states of two persons. Depending on the ego states of the persons involved, transactions can be of three types – complementary, crossed, and ulterior.

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[1] *http://www.indiainfoline. com/bisc/hrta.html>*

Complementary transactions

Complementary transactions occur when a message from a specific ego state receives an anticipated response from the particular ego state of the other person. As the response to the stimulus is healthy and along the expected lines, complementary transactions are conducive to better relationships and such transactions can go on for an indefinite period.

In the following example, a manager gives an order to a subordinate.

➢ *Manager*: Get this work done by evening.

➢ *Subordinate*: Sure sir.

In this conversation, the manager gives an order from his/her parent ego state. The subordinate gives the reply from the child ego state. There is no conflict of interests, and hence it is a case of a complementary transaction.

Crossed transactions

Crossed transactions occur when 'message sent or behavior exhibited by one person's ego state is reacted to by an incompatible, unexpected ego state on the part of the other person.' Communication breaks down in such transactions as the response is not along the expected lines. Most of the interpersonal conflicts occur as a result of crossed transaction. In organizations, crossed transactions can create various problems like spoiled relationships, dissatisfaction etc. which can even affect the performance of the organization.

Ulterior transactions

In ulterior transactions, there is a hidden meaning which is different from what is actually said. It means that there is a difference between what is said and what is meant as the meaning is concealed in the words spoken. In such transactions, the ego state conveyed through words would be different from the ego state conveyed through gestures or body language. It is not easy to understand or assess ulterior transactions as the meaning expressed through words will be different from the meaning expressed through gestures and facial expression. For example, a manager may ask his/her subordinate, 'Do you need more time to complete the task?' In his/her mind, he/she may be thinking negatively about the subordinate.

Check Your Progress - 2

4. A manager asks his subordinate, 'Do you need anyone to assist you in your work?' all the while thinking, 'Lazy fellow, he cannot finish that work on time.' Identify the type of transaction that is taking place in this situation.

    a. Complementary

    b. Crossed

    c. Ulterior

    d. Complementary and Crossed

    e. Crossed and Ulterior

5. Who developed the concept of Transactional Analysis?

    a. Eric Berne

    b. Daniel Goleman

    c. Peter Salovey

    d. Dr. John Mayer

    e. D. Wright

6. The 'huge collection of recordings in the brain of unquestioned or imposed external events perceived by a person in his early years' is known as _____.

    a. Parent ego state

    b. Adult ego state

    c. Child ego state

    d. Ego state

    e. Adult and child state

7. According to Dr. Berne, "The unit of social intercourse is called a transaction. If two or more people encounter each other…sooner or later one of them will speak or give some other indication of acknowledging the presence of others. This is called the_____. Another person will then say or do something which is in some way related to the stimulus and that is called the transactional response."

    a. Transaction

    b. Transactional analysis

    c. Transactional stimulus

    d. Unit of communication

    e. Transactional encounter

27.5.4 Strokes

A stroke can be described as the recognition of the presence of another person conveyed through a nod, a smile, etc. All transactions can be considered as a series of strokes and counter strokes. Strokes can be physical (e.g. a handshake) or psychological (saying 'hello'). Strokes can also be positive or negative.

Positive strokes (e.g. friendly welcome, appreciation) can enhance the emotional health of persons. Negative strokes (e.g. scolding, warning, etc.) can be determined from words, facial expressions, etc.

Human beings have a basic hunger for strokes and even negative strokes are considered better than no strokes at all. An effective manager takes care to see that the employees are given appropriate strokes in the form of appreciation for their good work etc. If employees are given positive strokes in the form of appreciation for their good work it will motivate them to perform better.

27.5.5 Games

Dr. Berne defines games as 'an ongoing series of complementary, ulterior transactions progressing to a well-defined, predictable outcome.' Games have a beginning, an end, and a payoff. These games are psychological in nature and are not played for fun. Examples of such games are 'Kick me,' and 'See what you made me do.'

Transactions become a game only when some conditions are fulfilled. The conditions are – there should be a series of complementary transactions, these complementary transactions must have an underlying ulterior message, and there should be a predictable outcome or pay off which is the basic purpose of playing the game.

The life positions

There are four life positions as discussed under transactional analysis. These life positions are built on the observation that people are aware of their own ability and also that of others to think, feel, and perform. Figure 27.1 presents the life positions as explained by Eric Berne. The life positions are – I am not ok, you're ok, I am not ok, you're not ok, I am ok, you're not ok, and I am ok, you're ok.

Figure 27.1: Life Positions

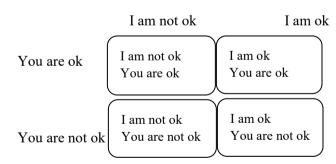|	I am not ok	I am ok
You are ok	I am not ok You are ok	I am ok You are ok
You are not ok	I am not ok You are not ok	I am ok You are not ok

Source: ICFAI Research Centre

I am not ok, you're ok: A person acquires the 'I am not ok, you're ok' life position during childhood when he/she is constantly told what to do and what not to do. People in this life position develop an inferiority complex and do not

believe in their ability to do things properly. Managers in this life position are not able to see themselves as superiors. Even when the need arises, they are not able to take strong action against subordinates.

I am not ok, you're not ok: This life position is developed when a person gradually stops receiving strokes that he/she received during infancy. The child develops the feeling that he/she is inferior to others and that no one likes him/her. A manager in this life position abstains from praising others even if they deserve praise. He/she will not mingle freely with others and will not be concerned about productivity in the organization.

I am ok, you're not ok: People in this life position will be characterized by mistrust and hatred toward others and will try to prove that they can do a job well while others cannot. They will blame subordinates for all the problems in the organization and will be of the opinion that if good subordinates were present, the organization could have achieved better productivity.

I am ok, you're ok: This is the most preferable life position among the four and is developed in the later stages of life. People with this life position will be able to trust others and to work better in teams. They will delegate authority easily to subordinates. Such persons believe that problems can be solved. Managers in this life position have the ability to bring out the best in others.

Check Your Progress - 3

8. 'Kick me,' 'See what you made me do,' 'I'm only trying to help you,' etc. are types of _____.

    a. Strokes

    b. Transactions

    c. Games

    d. Payoffs

    e. Gestures

    Questions 9-10: For the following, identify the life position exhibited by a person based on the statements given.

9. 'This is messy; we will not be able to finish this project on time.'

    a. I am not ok, you're ok

    b. I'm not ok, you're not ok

    c. I'm ok, you're not ok

    d. I'm ok, you're ok

    e. Everyone should be ok

10. In which of the following life positions will a manager not take disciplinary action against a subordinate even when such a need arises?

    a. I'm ok, you're ok

    b. I'm not ok, you're not ok

    c. I'm ok, you're not ok

    d. I am not ok, you're ok

    e. Everyone should be ok

27.6 Transactional Analysis and Managerial Effectiveness

Transactional analysis can be an effective tool for managers to perform their tasks effectively. Interpersonal skills are essential for managers like technical or any other skills. Transactional analysis is an effective tool which can help managers to enhance their interpersonal skills.

27.6.1 Transactional Analysis and Interpersonal Communication

The ability to communicate effectively is an important skill required by managers. In communication, both verbal and non-verbal messages play an active role. With the aid of transactional analysis, both verbal and non-verbal messages can be analyzed. Any barriers that exist in the way of effective communication can also be identified and corrective actions taken. The three ego states, the Parent, Adult, and Child – are active in a person throughout life. Each transaction arises from any one of the three ego states and identifying the ego state from which a person functions helps to deal with others better.

27.6.2 Transactional Analysis and Motivation

Managers can motivate employees by giving strokes. Strokes help the employees to get a feeling that they are not being neglected and are being cared for. If positive strokes are not present, employees may try to get negative strokes through absenteeism, etc. Managers can provide positive strokes to employees to motivate them.

27.6.3 Transactional Analysis and Leadership

The ability to understand the ego state from which he/she and others in the organization operate is a very important skill for a leader. Leaders can also elicit the required response from subordinates by providing a suitable stimulus. The leadership pattern usually exhibited by individuals has a great relation to the ego state from which they operate. The leadership style usually ranges from autocratic to free-reign. Ego states also range from Parent to Child. For example, an autocratic leader mainly operates from the parent ego state while a free-reign leader mainly operates from the child ego state.

Autocratic

An autocratic leader operates mainly from the parent ego state. The relationship with the subordinates will be prejudiced and critical. Subordinates will be guided with authority in the workplace.

Benevolent/Autocratic

A benevolent/autocratic leader operates mainly from the nurturing parent ego state. Flow of communication will be mainly in the downward direction. Subordinates will be provided very limited freedom and the suggestions received from them may not be considered seriously.

Consultative

A consultative leader mainly operates from the parent and adult ego state. The Adult ego state may be used to collect information and the parent ego state for implementation. There will be a horizontal and vertical flow of information and the suggestions from subordinates will be taken into consideration.

Participative

A participative leader operates mainly from the Adult ego state. There will be free flow of information under a participative leader and the subordinates will be provided freedom to give suggestions.

Democratic

A democratic leader operates mainly from the Adult and Child ego states. He/she gives special consideration to the opinions of subordinates over his/her own opinion.

Free-reign

A free-reign leader operates mainly from the Child ego state and, as a result, hasty decisions are generally taken. He/she will provide maximum freedom to subordinates.

The personality of each person consists of the three ego states – Parent, Adult, and Child. Managers should have the ability to identify the ego state from which they are functioning as this can be useful to them in improving contacts with subordinates. Transactional analysis is useful in understanding, and if necessary, changing the leadership style of the managers. This can be useful for the organization as a whole.

27.7   Building Positive Relationships

According to Lee Iacocca, *"There's one phrase I hate to see on any executive's evaluation, no matter how talented he may be, and that's the line, 'He has trouble getting along with other people.' To me that's the kiss of death."*

The personal relationships that employees in an organization share determine the communication culture of the firm. Mutual trust and a sense of recognition among

the employees contribute to a positive work culture. Psychologist Jack Gibb provides a list of ways to promote positive relationships.

Use Descriptive 'I' Language

A sentence like "*You are always late to work*" is an example of the "you" language and tends to verbally accuse the receiver. Now let us look at this sentence*: "Since you've been coming in late, I've had to make a lot of excuses whenever the Director asks for you. I'm uncomfortable with that*." The basic difference between both cases is the language used for communicating the same message. While the first sentence sounds judgmental, and is more likely to result in defensiveness, the second is more descriptive. It has clear and specific statements and is not judgmental.

Focus on Solving Problems, not on Controlling Others

A controlling message is one in which the speaker attempts to manipulate or coerce the listener. Controlling messages usually contain elements that attack the speaker's intelligence, while a problem-solving orientation focuses on identifying the problem and solving it through mutual cooperation. Let us look at the following two sentences.

(a) *If you continue to come late to work I will have to sack you.*

(b) *Let's try to figure out why you have difficulty coming to the office on time and see what we can do about it.*

The first sentence shows little regard for the other person's needs, while the second recognizes that there is a problem and suggests that it can be solved through joint effort.

Be Open: Don't Try to Deceive

Nobody likes to be manipulated or deceived. The moment a person discovers that he/she has been tricked into a particular course of action through misleading or deceptive messages, he/she becomes extremely defensive. Being open in these circumstances is likely to generate less defensiveness. Although people may not always like what is said, they will eventually grow to respect the frankness of expression.

Show Empathy

Lack of understanding, interest, or concern about others' issues creates defensiveness. Let us look at two messages to understand the importance of being empathic and the difference it makes in communication.

"I don't care what your problems are; get this job done by the end of the day."

This kind of a message communicates that the employee's emotions are of little consequence. This message can be rephrased to show concern for the listener along with an assurance that he is valued:

"I hope it will not be too difficult for you to complete this job today."

Don't Put on an Air of Superiority

The listener tends to become defensive when the speaker considers him superior and displays it in his communication to the subordinate. Such messages make the listener defensive and he/she tends to ignore or forget the message. The supervisor who implies, "*Do it this way because I'm the boss and I say so",* in his message is likely to incur the dislike of his staff. On the other hand, the supervisor who says, *How do you think we should handle this problem*, is likely to get greater support from his staff and create a positive environment that encourages better communication and feedback.

Listen with an Open Mind

Individuals, especially those at a higher level of the hierarchy must listen to others with an open mind. A closed mind indicates that they are not interested in the topic and have already made up their minds. A statement like, "this is not possible and sounds ridiculous", before listening completely to the speaker reflects negativity. Instead, a statement like "Though I have seen a few reports that said it is not possible, let us see if you have a new perspective", makes the speaker feel good and motivated.

Activity 27.3

You are the marketing manager of a manufacturing company. You have observed that one of your sales executives, Peter, has been consistently failing to meet his targets. You have also found that he is not committed or sincere about his work. How would you handle such a situation?

Answer:

Check Your Progress - 4

11. A _____ message is one in which the speaker attempts to manipulate or coerce the listener.

    a. Controlling
    b. Contemptuous
    c. Convoluted
    d. Contentious
    e. Convincing

27.8 Giving Praise

Sincere praise indicates on-the-spot recognition of good work and can go a long way toward establishing an enduring culture of motivation in an organization.

Communication consultants Peter and Susan Glaser provide several tips on how to harness the power of praise.

Make Praise Specific

Specific praise that spells out what exactly is being appreciated makes it more meaningful. In the course of praising an employee, a reference made to the task that was accomplished or the problem that was solved, serves to motivate the employees.

Praise Progress, Not Just Perfection

Managers should not wait for results to praise employees. Instead, any additional efforts that are put in to achieve a task should be complimented. This makes employees work harder to achieve their goals.

Be Sincere

Praise that is not sincere can be highly counterproductive. In the words of Bob Nelson, founder of Nelson Motivation Inc., *"Words alone can fall flat if you are not sincere in why you are praising someone. You need to praise because you are truly appreciative and excited about the other person's success. Otherwise, it may come across as a manipulative tactic – something you are doing only when you want an employee to work late, for example."*

Don't Overdo Praise

Praise can also become inefficient if it is overdone. Constant praise becomes meaningless, as it sounds insincere.

Get the Timing Right

In *The One Minute* Manager, Ken Blanchard and Spencer Johnson encourage managers to "*catch people doing something right*." Praise that immediately follows the accomplishment of a task is more effective in motivating an employee.

Check Your Progress - 5

12. "Our goal is to improve the productivity to 110 tons per employee per day. Our employees did a great job in bringing the figure from 88 tons per day to 96.8 tons per day." The boss praised the employees. This is an example of _____.

    a. Praising perfection
    b. Praising in excess
    c. Praising progress

d. Praising the undeserving

e. Praising the undeserving

27.9   Dealing with Criticism

While praise acknowledges the good performance of an employee, unpleasant statistics or behavior or inability to produce results might invite criticism. Managing criticism in a positive manner helps employees to perform better, avoid conflicts, and maintain good work relationships. Criticism, if accepted in the right spirit, can boost organizational effectiveness. For this, however, both the critic and the criticized should keep some things in mind.

Offering Constructive Criticism

Criticism, as mentioned earlier, doesn't have to foster conflict. A critic can ensure that his/her comments face the least resistance by taking care of some of these aspects.

1. *Understand why you are making a critical remark*

   A critic has to ensure that any criticism is appropriate to the situation and constructive for the parties involved. Criticizing somebody out of self-interest or envy may prove destructive.

2. *Try to understand the other person's perspective*

   Before criticizing someone, the critic should try to look at the situation from that person's perspective to see if he/she will find the criticism justified.

3. *Direct criticism at the person's behavior, not at the person*

   Criticism should be focused on something that the person did or didn't do, not on his/her 'traits' or 'character' in general.

4. *Avoid sounding judgmental*

   Even though criticism implies evaluation, description should be emphasized, using the 'I' language. Provocative language should not be used.

5. *Do not force criticism on anyone*

   Criticism should be presented in such a way as to encourage the other person to make decisions, as people are more likely to comply with solutions they have generated themselves.

6. *Avoid Critical Overload*

   Too many complaints made at one time, might have the effect of making the criticized go on the defensive and stop being receptive.

Responding to Criticism

Responding to criticism without resorting to either "fight" or "flight" takes a lot of skill. Those being criticized can use some of these guidelines in responding to criticism.

- Recognize the value of constructive criticism. Such criticism can improve relationships and productivity.

- Understand the perspective of the person offering the criticism.

- Acknowledge criticism that focuses on one's behavior. Efforts can be put in to transform criticism that seems directed at the "person" to specific acts or behavior.

- Try to understand the criticism being offered accurately by asking questions and through the non-verbal cues of the critic.

- Focus the other person's criticism on specific actions and assert the right to generate solutions.

- Seek constructive changes in the behavior that prompted the criticism.

- Communicate one's feelings and thoughts about criticism using "I" messages.

Activity 27.4

You are making a presentation at a team meeting. One of the team members keeps interrupting, questioning your logic and finding flaws with your arguments. How would you deal with such a situation?

Answer:

Check Your Progress - 6

13. "You always fail to meet your deadlines. You have delayed this project also." This statement is _____.

    a. Judgmental
    b. Constructive criticism
    c. Good feedback
    d. Irrelevant feedback
    e. Progressive criticism

27.10 Managing Conflict

Conflicts are inevitable as individuals see, hear, and interpret things differently. They can be stressful and frustrating when they focus on fault-finding and fixing blame. However, there are ways to handle conflicts effectively and thus avoid stress.

<div align="center">

Approaches to Conflict

</div>

When faced with a conflict, different people respond in different ways. Let us look at some of these approaches.

Avoiding: This approach involves pretending that the conflict does not exist. It is marked by an unwillingness to resolve issues. This kind of approach is most often counter-productive to the organization. However, this approach can be useful in the following situations:

- When a certain situation requires time to gather facts or to think about it;

- When it is advisable to allow emotions to settle;

- When it is perceived that concerns cannot be satisfied, or

- When the potential damage of confronting the conflict outweighs the benefit of resolution.

Accommodating: This approach involves neglecting one's own concerns in preference to the concerns of others. People who are more concerned about being liked and getting along than about being right, usually adopt this kind of approach. Accommodation can sometimes prove disastrous. But this style is the best option,

- When it is realized by a person that he/she is wrong;

- When a goodwill gesture is to be made;

- When preserving the relationship is more important than the issue at hand.

Competing: This approach is adopted by people who are committed to their own position or perspective and consider relationships as secondary issues. Though this approach does generate ill-will, which may prove costly and unpleasant, it does have its advantages in the following situations:

- When the situation demands quick and decisive decisions, as in emergencies;

- When an unpopular decision has to be announced;

- When one has to protect himself/herself against those who would take advantage of a more cooperative approach.

Collaborating: This approach focuses on satisfying both parties to the greatest extent possible. It is cooperative in nature. The parties work together to resolve conflicts in a way that meets the concerns of both. Though it is not advisable in all cases, it is particularly effective,

- When both parties' concerns are too important to be compromised;

- When a long-term relationship between the parties is important.

Compromising: Though this approach is also cooperative in nature, the cooperation here is dictated by self-interest. Each party foregoes something that it is seeking in order to reach an agreement. Here the goal is an expedient, mutually acceptable solution that partially satisfies both.

A compromise is best,

- When the goals of both parties are important but not worth pushing too hard to achieve;
- When a quick solution is the need of the hour;
- When a temporary settlement is needed;
- When two parties with equal power are committed to mutually exclusive goals.

Resolving Conflict

The way a person presents his/her ideas and feelings attracts people or turns them away. The expression makes all the difference and can result either in people being receptive or showing their animosity. So, communication skills form the core of conflict management. Feelings of hurt, anger, disappointment, or disgust can always be expressed without blaming others for it. The message can be communicated through alternative information or performance suggestions in a non-accusatory manner. Emotional words can trigger a negative response and should be avoided.

One of the best kinds of awareness that helps in resolving conflicts knows when to refrain. Here are a few strategies for defusing and redefining a conflict.

- Restate: It should be ensured that everyone hears the same message by restating it.
- Agree: Areas of agreement should be focused on.
- Refocus: Managers should try to see the "big picture" instead of trivialities.
- Dissect: Personal feelings should be separated from the main issue.
- Compliment: The merits of the other person should be acknowledged.
- Compromise: One should be willing to settle for less than 100 percent.
- Postpone: Some cool-down time should be allowed to pass before trying to resolve a problem.
- Exit: One should leave the scene before he/she becomes angry.

Exhibit 27.2gives an example of conflict handling.

> **Exhibit 27.2: Conflict handling**
>
> We generally tend to say 'it's no big deal' when someone offends us. This we do with an intention to avoid conflict and imagining the person who offended has some positive intent. But if left alone, these incidents recur very often and managing conflict becomes unmanageable. For instance, Ana , working employee is often disrespected by her boss and she hasn't reacted and used to feel herself that the oss meant no harm. But when this continued for long and her promotion and salary hike negatively affected, her performance also deteriorated. Harward business professor illustrates this example to advice that conflict management is essential and if one is right, at the initial stage itself, they should curb it without feeling or saying 'it's no big deal'. One gas to address conflicts at early stage.

Source: https://hbr.org/2021/08/the-problem-with-saying-its-no-big-deal

Check Your Progress - 7

14. The settlement between you and your regular vendor, with whom you want to maintain a long-term relationship, are bargaining over the price of an article. This is an example of _____.

    a. Avoid

    b. Accommodate

    c. Collaborate

    d. Compromise

    e. Compete

27.11 Summary

- The ability to understand and manage one's own feelings, actions, and motivations and those of others in social contacts is known as interpersonal skill. Some of the important interpersonal skills required by managers are self-awareness, control, motivation, acknowledging the interest of subordinates, communication skills, etc.

- Interpersonal skills possessed by each person vary. These skills can be improved by repeated practice. Observing the behavior of others during interactions is essential to improve these skills. For managers, knowing individual members personally is essential in understanding and assessing their behavior.

- Assertiveness is an important skill required by managers. It is the ability to state one's point of view clearly and without being aggressive.

- Managers have to take up additional responsibilities if required. Another task to be performed by managers is conflict management. Conflict can be managed by using the techniques of avoiding, competing, collaborating, accommodating, or compromising.

- Some of the factors that impede effective interpersonal interactions are poor listening, emotional arousal, lack of time, and differences in objectives.

- Transactional analysis is a method for analyzing interactions between individuals. Knowledge of the basic concepts of transactional analysis could help managers to improve their interpersonal skills and managerial efficiency.

- According to transactional analysis, human beings have three ego states – Parent, Adult, and Child. These ego states help to analyze one's own behavior and also that of others. The words of a person alone cannot help to identify the ego state from which a person is operating; behavioral signs like gestures and posture are also important in identifying the ego state.

- There are three types of transactions that are discussed under transactional analysis. They are complementary, crossed, and ulterior. Strokes, games, and life positions are a few other concepts under transactional analysis. I am not ok, you're ok; I am not ok, you're not ok; I am ok, you're not ok; and I am ok, you're ok are the four life positions.

- Transactional analysis is very useful in organizations as it can be used to enhance interpersonal skills, motivate employees, analyze and improve leadership style and so on.

- Being open and empathetic towards others goes a long way in building positive relationships at the workplace.

- Praising an employee when he/she deserves it establishes a culture of motivation in an organization.

- Dealing with criticism in a positive and efficient way can help avoid conflicts and maintain good work relationships.

- Avoiding, accommodating, competing, collaborating, and compromising are different approaches that can be used to manage conflicts.

- One can use the strategies of restate, agree, refocus, dissect, compliment, compromise, postpone, or exit for resolving conflicts.

27.12 Glossary

Accommodating: Accommodating involves neglecting one's own concerns in preference to others' concerns.

Adult Ego State: The Adult ego state is the logical thinking side of personality. This state refers to balanced thinking, collecting and processing information.

Avoiding Conflict: This approach involves pretending that the conflict does not exist and is marked by an unwillingness to resolve issues.

Child ego state: The Child ego state consists of all the recordings of behavior, thoughts, or feelings of a person from childhood.

Collaborating: Collaborating focuses on satisfying both parties to the maximum extent possible.

Competing: Competing is adopted by people who are committed to their own position or perspective and consider relationships as secondary.

Complementary Transactions: When a message from a specific ego state of a person receives an expected response from the specific ego state of the other person, it is called a complementary transaction. Complementary transactions occur when the response to a stimulus is healthy and on the expected lines and hence, can go on indefinitely.

Compromising: Each party forgoes something that it is seeking in order to reach an agreement.

Crossed Transactions: Crossed transactions usually occur when, a person involved in a communication, addresses an ego state of the other person which is different from his/her ego state at that time. The communication gets broken off in such transactions.

Ego State: Dr. Eric Berne defined an ego state as "a consistent pattern of feeling and experience directly related to a corresponding consisting pattern of behavior."

Games: Games are ongoing series of complementary, ulterior transactions progressing to a well-defined, predictable outcome.

Life Positions: The concept of life positions is built on the observation that people have basic feelings about their own ability and the ability of others to think, perform, and feel.

Parent: The parent is a huge collection of recordings in the brain of unquestioned or imposed external events perceived by a person in his early years," which, according to experts, are roughly the first five years.

Strokes: A stroke is the recognition of the presence of another person. It can take the form of a smile, a nod, or any other gesture which acknowledges the presence of another person. Strokes can be physical or psychological.

Transactional Analysis: The concept of Transactional Analysis (TA) was developed by Dr. Eric Berne (Dr. Berne), an American psychiatrist. According to Dr. Berne, a transaction is a unit of communication and TA is the analysis of communication between individuals.

Ulterior Transactions: Unlike complementary and crossed transactions, ulterior transactions have a hidden meaning which is different from what is actually said.

27.13 Self-Assessment Test

1. . Write a note on the important interpersonal skills that managers require.

2. . What are the possible ways by which a manager can improve his/her interpersonal skills?

3. Explain the concept of transactional analysis. How does the knowledge of transactional analysis help to improve managerial efficiency?

4. What are the measures that critics as well as the criticized can adopt to benefit from criticism?

5. . What are the different approaches that can be followed to manage conflicts?

27.14 Suggested Readings/Reference Material

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27.15 Answers to Check Your Progress Questions

1. **(a) Refusing to acknowledge the existence and seriousness of a problem**

    Avoidance is an approach to conflict which can be used only as a short term approach. Psychological avoidance is a type of avoidance which involves refusal to acknowledge the existence of a problem or its seriousness.

2. (c) Collaborating

In the collaborating approach to conflict management, it is assumed that conflict is a natural part of life and that it can be resolved. This approach helps not only to resolve conflicts but to also improve relations between the parties involved in the conflict at the same time.

3. (b) Compromising

When attempts for collaboration fail, compromising serves as a backup option. In compromising, the parties involved in the conflict surrender something that they were trying to get so as to reach an agreement.

4. (c) Ulterior

Ulterior transactions have a hidden meaning which is different from what is actually said. In other words, there is a difference between what is said and what is meant, as the meaning is concealed in the words spoken. Such transactions are not easy to understand and evaluate. The verbal meaning may indicate a different ego state, but gestures and facial expressions may convey a different story.

5. (a) Eric Berne

Dr. Eric Berne, an American psychiatrist, developed the concept of transactional analysis

6. (a) Parent ego state

Parent ego state is a compilation of all the recordings made in the human brain at a very young age, usually the first five years. At this time, the child interacts mainly with its parents and all these interactions get recorded in the brain.

7. (c) Transactional stimulus

According to Dr. Berne, transactional stimulus is the indication of acknowledging the presence of others.

8. (c) Games

Dr. Eric Berne gave unusual names for games like 'Kick me,' 'See what you made me do,' 'I'm only trying to help you,' etc.

9. (b) I'm not ok, you're not ok

'I'm not ok, you're not ok' is a life position of frustration and surrender in which the person may view himself/herself as worthless. The person believes that all others are not ok too.

10. (d) I am not ok, you're ok

A manager in I am not ok, you're ok life position expend most of their time trying to please others in order to get strokes. They won't be able

to see themselves as superiors and also would not take disciplinary action against a subordinate even if such a need arises.

11. (a) Controlling

It is called a controlling message because in this kind of message, the speaker tries to attack the intelligence of the listener.

12. (c) Praising progress

This is an example of praising the progress. The employees have done a decent job in coming so near to their objective. They certainly deserve the praise they have received.

13. (a) Judgmental

This is neither constructive criticism nor good feedback. They in fact help in improving performance. This kind of statement is judgmental and can have a negative impact on not just the performance of the individual being criticized but also on the interpersonal relationship.

14. (c) Collaborate

It is an example of 'collaborate' as both the parties feel it is important to satisfy each other and maintain a long-term relationship.

Unit 28

Leadership and Change Management Skills

Structure

28.1   Introduction

The previous unit discussed the interpersonal skills that are essential for managers, such as self-awareness, control, motivation, acknowledging interests of subordinates and communication skills. It discussed how interpersonal skills can be developed. It also introduced the concept of transactional analysis and the various types of transactions that take place between individuals. This unit is on Leadership and change management.

Leadership is the act of influencing the behaviour of others so that they perform the functions of the organisation. There are different leadership styles but there is no one generic style that can be used across all situations and organisations. Leadership skills like long term vision, persuasion, change management and crisis management skills are those that differentiate a successful organisation from others.

This unit explains how leadership skills can be developed and the various types of skills required for becoming a successful leader. It also discusses in depth change and crisis management skills.

28.2   Objectives

After studying this unit, you will be able to:

- Illustrate the concept of leadership for developing leadership skills
- Identify different leadership skills necessary for emergence of successful leaders

- Indicate how leadership skills can be developed to provide clear directions to employees for achieving the organizational objectives.

- Appreciate the need for change management skills for managing and implementing effective changes in the organization

- Discuss the crisis management issues for preventing crises that take place in organizations

28.3   Leadership Skills

Developing leadership skills is a constant process and these skills have to be developed throughout one's career and with conscious effort.

28.3.1 Developing Leadership Skills

In developing leadership skills the assessment of already existing leadership skills and the preparation of a leadership plan to enhance those skills are important. In addition, all the functions that are performed in the organization should also be considered as opportunities to enhance leadership skills. It is important to understand here that leadership is different from management. Leadership is more concerned with emotional and strategic factors while management primarily deals with aspects like control, performance, problem solving, etc.

Leadership skills can be developed with the help of a leadership development plan. A conscious and committed effort on the part of the people concerned to implement the plan can help to a great degree in developing leadership skills Exhibit 28.1 deals with developing leadership skills.

Exhibit 28.1: Developing Leadership Skills

Adam Grant, Wharton management professor was writing on 'how to manage people in a modern workplace and embrace new ideas' in his new book '*Think Again: The Power of Knowing What You Don't Know' . In his conversation with* Wharton Dean Erika James, he discussed with her on 'how to engage and communicate in the workplace, in order to become a more evolved leader' The excerpts of the discussion are presented here:

1. It is common for employees to resist change. But leaders can overcome resistance by embracing data-driven approach.

2. To understand other person's different perspectives, one has to admit one's shortcomings to make the other person open his views.

3. Discard the knowledge and skills that are no more useful.

Contd. .....

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4. You can become successful only when you can make others also successful.

To get best out of people, you must apply your emotional intelligence, intellect and interpersonal skills.

Source: https://knowledge.wharton.upenn.edu/article/want-become-better-leader-question-assumptions/ *May 17, 2021*

28.3.2 Visioning Skills

Any good leader will have a vision for the organization, and he/she will strive to achieve that vision. A leader's vision should represent the organization's characteristic features like culture, values, beliefs, etc. It should be able to instill qualities like belief, motivation, passion, loyalty, and enthusiasm in all the members in the organization. It should be communicated and shared frequently and should help inspire the employees. The vision should motivate the employees to perform to their full potential.

Leadership vision in practice

A leader often gets the inspiration to develop a leadership vision from the environment in which he/she exists. A leader can develop the vision by assessing past experiences, learning from the present situation, or by predicting the future. Analyzing past experiences will help to find examples which could be applied to the present situation. Assessing the present situation, for example, market conditions, suppliers, distributors, customers, etc. can help to understand the current situation of the organization. As the leadership vision should be set for the future, envisaging the future with the help of tools like economic projections, industry forecasts, etc. could help develop the leadership vision.

Visionary Leader

A visionary leader:

- Portrays an inspirational picture of what the organization can achieve.
- Comes up with a concrete vision rather than mere statements.
- Comes up with a vision which points out what should be done and by what time, to distinguish his/her organization from that of competitors.
- Comes up with a vision that supports a substantive change in the direction of the organization rather than just making small changes in the tasks which are already being performed.

28.3.3 Persuasion Skills

Persuasion is a form of communication which is aimed at making a person or a group accept as their own a product, person, idea, thing, or opinion that they would otherwise not support. A leader may often have to convince or persuade

others to achieve his/her objectives. The decision making style of each person differs, and hence while attempting to persuade a group of executives, the decision maker in the group has to be identified first, and the techniques used should be suited to his/her style.

Based on their decision-making style, executives can be classified into Skeptics, Charismatics, Followers, Controllers, and Thinkers. Persuading each of these groups requires different techniques.

Skeptics

Skeptics are very demanding, troublesome, and defiant by nature. They have strong personalities and are apprehensive of data which is against their conviction. As skeptics respond immediately, it is easy to make out if a skeptic is really convinced or not.

Persuading skeptics

Skeptics are usually suspicious by nature and hence the persuader should have credibility. The persuader can obtain the backing of people whom the Skeptic trusts, to persuade him/her. Skeptics have to be handled skillfully and should not be challenged. It is not a difficult task to persuade a Skeptic on a matter, provided it has the support of a person in whom he/she has faith. Skeptics always want to implement revolutionary ideas, but they accept only ideas that come from people whom they have faith in.

Charismatics

Charismatics are talkative and enthusiastic by nature and they have the ability to grasp a large quantity of information. They are often fascinated by new ideas, but it is difficult to persuade them, as they often balance enthusiasm with reality from previous experiences. They take systematic decisions on the basis of objective information.

Persuading charismatics

To persuade a Charismatic, the persuader has to give a candid analysis of the risks involved in the idea and emphasize the measures that can be taken to minimize those risks. Charismatics do not like to listen to lengthy presentations and hence, the most important information should be provided at the beginning. They should be given enough time to take decisions. They often seek guidance from key executives in taking decisions.

Followers

Followers are very careful in taking decisions as they do not want their decisions to go wrong. They always consider past decisions and also the decisions taken by other executives before taking decisions of their own. They are very cautious in taking decisions and own responsibility for their decisions. Even though they are never the early adopters, they consider themselves to be innovative.

Persuading followers

It is easy to persuade Followers. The persuader should make them feel comfortable and confident by using examples of people who have adopted similar decisions. It is important to provide them with dependable and established ideas rather than new ones. Explaining the past decisions taken by Followers or persons whom they trust and relating it to the current situation could help to make the persuasion process easier.

Controllers

Controllers are people who are interested in the logic of arguments and require clarity and certainty. They have strong personalities and usually take independent decisions, without considering the decisions of others. They consider themselves to be the best in any area even if they are insecure in their minds. They fail to see the viewpoints of others and often take unilateral decisions. They also make curt remarks on others, and this generally has the effect of making them unpopular.

Persuading controllers

Controllers have internal fears and to cover up for that, they enquire about all the details. Hence, the persuader should be prepared with all the necessary details in a structured format. Instead of trying to sell an idea to a Controller, the persuader must leave the decision to the Controller's consideration. The persuader should never challenge a Controller directly, as Controllers never give in while arguing about what they believe in.

Thinkers

Thinkers are scholarly and intelligent people who are avid readers. They do not possess good interpersonal skills and do not express their emotions. They like to engage in quantitative arguments with the aid of adequate data.

Persuading thinkers

It is very difficult to persuade Thinkers. They prefer to know beforehand the risks involved in taking a decision and hence, it is important that the persuader provide all the relevant information at the beginning itself. Thinkers should be made to feel that each proposal is the best option available to them. They should also be given enough time to take decisions.

Exhibit 28.2 discusses how employee mindset changed in critical situations such as COVID 19.

Exhibit 28.2: Changes in Employee mindset due to COVID 19

Employee mindsets have changed significantly due to pandemic:

- More than 80% of managers saying say that the pandemic has changed their thinking on their work and leadership
- An unusual 95% of workers are trying to change their jobs.
- A 92% of workers are willing to change even their careers.

Contd. ....

> **There are four kinds of mindsets:**
> - **Business Operators** who focus on business first, found both in upper and middle management (42% versus 43%).
> - **People Champions** who put people first. This category is found almost a quarter of upper managers and 30% of middle managers
> - **Change Resistors who do not like change to happen and** about one in five upper managers, 14% of middle managers are in this category.
> - **Disaffected** are the ones who have no confidence in their leadership and direction. 13% of Upper managers and 12% of middle managers fall into this category

Source: *https://www.accenture.com/us-en/insights/strategy/mindsets-matter?c=acn_glb_curateddailyconeloqua_12405099&n=emc_1021&sfd=&sfg=00Q0B00000lElqCUAS&sfe=7011T000001gxCkQAI&emc=Corporate-NFA-Multi%20Int-10062021-Mindsets%20Matter%20-%20B, 2021*

Activity 28.1

Anne is working as an assistant manager for a leading MNC in the banking sector. She knows that she has to develop her leadership skills to become successful in her chosen career. What are the steps she should adopt to accomplish this objective? Guide her in developing a leadership plan.

Answer:

Check Your Progress - 1

1. _____ is aimed at making a person or a group accept as their own a product, person, idea, thing, or opinion that they would otherwise not support.

   a. Persuasion

   b. Motivation

   c. Charisma

   d. Skepticism

   e. Controlling

2. Identify the type of people who have a very strong personality and are suspicious of data which is against their general beliefs _____.

   a. Skeptics

   b. Charismatics

   c. Followers

    d. Controllers

    e. Persuaders

3. Identify the characteristic which does not relate to a Charismatic _____.

    a. Reticent

    b. Persistent

    c. Captivating

    d. Enthusiastic

    e. Skepticism

4. Who among the following take methodical decisions based on balanced information?

    a. Skeptics

    b. Controllers

    c. Followers

    d. Charismatics

    e. Persuaders

5. In persuading _____, critical information has to be provided first as their attention span is very short.

    a. Thinkers

    b. Controllers

    c. Charismatics

    d. Followers

    e. Leaders

28.3.4 Motivational Skills

Leaders have to motivate employees to achieve their vision. Motivating employees requires a good understanding of the organizational situation and also of the nature of people. Leaders can build an atmosphere in the organization in which work is considered as a pleasant activity which will enable all employees to contribute to the betterment of the organization. Leaders should provide clear directions to employees which will help them in achieving the organizational objectives.

General methods of motivation

The motivational levels of people vary with the situation. There are different ways by which employees can be motivated. It is important for leaders to have an idea about the different ways to motivate people and of how to motivate people in various situations.

a. *Truth as the highest virtue:* Leaders should be able to build an environment of trust in the organization. Employees should be made aware of the happenings in the organization and the use of excess control should be discouraged as employees may view it as a lack of trust in them. If the employees are prevented from knowing the truth, it may cause problems in the organization. Many leaders try to deny facts or hide their mistakes or pretend to be stronger than they actually are. All these may cause employees to manage without doing enough work. For managers, it is very important to know that losing trust is easy, but regaining it is difficult.

b. *Desire to be great:* The relationship that leaders maintain with people determines the commitment and loyalty that the leaders can expect from them. Leaders have to be aware that it is not just monetary incentives that motivate employees. They should try to build passion and emotional attachment among the employees so as to inspire them to achieve organizational goals. They should build strong relations with people who report to them and thus ensure the commitment and loyalty of these people to the organization.

c. *Communication skills:* It is not just the words of leaders that convey meaning to their employees but also their actions and behavior. Leaders must treat their employees with respect and trust to gain the same respect and trust from their employees. Using jargon to the minimum and conveying confidence and credibility through body language is essential while communicating. Leaders should communicate with the employees about their vision for the organization and how the employees can contribute toward the achievement of that vision. Communication is not a one way process and the employees should be provided with ample opportunities for upward communication. The communication style and content of the message should be adapted to suit the characteristics of the audience.

d. *Sharing the burden of risk:* Leaders can motivate employees to take reasonably higher levels of risk. They can do this by establishing clearer rules regarding risk taking and sharing the burden of risk with the organization. It is also necessary to have a frank discussion with the employees regarding all aspects of risk taking. Employees should be motivated to take risks by being provided support for their activities, the chances of success notwithstanding.

e. *Motivating by caring:* Showing genuine concern for the employees will help to inspire them to perform better. When top managers take an interest in the case of employees at the lowest level, it will act as an inspiration for employees at all levels of the organization. Using fear as a motivational strategy will be detrimental to the organization in the long run and so should be avoided. If the employees are well cared for and if their contributions to

the organization are recognized, they will be motivated to further improve their performance.

f. *Motivating by setting difficult goals:* Studies have shown that setting difficult goals can motivate the employees to better performance. In fact, there is a direct proportion between the difficulty of the goals set and the performance of the employees. Thus, difficult goals could act as a motivator for employees to improve their performance.

Motivating people at different levels

In organizations, there are basically three levels of people – the executive team members, middle level managers, and the line staff. The motivational techniques required for each of these groups is different as their expectations from the job are also different. To motivate the executive team members it is important to instill in them a feeling that they are the owners of the company, since people at this level need recognition and a sense of ownership to get motivated. The middle managers require more opportunities to demonstrate and increase their talent. To motivate capable middle level managers, more challenging tasks should be provided. The line staff requires stability in the organization.

Motivating frontline staff

The frontline staff members are usually unskilled and do work that is of a repetitive nature. Many organizations normally not do enough to motivate the frontline staff. Moreover they are often paid very low wages. However, the frontline staff contributes a lot to the performance of the organization and the quality of consumer experience and they also usually have original ideas. Therefore, it is very important to also motivate this section of staff. Example 28.4 deals with employee motivation techniques.

Motivating in times of crisis

In organizations, crisis is a situation when leaders have to exhibit a great deal of motivational skills. In such situations, leaders have to take quick decisions and ensure that people adhere to it. People usually work excellently in times of crisis.

Activity 28.2

Mr. Joshi has been appointed as the new MD of a manufacturing company located in Hyderabad. After talking to employees from all the levels of the organization, he has arrived at the conclusion that the motivation level of the employees is very low even though they are paid a very good remuneration. What are the measures he can adopt to motivate the employees?

Contd. .....

Answer:

Check Your Progress - 2

6. Adopting a joint stock company structure and distributing a part of the company's stock is an effective technique that can be adopted to motivate the _____.

   a. Front line staff

   b. Middle level managers

   c. Line employees

   d. Employees at the executive level

   e. Employees in general

7. In an organizational hierarchy, which level of people would desire to have more opportunities to demonstrate and develop their talents?

   a. Front line staff

   b. Middle level managers

   c. Executive team

   d. Line employees

   e. All levels of managers

Check Your Progress - 3

8. Active listening involves which of the following?

   a. Paying full attention to the speaker and thoroughly understanding the content of the speech

   b. Paying no attention to the speaker

   c. Getting information from peers on the speech

   d. Comparing the speech with the notes

   e. Browsing the net to confirm the views expressed by the speaker

9. In organizations, Peacekeepers are afraid of getting into a conflict with a subordinate. Which of the following is not a reason for this?

   a. They assume that their behavior may be seen as an act of abuse of their power

   b. They fear that it may result in a strained relationship with that person

    c.   They fear that it may be considered as an attempt to seize power from that person

    d.   The peacekeeper attitude is a proactive measure for effective leadership

    e.   They lack skills to handle the conflict

Other skills required in good leaders:

Relationship Building: leaders need to manage and lead the teams and relationship building skill is the foundation of a high-performing team.Some leaders share a close relationship with their followers at workplace and are truly liked by followers. The skills required to build teams with synergy will help leaders to have a cohesive and more engaged team. Good working relationships increase employee engagement and employee commitment.

Critical Thinking: leader's ability to think critically supports desirable outcome. Leading a business towards success is unquestionably very challenging and demands challenging decisions. Critical thinking helps one to make intelligent decisions. Also, individuals who have high analytical and diagnostic skills can make rational decisions. These attributes are essential to lead the organization towards achieving its goal. The leader's ability to think critically in all situations, lead his team and entire business towards efficient functioning.

Focus & Results Orientation: the leaders can be divided into types based on their concern for people or result. The road to success depends on the situations under which leader makes decision based on these two dimensions. Performance or result orientation is must for the success of any business. Leader's ability to motivate his team members to achieve targets and meet business goals in the stipulated time and also to drive them to achieve business results is critically important for successful businesses. In a high-pressure leadership role, many events may occur simultaneously, so it is important to develop the skill of focusing on subjects which of top priority and understand the impact of the same on organization. In Stephen Covey's "7 Habits of Highly Effective People", he discusses about "first things first" and explained that leadership starts with a personal vision and also the importance of focusing on critical and urgent business matters.

Leadership qualities:

Some important leadership qualities include:

Dedication, Commitment and Determination

Dedication, commitment and determination to complete tasks and assignments successfully and being always ready to face any kind of challenges are a very important leadership characteristics.

Leadership is a Passion

Leadership is a passion which needs to be passed on to followers. Thinking out of the box, lateral thinking, creative and innovative thinking, and taking risks to ensure that the vision comes into reality are equally important in leadership.

Ability to lead in all situations

It is easy to lead the predicted situations because of existing plans. Sometimes the contingent and unpredictable situation demand leaders to show skills needed to handle emergencies. There may be certain instances, leader has to take over the control of the situation immediately and handle them efficiently in minimum amount of time.

Finding Opportunities

A strong leader searches for opportunities and make use of them effectively. Opportunities are not provided by anyone, rather they need to be identified and utilized by an individual. A true leader tries to find opportunity in everything and convert them into realities.

Having Clear Vision

A leader needs to have a clear vision. Vision helps the company to grow. A leader clearly understands clearly what the company must achieve in long term.

Leader is a Mentor

Good leaders are also mentors who provide guidance regarding followers' knowledge, skills and experience to assist them to progress in their own life and careers.

Taking Ownership

Leadership means simply taking ownership. Leaders need to take the accountability of all tasks till closure from the beginning without losing the focus.

Setting an Example

The leader should always perform and set himself as an example to everyone. This is also called as leading by example. As leadership is a process in which an individual influences the behavior and attitudes of other people, leading by example helps others to observe the leader and face challenges along the way.

Influencing People

Influencing people is another great characteristic of a leader. A true leader has the ability to influence others due to the personal characteristics he or she has or may be because of the extremely good communication, persuasion skills or charismatic abilities.

28.3.5 Leadership Tactics

It is not possible for leaders to get all the work in the organization done with the aid of just positional power. They often have to adopt various tactics to get their work done.

Relationships beyond the chain of command

Leaders may often have to deal with various types of people who are outside their chain of command and influence them. Effective leaders identify and build relationships with those people who are outside their chain of command who may play an important role in the future of the organization. They also identify people who resist change. They try to overcome this resistance by developing positive relations with these people. However, if the resistance continues, then they adopt more forceful methods. These actions can be classified into the following four steps.

In the first step, the leader identifies all the lateral relationships. It is very difficult to identify the lateral relations as there are no established ways of doing so. Moreover, lateral relations change very quickly as compared to relations that are part of the chain of command. The second step involves identifying those persons who may not cooperate with them. In this case, the causes for resistance and also the extent of resistance should be identified. The third step involves the use of various methods to overcome the resistance. One of such widely used methods is developing personal relations with people who may resist change and eventually using these relationships to communicate, educate, and negotiate with them. The fourth step involves the use of forceful methods to overcome stubborn resistance, if any, from employees.

Relations with subordinates

Leaders have to carefully handle relations with subordinates. They often have to depend a lot on some important subordinates to get their work done. This dependency becomes more pronounced if the subordinate is beyond his/her chain of command. Leaders have to be careful in dealing with such subordinates as they may demand special privileges. These key subordinates in organizations can create special problems to leaders as they may demand special rights. The importance of these subordinates increases if they possess skills that are difficult to replace or if their jobs have an impact on the leader's performance. To deal effectively with these subordinates, the leaders need to strengthen their relationship with the subordinates, obtain job-related skills, and gain information, physical resources, etc.

Relations with superiors

The good relations that leaders maintain with subordinates are to an extent dependent on the support they receive from their own superiors. Superiors play a key role in allocating resources, setting priorities, and determining rewards for

performance. Effective leaders know that they have to maintain good relations with their superiors in order to perform their duties successfully. Relations with superiors are of mutual benefit as both are dependent on each other for the effective functioning of the organization. Leaders and their superiors usually have different backgrounds and this can act as a source of conflict. This factor should be kept in mind in managing relations with them. Effective leaders maintain good relations with their superiors, taking into consideration the strength and weakness of the superiors and also their own needs and objectives. They will also help their superiors by using organizational resources prudently and by providing them with relevant information to carry out their work effectively.

Exhibit 28.3: How Starbucks' CEO Handled Company Tragedy

Starbucks is known for its exceptional treatment of employees, offering things like insurance to even part-time workers. When tragedy struck the company, it's no surprise that their CEO was able to comfort a hurting store and community.

In 1997 three employees were killed in a bungled robbery of one of the Washington D.C. stores. Instead of issuing a press release or calling legal counsel, CEO Howard Schultz flew straight to D.C. and spent the entire week with the employees and their families in the area. Schultz's compassion and incredible leadership helped heal those closest to the tragedy.

Sun's CEO Fights for Internet Transparency

Jonathan Schwartz recently resigned his post at Sun with a Haiku tweet. While he was at Sun though, he was a major proponent of more transparency from CEOs. Schwartz was one of the first Fortune 500 CEOs to start a blog and opened up large companies to an excellent example of corporate blogging.

One of Schwartz's biggest moves as CEO was hosting a public debate on openness for companies on the Internet. Schwartz and SEC chairman Christopher Cox had an open debate on their blogs about the Regulation Fair Disclosure not including the Internet (or blogs like Schwartz's). By fighting for more openness from the SEC, Schwartz gave other customers and companies reason to trust his leadership.

Source: https://www.americanexpress.com/en-us/business/trends-and-insights/articles/10-examples-of-tremendous-business-leadership-1/

Change Management Skills

'Change is often said to be the only constant in one's life'. This is true for business organizations as well. Due to the fluctuations in external and internal factors, businesses continuously undergo various changes. Planning to implement and manage is highly challenging for managers. Hence one of the most important tasks of managers is to implement these changes smoothly. This process of

managing change is called change management. The changes can happen either at individual levels or at the organizational level. Change affects employees and organizations at micro as well as macro level.

It is also basic human nature to resist changes, especially drastic ones. Whenever people perform a task in a certain way, they get accustomed to them. Any variation in these ways is change. Changes may be either natural or reactive. Natural changes generally occur routinely in the ordinary course of business. For the sustainability and growth of business, changes are required in different domains from time to time. On the contrary, reactive changes happen as a reaction to the organization's policies or its environment. For example, whenever a firm adopts a new technology for production, it requires the employees to adapt to the new technology.

Check Your Progress - 4

10. Some types of subordinates derive special power in organizations in relation to their leader. Identify the reason that is false for this_____.
    a. They possess skills which are difficult to replace
    b. They have unique or exclusive information or knowledge
    c. They maintain good relationship with the leader to perform their duties successfully
    d. They are dependent on subordinates because they are capable of performing effectively
    e. They manipulate to derive special powers

11. Which of the following measures should leaders not adopt if they want to build and maintain a good relationship with superiors?
    a. Informing the superiors only of positive happenings
    b. Being open and reliable
    c. Using the boss's time prudently
    d. Utilizing organizational resources optimally
    e. They should always keep in mind that they come from different backgrounds.

28.4 Change Management Skills

Change management is an important function which leaders often have to perform. Change is often associated with uneasiness in the organization and it may cause stress. Hence, leaders should have the necessary skills to manage organizational changes. In change management, it is essential to have the basic understanding that organizations and the working systems in them are unique. A

synchronized program of change, supported by a sound and appropriate strategy, and led by an active leader can ensure major progress in the desired direction in an organization. Corporate strategy is the most important tool for bringing in change in the organization. This task of developing corporate strategy has to be completed by the CEO and should not be delegated. Some of the skills required by managers for effecting changes in the organization are discussed here.

28.4.1 Direction Setting Skills

Establishing the direction for the organization is an important skill required by leaders. Setting the direction involves establishing proper guidelines for the employees to follow. The leader also has to understand the direction in which the organization is going and take steps accordingly. Direction setting is not a substitute for planning. It helps in effectively carrying out the plans in the organization. If proper direction is not provided, there could be substantial loss of the organization's resources.

In setting the direction for an organization, leaders have to:

- Identify the goals and objectives and work toward their achievement
- Identify departmental goals
- Ensure that the staff sets annual goals and achieves them by breaking them up into monthly and weekly goals
- Prepare proper procedures in the written form for each and every task
- Delegate responsibility to those who can take decisions on their own

28.4.2 Factors Resisting Change

Initiatives for change in most organizations are met with resistance. Even in cases where change is planned well in advance, there could be resistance. Resistance may not always be expressed in active ways. There could be passive resistance to change also. It may also be expressed in unforeseen ways. Negative intention is only one of the ways for resistance to change. Resistance to change can be viewed at an individual and organizational level.

Individual resistance to change

Resistance to change is a basic human characteristic. Perception, personality, and the needs of individuals are important factors in causing individual resistance to change. Human beings develop a perception about everything that they come into contact with. If anything occurs that is against their perception, it evokes resistance from them. Some people resist change for fear that it will affect their incomes. For example, when remuneration is linked to performance, it may cause resistance from employees who may be unsure of their ability to achieve better performance in case of change.

Organizational resistance to change

Organizations usually have an inherent resistance to change as they have a built-in system to produce steadiness. There will be well-established procedures and practices in the organization. If anything happens in the organization which may function against its stability, it may be met with resistance. For example, any group in an organization that manages the finances may resist any attempt to reduce the budget size as they may consider this change as a threat.

28.4.3 Skills to Implement and Communicate Change

Leaders are required to have the necessary skills to communicate and execute change. The need for change must be made clear to the employees. In some change processes, additional communication channels are required. This is to be identified and necessary steps have to be taken to implement it.

Communicating the benefits of change

Leaders are required to convey a clear understanding about the need for change to all those involved in the organization. In case of any opposition to change, the leaders are expected to communicate with those who are opposed to change, and to try to change their viewpoints if these are based on false assumptions. Generally false assumptions and fear act as resistors to change. The leader, therefore, has to carefully deal with these and stop the grapevine from spreading negative rumors about the change process. For every viewpoint raised against the change, the leader has to give a counteracting response. This has to be done creatively and logically.

Countering the arguments productively

The change process naturally evokes objections from the organization and leaders should be equipped to handle them. This requires meticulous planning and patience on the part of the leaders. Failure to handle objections will place the leaders and the organization in difficulty. The focus of the leaders should be on changing the negative opinions of people who resist change by clearly explaining to them the change process and its benefits. The following tips could help leaders in countering the resistance to change productively.

a. Leaders should not build improbable expectations in the mind of employees. They should inform them clearly about what kind of change is about to take place and how it is going to affect their operations. Lack of full information about the change process should not be taken as an excuse for not communicating with the employees.

b. Leaders should be honest with employees in communicating change and should let the employees know the real situation.

c. Leaders should ensure that past experiences which may be negative are not allowed to act as an obstruction in the way of communicating change.

d. Leaders should measure the progress of the change process in quantitative terms as this can be helpful in identifying the successful execution of the change process.

Leader as a Change Agent

Leaders are expected to act as change agents who are able to create an atmosphere in organizations which are favorable to implementing changes. Change agents do not wait for others to implement changes, but instead start the process on their own. They are able to abandon old ideas and accept new ones easily. Change agents are also good at making others accept their opinions. They will not enforce change forcefully but will help in the smooth progress of the change process. Refer Exhibit 28.4 for a case study on Nokia.

Exhibit 28.4: Case study- Nokia

In July 2012, shares of Nokia were trading below $2 — far off from their highs of nearly $60 in 2000 and nearly $40 in 2007. At the time of this writing, the shares have somewhat rebounded, up more than 300% after having climbed into the $6.50 range.

At the turn of the millennium, Nokia was one of the world's largest suppliers of mobile devices. This, of course, was before smartphone mania swept the nation (and the world). Fast forward to 2010, and while Nokia remained profitable, the writing was on the wall. It was only a matter of time before Nokia phones, as they currently existed, would remain relevant. Because Apple beat Nokia to market with its iPhone, the latter company missed its opportunity to lead the smartphone revolution.

Understanding this all too well — Nokia has reinvented itself time and again in its 150-plus-year history — the Finland-based company hired a new CEO to take the reins. Ultimately, Nokia's new management team decided to sell the company's struggling phone division to Microsoft. Like it has done so many times over the years (how else does a company founded in 1865 become the worldwide leader in mobile devices in the 1990s?), Nokia has changed the focus of its operations once more. Currently, the company is building network and mapping technologies, among other initiatives.

Source: https://www.tinypulse.com/blog/sk-case-studies-successful-change-management

Refer Exhibit 28.5 for a case study on Coca-Cola.

Exhibit 28.5: Case study: Coca-Cola

When Asa Griggs Candler founded The Coca-Cola Company in the late 1800s, there was no way he knew his company would one day be valued at upwards of $180 billion. That's a lot of money for a business that sells soft drinks. But Coca-Cola didn't become the powerful force it is today by sheer

Contd. .....

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chance. An illustration: In the 1980s, Coke's biggest rival, Pepsi, was aggressively targeting it. This caused Coca-Cola to reevaluate its offerings. Eventually, the company decided to concoct a new, sweeter soda. They called it simply New Coke.

Unfortunately, the public didn't take too kindly to the new beverage. But Coke's executives didn't let the mishap derail their success. Quickly, management decided to pull New Coke and replace it with the older, established formula. Lo and behold, Coca-Cola Classic was born, and Coke maintained its market dominance. Just as quickly as Coke changed to accommodate its customers' sweeter palates, it changed direction again when it realized it made the wrong move. But that's not the only instance where Coca-Cola listened to its customers and enacted change. Again, how is a company primarily known for selling sugary drinks valued at $180 billion in 2016?

Coke doesn't only sell sweetened carbonated beverages. In fact, the beverage king sells more than 500 brands to customers in over 200 countries. Today, many of its offerings — like DASANI, vitamin water, and Evian — are even considered healthy drinks. In other words, Coca-Cola has consistently strived to diversify its product portfolio and expand into new markets. By and large, Coke has succeeded in these efforts.

What in your opinion is the best change management strategy in the given situation?

Source: https://www.tinypulse.com/blog/sk-case-studies-successful-change-management

Check Your Progress - 5

12. Which of the following measures are not crucial for leaders to implement successful changes in an organization?
    a. Leveraging on the forces for change latent in the organization
    b. Having a clear idea about their role and plan of action
    c. Ensuring uniformity in the organization in terms of the goals the business units pursue
    d. Maintaining uniformity in operations in diversified organizations
    e. Delegate responsibility to those who can take decisions on their own

13. Which of the following is not a cause for resistance to change in organization?
    a. Attempt to reduce budget and staff size
    b. Attempt to increase staff size
    c. Redeployment of the decision making authority
    d. Being content with existing procedures and practices
    e. Communicating the benefits of change

28.5   Crisis Management Skills

Crisis management is an unavoidable challenge all leaders need to face. Leaders therefore have to be prepared to manage the difficult tasks they will have to face during and after a crisis. Effective managers will have all the necessary skills to manage crises that may cause change in organizations.

28.5.1 Crisis Defined

A crisis is an acute unplanned event that constitutes a real or perceived threat to the public, consumers, employers, or employees that could have adverse effects on the health and safety of those involved, the reputation of the affected organization, and its ability to operate. Crisis can also be defined as a major business interruption which stimulates extensive news media coverage. The resulting public scrutiny will affect the organization's normal operations and also could have a legal, political, economic, and legislative impact on its business.

28.5.2 Types of Crises

A crisis can occur in organizations on account of various reasons like natural disasters, terrorist attacks, faulty management decisions, etc. Crises can also be classified into sudden crises and smoldering crises based on the warning time available.

Sudden crisis

A sudden crisis occurs without warning and can cause interruptions in the functioning of the organization. Examples of sudden crisis are: natural disasters, terrorist attacks, and death of a key executive in the organization. A sudden crisis hampers the business of the organization and may generate negative media coverage affecting the stakeholders of the company.

Smoldering crisis

A smoldering crisis is "any serious business problem which is not generally known within or without the company, which may generate negative news coverage if or when it goes "public" and could result in more than a predetermined amount in fines, penalties, legal damage awards, unbudgeted expenses, and other costs." A smoldering crisis can take the form of serious business problems which are not usually known inside or outside the organization. This type of crisis is usually caused by the discovery of a new managerial problem. Smoldering crises usually outnumber sudden crises in most organizations.

28.5.3 Preventing a Crisis

Preventing a crisis is one of the easiest and most effective ways of managing crises. However, prevention is usually overlooked as managers in many organizations are of the opinion that the crisis could not be avoided. It is the responsibility of leaders in organizations to ensure through proper planning that all the necessary steps are taken to prevent a crisis. The absence of adequate measures to prevent a crisis could prove costly for the organization.

Plan for a crisis

The leader has to see to it that all the likely causes of a crisis are identified considering the existing situation and all similar situations that have occurred previously. He/she also has to consider all the crises that have occurred in similar organizations. The next step involves determining how the various types of crisis could affect various stakeholders in the organization. The responsibility of dealing with each of the affected parties should be fixed on various persons in the organization.

Formulating strategies for dealing with a crisis

Strategies have to be formulated to deal with the crisis. Small teams have to be formed that can develop strategies to deal with the crisis. These crisis teams should be formed taking into account the nature of the crisis and the key members in the organization who should deal with such crises.

Having written plans

There should also be a well written crisis plan which is available to all the members in the organization. It should be in the form of an action plan of what is to be done and who is to be contacted at the time of a crisis. There should also be a contact list of all those who are to be contacted in such times of emergency. The written plan should be flexible so that it can be adapted to various crisis situations.

Establishing clear chains of command

It is important to have a control center manned by people who have well established chains of command. Those who can remain calm and composed in any situation and can take effective decisions and communicate them effectively are best suited for such jobs.

28.5.4 Identifying a Crisis

In crisis management, an important step is identifying that a crisis is about to take place. A crisis is generally preceded by some warning signals which are often overlooked and go unnoticed. People who are in the organization as well as outsiders can help in identifying a crisis. Failing to understand a crisis or overlooking its seriousness could cause serious problems for the organization. The maximum information about the possibility of a crisis should be gathered from everyone in the organization.

28.5.5 Resolving the Crisis

When a crisis occurs, all the efforts should be directed at preventing it from escalating and bringing it to an end as soon as possible. It is better if a senior manager is involved in resolving the crisis. Importance should be given to protecting the people who are affected. If any death or injury occurs, the family members concerned should be contacted first before information is provided to the public. It is also important to keep the employees of the organization well informed about the situation. It is through the media that the general public gets information about the crisis and hence the media should also be kept well informed.

Crisis can emerge in different ways often without any warning. Many large organizations have contingency plans to deal with emergencies. Presence of a contingency plan is not sufficient, it also requires the leader's ability to emotionally handle any crisis. The four domains of Emotional Intelligence: self awareness, self management, social awareness, and relationship management - each can help a leader face any crisis and manage the crisis situation better than a leader with lower levels of emotional intelligence.

28.5.6 Communication in Crisis Management

Communication plays a vital role at the time of a crisis and this makes it necessary for all organizations to have a proper crisis communication plan. In the event of a crisis, there should be separate teams to communicate with employees, media, customers, etc. Each team should be given adequate training in communicating at the time of a crisis. When a crisis occurs, it is to be ensured that all the team members keep in touch with each other. A location should be arranged where all the team members can assemble at that time. Arrangements have to be made so that employees, customers, shareholders, etc. can obtain information about the crisis easily. Those who should handle and take critical decisions have to be identified. The contact list of employees should be kept up to date.

External communication

External communication in the event of a crisis should be well prepared. Information should be given to the media to the extent possible. A 'No comments' reply to any query from the media should be avoided. It is also important to ensure that answers are honest and positive. If an accident occurs, the matter of those who got killed or injured should be attended to with seriousness. One should not get provoked by hostile questions from the media. Legal issues should not be discussed with the media.

Internal communication

Crisis causes stress for the employees and lowers their productivity and increases absenteeism. When a crisis happens, it is important that employees know exactly what happened. Internal communication is a very important aspect of crisis

communication. Internal communication involves communicating to the employees and it should help to alleviate any pain or psychological stress on the employees as a result of the crisis. Employees should get information about the crisis from the organization itself and not from the media. They should get a feeling that they are safe and are taken care of well.

Exhibit 28.6 Crisis communication in Pepsi

In 1993, Pepsi faced serious allegations about the safety of its products. The scandal began with an elderly couple in Washington who claimed to have found a syringe in their Diet Pepsi can. Over the course of a week, 50 reports came in about various objects being found in Diet Pepsi cans - pins, sewing needles, bullets, screws, crack vials, and more.

In response, Pepsi released a four-part video campaign showing the exact process each can follows in production. These videos proved there was no opportunity for a can to be tampered with before it was delivered to a store. Additionally, Pepsi got its hands on a security video showing a woman in Colorado inserting a syringe into a can of Diet Pepsi at her grocery store. This confirmed to consumers that Pepsi was innocent of the crime.

After confirming internally that the business was not at fault, Pepsi took an effective, defensive approach with its video campaign. Rather than claiming innocence and leaving room for controversy, Pepsi proved it using an educational video and security tape. The company even bought a print ad with the headline, "Pepsi, Proud to Introduce … Nothing" as a humorous attempt to move on from the incident.

Source: https://blog.hubspot.com/service/crisis-communication-examples

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Exhibit 28.7: Crisis communication in Tylenol

In 1982, Tylenol suffered a huge blow when seven people in Chicago were reported dead after consuming over-the-counter Extra-Strength Tylenol capsules. Shocked by the sudden crisis, parent brand Johnson & Johnson discussed what to do: Does it risk its reputation by recalling the product or defend its reputation by claiming it to be tampering?

Fortunately, the brand decided to protect consumers over its reputation and conducted an immediate recall of its most profitable product: 31 million bottles at $100 million. Additionally, the company went as far as to issue a national warning against consuming Tylenol capsules. Johnson & Johnson knew Tylenol wasn't responsible for the deaths; however, the brand's focus wasn't on proving its innocence, it was to protect consumers and ensure their long-term safety.

Contd. ......

This could've left Tylenol in a very tight spot, but the company's initiative to immediately recall products, issue warnings, and establish hotlines for nervous customers left it in a strong light. Additionally, when Tylenol re-introduced its product, it used tamper-resistant packaging and promoted caplets, which are more difficult to tamper with. It also made over 2,250 presentations on the safety of the new product to educate dubious consumers. The dedication to promoting safety and making customers feel safe has made this notorious incident a model for crisis communication.

Source: https://blog.hubspot.com/service/crisis-communication-examples

28.5.7 Risk Management

Leaders are often confronted with situations which make it necessary for them to take risks. Taking a risk is usually considered when the probable advantage and chances of success are higher than the costs resulting from a disastrous decision. Risk management is another important issue that needs to be focused upon. The risk taking ability of managers determines to a large extent the effectiveness of an organization.

Decision-making under risk

In a state of risk, the manager may not have all the relevant information based on which to take decisions. The manager has to identify the probability related to each alternative and take decisions based on the information available. The manager can also make use of his/her experience while taking decisions.

Managing risk

'Risk management is the sum of all proactive management-directed activities within a program that are intended to acceptably accommodate the possibility of failures in elements of the program.' Risks can be managed by taking all the necessary steps like collecting the required information, evaluating the options, and arriving at a conclusion to find out if the potential benefits or potential costs are more. The risk taking ability of a manager has great relevance for the success of a company and hence worrying too much about the possibility of negative outcomes of taking a risk could be detrimental to it.

Exhibit 28.8: Change management in Amazon

Ever since Amazon went online in 1995, the e-commerce juggernaut has undergone a slew of changes — despite being led by the same man, Jeff Bezos, during the ensuing two-plus decades. When the Seattle-based company first launched its website, all it sold was books. Gradually, Bezos and his team expanded Amazon's offerings to include things like CDs and DVDs. But Amazon never really stopped changing the inventory it sold. Bezos said he

Contd. .....

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wanted his store to become the world's largest, so he worked hard toward meeting that goal — whether that meant offering new products, launching Amazon Prime, launching Amazon Instant Video ... the list goes on and on.

Today, Amazon sells more than 200 million products to customers all over the world. Though for years, Amazon's detractors insisted that the company wasn't making enough profits to justify any investments, that all changed in 2015 when the company posted back-to-back successful quarters. The market responded kindly, and today, Amazon boasts a market valuation of more than $440 billion. But Bezos isn't anywhere close to done yet. There are talks of Amazon delivering packages via drone.

And if that wasn't enough, Bezos recently said he hopes Amazon can produce as many as 16 feature films each year. In 2017, Bezos & his team took home three Oscars. Indeed, it appears as though Amazon is a company that can be characterized as changing constantly. To date, they've been successful, probably because the company is always putting its customers first

Source: https://www.tinypulse.com/blog/sk-case-studies-successful-change-management

Activity 28.3

Teena is working as an HR manager in an MNC located in Bengaluru. After the terrorist attack on IISc Bangalore, the management has become concerned about safety, and has started taking preventive measures. Teena has been entrusted with the task of preparing a crisis communication plan for the company which can be used as a guide for both external and internal communication in the event of a crisis. What are the factors she should consider in preparing this plan?

Answer:

Check Your Progress - 6

14. The type of crisis which is often caused by the new discovery of internal problems in the organization, judicial action against a company on account of some investigations, customer problems owing to some faulty managerial decisions, etc. is known as _____.

    a. A criminal event

    b. Product failure

    c. A sudden crisis

   d.   A smoldering crisis

   e.   Natural disaster

15. Match the following types of crises with their causes.

1. Natural disasters	a	Earthquakes, tsunamis, floods
2. Industrial Accidents	b	Hijacking of aircraft
3. Faulty Management Decisions	c	Change in market conditions
4. Criminal Events	d	Machine malfunction, short-circuit in electrical supply

   a.   1a, 2b, 3c, 4d

   b.   1b, 2a, 3d, 4c

   c.   1d, 2c, 3b, 4a

   d.   1a, 2d, 3c, 4b

   e.   1c, 2d, 3b.4a

28.6 Summary

- Leadership can be defined as the act of influencing the behavior of another person. In organizations, leaders have to influence all the members to carry out the tasks of the organization.

- Developing leadership skills is a continuous process which needs to be sharpened all through a person's career. Every person has the ability to improve his/her leadership qualities. What is needed is a conscious effort to do so.

- Good business leaders build a vision, communicate the vision, passionately own the vision, and persistently drive it to completion. Leadership requires vision, which is the ideal situation of where the leader wants the organization to be in a future period. The vision should be to reach a better place than where the organization is at present.

- Persuading others is a function that a leader often has to perform. Persuasion is a form of communication which is aimed at making a person or a group accept as their own a product, person, idea, thing, or opinion that they would otherwise not support.

- The ability to motivate others is another major skill that leaders require. It involves nurturing enthusiasm in others to achieve the vision the leaders have about the organization.

- Conflict is a reality in organizations. It is essential for leaders to have the skills required to resolve conflicts. Leaders also have to make use of different tactics to get their work done.

- Managing change is one of the greatest challenges that leaders face. Leaders need to leverage on the forces of change latent in the organization to ensure that change is brought about successfully.

- Direction means setting clear goals and guidelines for staff to follow. To bring in change in the organization, leaders have to set the direction for change, which is one of their fundamental roles as leaders.

- In organizations, change is almost always met with resistance. Resistance to change can take place at an individual level and organizational level.

- A crisis is an acute unplanned event that constitutes a real or perceived threat to the public, consumers, employers, or employees that could have adverse effects on the health and safety of those involved, the reputation of the affected organization, and its ability to operate. A leader has to identify all the possible causes of a crisis and steps must be taken to manage them.

- As leaders, managers are often faced with situations which require them to take risks. If a risk is not properly managed in organizations, it may lead to the loss of huge sums of money. Hence, risk control is an important function of managers in the organization.

28.7   Glossary

Change Agents: Change agents are people who are progressive and pioneering, who cannot put up with complacency, and are continually motivated to create better organizations. Change agents can be present in any level of the organization.

Charismatics: Charismatics are talkative, dominant, captivating, enthusiastic, persistent, and have the ability to absorb large amounts of information. They are captivated by new ideas and are good at moving from big ideas to the specifics of implementation.

Peacekeepers: Peacekeepers try to avoid conflict at any cost. Such people often unreasonably try to avoid conflicts or to keep the heat of conflict from rising. In this process, they restrain the natural emotions and reactions of the group.

Peacemakers: Peacemakers are those who are able to identify when a tension goes beyond a limit. Such people try to bring about a successful resolution to the conflict and act rationally for the purpose.

Skeptics: Skeptics are people with very strong personalities and they are suspicious of data which is against their general beliefs. Skeptics are by nature challenging, disruptive, offensive, and defiant.

28.8   Self-Assessment Test

1. . Give an account of the various ways in which the leadership skills of a person can be improved.

2. Identify the various ways in which different types of executives can be persuaded on the basis of their decision making style.

3. . Identify the steps that leaders should adopt in managing change effectively.

4. Identify the various types of crises that commonly occur in organizations. What are the various ways that can be adopted by managers to prevent a crisis?

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28.10 Answers to Check Your Progress Questions

1. (a) Persuasion

Persuasion is a form of communication which is aimed at making a person or a group accept as their own a product, person, idea, thing, or opinion that they would otherwise not support. Convincing others or persuading them is a function that a leader often has to perform.

2. **(a) Skeptics**

    Skeptics are people with a strong personality and they are suspicious of data which is against their general belief.

3. **(a) Reticent**

    Charismatics are talkative, dominant, captivating, enthusiastic, persistent, and have the ability to absorb large amounts of information. They are captivated by new ideas and are good at moving from big ideas to the specifics of implementation.

4. **(d) Charismatics**

    When examining an idea, Charismatics look for facts. If they don't find any, they lose enthusiasm for the idea. They show interest in ideas that address bottom line results. Also, they look for proposals that increase the competitiveness of the firm. Charismatics take methodical decisions based on balanced information.

5. **(c) Charismatics**

    Charismatics have short attention spans. They do not appreciate lengthy, single-sided persuasion. So the persuader should present critical information at the earliest.

6. **(d) Employees at the executive level**

    People in different levels of the organization have different expectations. So, different incentives have to be used in motivating those in each of the levels. Those in the executive level require more recognition and a sense of ownership. Adopting a joint stock company structure and distributing a part of the company's stock among the senior executives helps to instill a sense of ownership among them.

7. **(b) Middle level managers**

    Middle level managers yearn for opportunities to demonstrate and develop their talents. Hence they are the ones most likely to take up challenges.

8. **(a) Paying full attention to the speaker and thoroughly understanding the content of the speech**

    Active listening involves paying attention to the speaker, asking suitable questions, and double checking what one has understood. It is one of the essential skills required by managers for managing conflicts besides assertive communication, problem solving, and negotiation skills.

9. (c) **They fear that it may be considered as an attempt to seize power from that person**

   In organizations, Peacekeepers are afraid of getting into a conflict with a subordinate as they think that their behavior may be seen as an act of misusing their power, and may result in a strained relationship with that person. It is only in the case of a superior that Peacekeepers try to avoid a conflict fearing that it may be considered as an attempt to seize power from that person and may cause the end of their relationship with him/her.

10. (e) **They manipulate to derive special powers**

   Option e is false because manipulating to derive specil power is not true with respect to subordinates. Some types of subordinates derive special power in organizations in relation to their leader. For example, subordinates who have skills which are difficult to replace, those who have unique or exclusive information or knowledge, subordinates who maintain good relationships with their leaders, those whose jobs are crucial and have a high impact on the performance of the boss, subordinates whose jobs are related to other important jobs in the organization, etc. derive special power.

11. (a) **Informing the superiors only of positive happenings**

   Effective leaders understand their boss's goals, the pressures on him/her, his/her strengths and weaknesses and his/her working style. They also understand their own needs, objectives, strengths and weaknesses, and personal styles. They use all this information to build and maintain their relationship with their superior. They maintain a good relationship by providing information on what is happening, by being open and reliable, by using the boss's time prudently, and by utilizing organizational resources optimally.

12. (d) **Maintaining uniformity in operations in diversified organizations**

   Except maintainig uniformity in diversified organizations, the rest of the options are crucial for implementing change. Leveraging on the forces for change latent in the organization, having a clear idea about their role and plan of action, ensuring uniformity of goals the business units pursue among similar organizational units etc. are crucial for implementing change in organizations. Attempting to maintain uniformity in the organization is good if the business units are similar in all aspects. However, this treatment is inappropriate in the case of diversified organizations. In such organizations, each business unit has different priorities and needs a different approach to meet the new situations it faces.

13. (b) Attempt to increase staff size

Except an attempt to increase staff size, all the remaining options are causes for resistance to change. The groups in the organization that are content with existing procedures and practices may resist change. Another cause is the attempt to reduce the budget or staff size. Redeployment of the decision making authority can threaten the long-established power relationships within the organization and invite resistance to it.

14. (d) A smoldering crisis

A smoldering crisis is "any serious business problem which is not generally known within or outside the company, which may generate negative news coverage if or when it goes "public" and could result in more than a predetermined amount in fines, penalties, legal damage awards, unbudgeted expenses, and other costs". This type of crisis is often caused by the new discovery of internal problems in the organization, judicial action against a company on account of some investigations, customer problems owing to some faulty managerial decisions, etc.

15. (d) 1a, 2d, 3c, 4b

Natural disasters, industrial accidents, faulty management decisions, and criminal events are different types of crises. Examples of natural disasters are earthquakes, tsunamis, and floods; of industrial accidents, are machine malfunction and short-circuits in electrical supply; of faulty management decisions, changes in market conditions; and of criminal events, are hijacking of aircraft.

Unit 29
Multi-Cultural Communication Skills

Structure

29.1 Introduction

The previous unit discussed the various leadership styles and how they can be acquired. It was discussed that there is no one generic leadership style that can be prescribed; it also clarified on the methods to handle change management and crisis management in organizations.

This unit discusses multicultural communication skills. Culture is the collective programming of the mind which distinguishes the members of one group from another. The culture of an individual has an impact on the way he/she will behave in certain situations. Managers today have to manage a diverse work force that comes from various parts of the world. This makes it necessary for them to have multi-cultural skills that will enable them to perform their functions effectively.

The culture of a particular country influences the designing and marketing of products and services, and the ability of a business to adapt to the culture in which it operates is critical for its success in international business.

This unit will give an overview of different cultures, and explain the need for multi-cultural communication. It also explains the need to be sensitive while dealing with other cultures and the common mistakes committed in cross cultural communication.

29.2   Objectives

After studying this unit, you will be able to:

- Discuss the diversity of cultures to be successful in cross-cultural settings
- Explain the need for multicultural communication skills to work effectively with people belonging to various cultures
- Show the need for sensitivity in communicating with different cultures to foster better business relationships
- Identify the common mistakes made in cross cultural communications to avoid mistakes
- Explain cultural fluency for enhancing communication skills

29.3   Understanding Different Cultures

Culture is the 'collective programming of the mind which distinguishes the members of one group from another.' Every business function is influenced by culture. The culture of a particular country influences the designing and marketing of products and services. Also, different cultures value time differently. The ability of a business to adapt to the culture in which it operates is critical for its success in international business. In many MNCs, the diversity in the workforce is increasing and this calls for serious attention being given to cultural adaptability by these companies. To manage global teams effectively, it is important for managers to have a fairly good understanding of cultural differences. Similarly, to be successful in foreign markets, managers should understand cultural differences in terms of attitudes, values, religions, customs, education, and language of those foreign markets.

Not having good cultural skills could lead to various problems like being culturally offensive, ending up with cultural mix-ups, tarnishing personal relationships, and failing in negotiations. It could also have a negative impact on the profits of the organization.

A Dutch research project conducted by Geert Hofstede during his tenure as a psychologist at IBM, revealed that culture can be classified along five dimensions[2], namely, power distance, masculinity vs. femininity, uncertainty avoidance, individualism vs. collectivism and long-term orientation.

29.3.1 Power Distance

Power distance refers to the attitude of a society toward physical and intellectual inequalities. The greater the power distance, the wider the difference between individuals in matters of power and income. In other words, the social inequality increases with the increase in power distance. In countries like Mexico, Arab

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[2] https://www.cleverism.com/understanding-cultures-people-hofstede-dimensions/

countries, etc. the power distance is greater, while in Great Britain and the US it is less.

29.3.2 Masculinity Vs Femininity

This is the relation between gender and work roles. In masculine cultures, there will be sharp difference between the role of men and women at the workplace. In feminine cultures, the roles of men and women are less differentiated at the workplace. For example, in Japan, where a high masculine culture prevails there is a great difference between the role of men and women. Women are mostly considered as helpers to men and as not being capable of doing challenging tasks.

29.3.3 Uncertainty Avoidance

Uncertainty avoidance means the extent to which a society accepts ambiguity and uncertainty. In societies with high uncertainty avoidance, people do not like taking risks. In such cultures employees are provided with job security and high retirement benefits. Managers encourage strict supervision of work and give clear instructions to employees; employees stick to the rules and regulations. Such a culture is found in countries like Japan, where the people have high uncertainty avoidance and pay a lot of attention to minute details and discuss them elaborately. On the other hand in countries like the US, which is very low on uncertainty avoidance, people offer low emotional resistance and are more willing to take risks.

29.3.4 Individualism Vs Collectivism

In collective societies, group interest gets priority over individual interests while in individualistic societies, individual interests are more important. For example, the US has an individualistic society and Japan has a collectivistic society. Hofstede's findings confirmed the popular perceptions about the existence of cultural differences among various countries.

29.3.5 Long-term Orientation

Long-term orientation relates to the degree to which a society upholds, or does not uphold a long-term commitment to traditional values. A culture with high long-term orientation may give importance to values and traditions. Such a culture will have a long term work ethic in which today's work ethic is expected to bring in rich rewards in the future. A culture with low long term orientation may not have a long term traditional orientation. In such cultures, changes occur faster as long-term commitments do not create impediments to change.

Check Your Progress - 1

1. In which of the following countries, is individualism highly valued?
    a. Asia
    b. South America

   c. Africa

   d. North America

   e. India

2. Which of the following cultures value time the most?

   a. Western

   b. Chinese

   c. Korean

   d. Latin American

   e. India

3. Which of the following cannot result from a lack of cultural understanding?

   a. Being culturally offensive

   b. Making cultural blunders

   c. Ruining personal relationships

   d. Erosion of Traditional values

   e. Failing negotiations

4. Which of the following is not an example of a high power distance culture?

   a. Mexico

   b. West African countries

   c. Egypt

   d. Germany

   e. Syria

5. From the values given, identify the masculine values as per Hofstede's classification of culture.

   a. Assertiveness and competitiveness

   b. Long term orientation

   c. Solidarity

   d. Quality of life

   e. Tenderness

6. Which of the following countries is low on the collectivism scale and power distance scale as per the index created by Hofstede?

   a. Japan

   b. Mexico

   c. Canada

   d. China

   e. India

29.4   Need for Multi-Cultural Communication Skills

Lack of multi-cultural cultural communication skills could lead to various problems for managers who operate in a multi-cultural business environment. Multi-cultural skills provide them with a comfort level to work effectively with people belonging to various cultures. Adeptness in a foreign language and culture is becoming increasingly important in modern businesses. This trend is especially found in the IT sector, hospitality industry, travel and tourism, banks, financial institutions, and the manufacturing sector.

29.4.1 Non-verbal Communication

Non-verbal communication also plays an important role in influencing communication and the conduct of business. Non-verbal communication has been classified by Michael Argyle as kinesics, proxemics, appearance, posture, eye contact, paralanguage, and symbolism.

Kinesics

Kinesics refers to body language. Body language is greatly influenced by culture and the body language of one culture may be misinterpreted by another culture. It is therefore important to have a good understanding of the kinesics of the new culture in which one is about to operate. Asian cultures show very little kinesics while southern Europeans show more kinesics.

Proxemics

This relates to the physical distance maintained by people from one another in social interactions. In low context cultures, people have a tendency to maintain more of a distance from each other than in the case of high context cultures. Germans, for example maintain a larger personal space around them than North Americans do.

Appearance

In some cultures, formal attire is required in business meetings while in some others, traditional attire can be used. For example, in Western cultures, a formal suit is a must in business interactions. In Arab cultures, the traditional robe named *'ghutra'* is often worn at business meetings.

Posture

Posture refers to the way a person stands, sits, etc. A person's posture taken together with other non-verbal behavior, can sometimes lead to confusion in intercultural settings.

Eye contact

Oculesics is the use of eyes in the process of communication. In Western cultures, direct eye contact symbolizes listening and concentration while it is seen as unfavorable by, for example, various Asian cultures.

Paralanguage

Paralinguistics also differs across cultures. For example, the British way of speaking softly might be interpreted as being secretive by Americans. On the other hand, talking loudly is considered as uncultured behavior in Europe. The speed of speech also differs from culture to culture. For example, Finnish is spoken relatively slowly compared to other European languages.

Symbolism

Symbols are interpreted differently in various cultures. Color too has different meanings in different cultures. For example, blue stands for warmth in Holland, represents death in Iran, denotes coldness in Sweden, and means purity in India. Meanings associated with numbers also differ across cultures. For example, the number 13 is often associated with bad luck among Christians while in Jewish societies it is seen as a lucky number.

Check Your Progress - 2

7. Body language, which is a part of non-verbal communication, is also known as _____.
   a. Kinesics
   b. Proxemics
   c. Appearance
   d. Symbolism
   e. Paralanguage

8. The way in which people maintain a physical distance from one another is termed as _____.
   a. Posture
   b. Appearance
   c. Proxemics
   d. Kinesics
   e. Paralanguage

9. People from low context cultures have a tendency to keep a greater distance from one another than people from high context cultures. Which of the following cultures is an exception to this?
   a. South-east Asian

    b.   Northern European

    c.   German

    d.   USA

    e.   Finnish

10. Identify the statement that is true regarding the style of communication in multi-cultural communication.

    a.   In collective cultures, the emphasis is on the achievements of individuals therefore the style of communication should focus on this aspect.

    b.   In cultures in which there is more of a democratic style of functioning, the communication style can be less participative.

    c.   In an individualistic culture, less emphasis is given to the accomplishments of individuals

    d.   Choosing the right style of communication is crucial in business interactions

    e.   Adeptness in a foreign language and culture is not important in modern businesses.

29.5   Being Sensitive to Different Cultures while Communicating

Cultural sensitivity is being aware, appreciating, and honestly caring about another person's culture. It also denotes the ability to understand the viewpoint of persons working in a different culture. In cross-cultural communication, it has to be ensured that the feelings of other persons are not hurt knowingly or unknowingly. If feelings are hurt, it may have a severe impact on the business relationships.

Understanding and showing admiration for a foreign culture could help to foster better business relationships. But if a wrong step is taken in this regard, it could affect the business as a whole or may cause delays in the smooth execution of projects.

In many Western cultures, building personal relations is not very important in business, unlike in many Asian cultures, where it is very important. The etiquette associated with giving and receiving gifts and business cards also varies across cultures. The position of the person giving and accepting gifts, the type of gifts given, etc. is important in the gifting etiquette. In Japanese culture, a business card carries a lot of value and esteem, whereas in the US, it does not carry much significance.

29.6 Common Mistakes Committed in Cross-Cultural Communication

Several problems can occur if efforts are not taken to avoid mistakes that may crop up in cross-cultural communication. The following guidelines could help avoid many mistakes that usually occur in cross-cultural communication.

29.6.1 Selecting a Topic of Conversation

In selecting a topic of conversation, it has to be remembered that what is an appropriate topic of conversation in one culture may turn out to be offensive in some other cultures. This aspect should definitely be kept in mind while communicating with a person from a different culture. In some cultures, it may not be suitable to talk about family details or earning capacity during business meetings.

29.6.2 Silence during a Conversation

In Western cultures, silence in the course of a business conversation may not be considered appropriate while in Japan, this is a common practice. In Japan, silence during business meetings is considered as a sign of thoughtfulness.

29.6.3 Interruption during Conversation

Interruptions during conversations may be ordinary in Arab countries. For instance, during business meetings in these countries, people receive phone calls, friends, or family members. This kind of interruption is very common in these cultures but they are thought highly inappropriate and rude in Northern Europe or American cultures.

29.6.4 Humor in Conversation

Humor may not be appreciated in Japanese business meetings. What is considered as good humor in another culture may have negative connotations in such cultures. On the other hand, in Western culture, humor may be used as an effort to create an immediate connection between parties in business meetings.

29.6.5 Structure of the Message

In certain cultures, coming straight to the point during business meetings is valued, while in others a more roundabout approach is preferred. Business managers in situations like the latter, should ensure that they bring in the point to the table slowly. For instance, US managers prefer coming straight to the point in business interactions, while a roundabout approach has to be followed in Japan.

Activity 29.1

Ram, a senior manager working with a Japanese car manufacturing company operating in India, is being sent for a year long training program to Japan. He wants to know more about the Japanese culture as he does not want his lack of multi-cultural skills to affect his career prospects or to cause any offence to his Japanese hosts. What advice would you give Ram to help him in this endeavor?

Answer:

29.7   Enhancing Multi-Cultural Communication Skills

Enhancing one's multi-cultural communication skills can help a lot in bettering business relationships. The following guidelines can be useful in enhancing these skills.

Exhibit 29.1 presents tips for improving multi- cultural skills

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Exhibit 29.1: Tips for Cross-Cultural Communication

The following tips for good communication in the workplace can be effective in culturally diverse contexts.

1. **Be clear in your message**—be clear and concise in your communication to avoid misunderstandings.

2. **Clearly definite expectations**—Make sure that employees know what they are expected to do to avoid miscommunication.

3. **Listen carefully**—Pay complete attention when employees share feedback with you.

4. **Ask questions**—The best practice is to ask employees questions and encourage them to question you and with one another.

5. **Give positive feedback**—Reinforce valuing diversity in workplace. Provide your employees with timely positive feedback

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 Source: https://gethppy.com/internalcommunication/why-cross-cultural-communication-is-crucial-in-the-workplace 30 August 2021

29.7.1 Objective

In multi-cultural business communication as in any other form of communication, there will an objective. Reaching an agreement, signing a business contract, etc. are some of the purposes of business communication. Managers have to ensure that their objectives are realistic. However, what is considered realistic in one culture may be thought unrealistic in another culture. For example, in the US,

people tend to take personal responsibility for finishing a project on time, while in Arab countries, it is considered to be God's will that determines the outcome of a project. The time frame for achieving the objective should also be set considering the culture in which the business is operating. The attitude toward time also has great influence on culture.

29.7.2 Style of Communication

The style of communication plays an important role in business. Some cultures believe in a democratic style of functioning and in these cultures, communication is usually in the participative style. Individualistic and collective cultures also adopt differing communication styles. In individualistic cultures, the achievements of individuals are given more importance while the achievements of groups are important in collective cultures. Knowing whether a culture is individualistic or collectivistic is important to determine the style of communication to be adopted.

29.7.3 Integrity

The integrity of a person involved in the communication process greatly influences the effectiveness of communication. Personal image, position or status, competence, trustworthiness etc. can determine the integrity of a person. In certain cultures, the credibility of a person depends on his/her position or reputation. For instance, in South America, family status is an aspect which gives credibility to a person. In the UK, a person from a higher class may be able to get certain privileges over a person from a lower class. In some cultures like that of China, credibility depends a lot on the personal rapport established by the person. The competency of a person helps to gain credibility in some cultures like Germany.

29.7.4 Message

In business communication across cultures, the message should be presented in a way which is suitable for a particular culture. This means that managers should have a good understanding of the culture in which they operate. The size of paper used, the visual aids, format of a presentation, etc., can have a great influence on business.

Making presentations effective in cross-cultural set-ups.

Managers in organizations are often required to give presentations. Such presentations to a diverse cultural audience can create many problems. In such situations, having intercultural awareness can help to reduce the chances of misunderstandings and enhance business relations. The following guidelines could be useful in making such presentations effective.

Style of presentation

In some cultures like that of the US, a fast paced presentation is preferred, with the main point being provided at the beginning. The rest of the presentation

should be based on the main point. In Europe, a detailed presentation is required in which the main point is given at the end.

Use of technology

In some cultures, the use of visual aids is not preferred; more importance is given to the words and personality of the speaker. So a PowerPoint presentation is not always a default method of presentation.

Content

In cultures with a long-term orientation, presentations with future projections may get good attention. In another culture, the speaker's reputation and experience may be given importance.

Participation of audience

In some cultures, the audience participates in the presentation enthusiastically with questions and answers. People from Japan may close their eyes while listening, while in the US, a good point may be appreciated by applause.

29.7.5 Language Barriers

Language is a major barrier which affects the efficiency of international business communication. In addition to a basic understanding of a language, managers are also expected to have familiarity with dialects, accent, codes, jargon, etc. used in a language in order to ensure effective communication. For example, in a business meeting, if an American manager says 'yes', he/she may be expressing his/her acceptance of the proposal, while a Japanese manager who says 'yes' may just be showing good manners as required by his/her culture.

Activity 29.2

Robin is the HR manager of an Indian software company where all the co-workers are Indians. Assume that this company which is operating in Hyderabad is taken over by an American company and a group of Americans are appointed in senior managerial positions. As a manager, what efforts should Robin take to ensure that the Americans do not feel culturally alienated when they come to work in the company? What kind of approach should he adopt toward the existing workforce to help them cope with the new situation?

Answer:

Check Your Progress - 3

11. _____ includes the ability to understand the perspectives of someone living or working in another culture.

    a. Cultural competency

    b. Cultural sensitivity

    c. Cultural fluency

    d. Cultural stereotypes.

    e. Cultural complexity

12. In which of the following cultures is it extremely important to prove one's competence in order to gain credibility?

    a. Japan

    b. Korea

    c. Germany

    d. Mexico

    e. India

29.8 Cultural Fluency

Cultural fluency is based on the ability to identify, understand, and apply cultural variables that influence the communicative behavior of members of different cultures. A person who is culturally fluent can communicate like a member of the foreign culture. Cultural fluency can be either culture-specific or culture general.

Culture-general fluency helps a person to understand the factors that typify the communication behavior of different cultures. Culture-specific fluency enables a person to apply general cultural fluency for communication in one specific cultural group.

Learning a foreign language may be a more difficult task than attaining a particular stage of cultural fluency. At the same time, however, knowledge of a foreign language will not make a person culturally fluent. Language fluency is only one aspect of cultural fluency. One of the reasons why many businesses fail is that they do not have a clear idea about cultural fluency. This results in wrong messages being received and sent, which can cause misinterpretations and eventually end in disturbed business relationships.

29.8.1 Developing Cultural Fluency

Cultural fluency helps in bringing together people from various cultures, conducting businesses smoothly, in easy transfer of technology, and so on.

Having cultural fluency could help to build partnerships with people from varied cultures and thus tap unexploited foreign markets. Dr. Linda Beamer developed a model for developing intercultural communication competence in 1992. There are four essential principles to the model put forward by Beamer. They are:

1. Culture can be learned.

2. Cultures are complete and rational.

3. All cultures are equally suitable.

4. A person who is culturally fluent can accept that cultural prejudice always exists.

There are five levels in Beamer's model of learning cultural fluency and they are discussed here:

Acknowledging cultural diversity

In learning cultural fluency, an important step is understanding the various factors that cause differences between the cultures. Language is an important factor which causes cultural difference. However, as stated earlier, the knowledge of a foreign language alone will not make a person culturally fluent.

Organizing information according to stereotypes

Stereotypes are the basic characteristics that differentiate one culture from another. For example, 'public display of affection should be avoided in China,' 'treat the business card given by Japanese with respect' are stereotypes. The problem with stereotypes is that they show only limited aspects of a culture, and fail to provide the full picture. Often, people do not care to look outside stereotypes and this is an important problem encountered while developing cultural fluency.

Asking questions to challenge stereotypes

The third level involves challenging the stereotypes. The objective of this process should be to identify what is valued by members of another culture, and how the values influence their behavior in various situations.

Analyzing communication episodes

The knowledge acquired through challenging stereotypes should be used to appraise communication episodes in actual situations, be it a case of communication success, failure, or both. This will provide new insights about the other culture.

Generating fluent messages from other cultures

This final level involves the ability to create and reply fluently to communication messages from other cultures and this ability is transferable across cultures.

Check Your Progress - 4

13. Which of the following is based on the ability to identify, understand, and apply cultural variables that influence the communicative behavior of members of different cultures?

   a. Cultural fluency

   b. Language fluency

   c. Cultural diversity

   d. Stereotypes

   e. Symbolism

14. Arrange the five levels in Beamer's model of learning cultural fluency in the right sequence_____.

   i. Generating fluent messages from other cultures.

   ii. Asking questions to challenge stereotypes.

   iii. Analyzing communication episodes.

   iv. Organizing information according to stereotypes.

   v. Acknowledging cultural diversity.

   a. v, iv, ii, iii, i

   b. i, ii, iii, v, iv

   c. iv, iii, v, ii, i

   d. iii, i, v, iv, ii

   e. ii, iv, v, iii, i

15. Certain basic characteristics that distinguish one culture from another can be referred to as _____.

   a. Episodes

   b. Stereotypes

   c. Cultural fluency

   d. Cultural sensitivity

   e. Cultural competence

29.9   Summary

- Culture is the collective programming of the mind which distinguishes the members of one group from another.

- Culture can be classified along four dimensions – Power distance, Masculinity vs. femininity, Uncertainty avoidance, and Individualism vs. collectivism.

- Not having knowledge of another culture can result in mistakes that may confuse or even offend the people with whom an organization intends to communicate; therefore there is a high need for attaining multi-cultural communication skills.

- Non-verbal communication plays a vital role in influencing multi-cultural communication skills. Non-verbal communication can be classified as kinesics, proxemics, appearance, posture, eye contact, paralanguage, and symbolism.

- It is important for managers to be sensitive to different cultures while conducting business and communicating in a multi-cultural business environment.

- Some of the important points to be remembered in order to avoid making mistakes during cross-cultural communication are selecting an appropriate topic of conversation, silence during a conversation, interruptions during conversations, humor in conversations, and the structure of the message.

- Some of the factors that need to be considered while enhancing multi-cultural communication skills are the objective, style of communication, integrity, message, and language barriers.

- Cultural fluency is based on the ability to identify, understand, and apply cultural variables that influence the communicative behavior of members of different cultures.

- Cultural fluency can be helpful in bringing together people from various cultures, conducting business smoothly, easy transfer of technology, and so on.

29.10 Glossary

Cultural Fluency: Cultural fluency is based on the ability to identify, understand, and apply cultural variables that influence the communicative behavior of members of different cultures

Kinesics: It can be defined as body language.

Long-Term Orientation: Long-Term Orientation (LTO) focuses on the degree to which a society embraces, or does not embrace long-term devotion to traditional, values.

Power Distance: This refers to a society's attitude toward physical and intellectual inequalities. In societies with high power distance, there are wide differences among individuals in terms of income and power.

Proxemics: This refers to the way in which people maintain a physical distance from one another. People from low context cultures have a tendency to keep a greater distance than people from high context cultures.

Uncertainty Avoidance: This refers to the extent to which a society tolerates ambiguity and uncertainty. In societies with high uncertainty avoidance, people do not like taking risks.

29.11 Self-Assessment Test

1. According to Geert Hofstede, the culture of any country and its workplace is influenced by five dimensions. What are these dimensions? How do they influence the functioning of business across cultures?

2. Write a note on the various factors which make it necessary for modern managers to have multi-cultural skills.

3. What are the various ways by which multi-cultural skills can be developed?

4. What are the various ways by which cultural fluency can be developed?

29.12 Suggested Readings / Reference Material

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29.13 Answers to Check Your Progress Questions

1. **(d) North America**

   In Asia, South America, and Africa, collectivism is highly valued, while in North America, individualism is highly valued.

2. **(a) Western**

   The value that time has for a Westerner is different from the value it holds for people in other parts of the world. The Chinese, Koreans, and Latin Americans are casual about time. For example, in the US, finishing a project on time is very important.

3. **(d) Erosion of Traditional values**

   A lack of cultural understanding frequently results in many unintended mistakes such as being culturally offensive, making cultural blunders, ruining personal relationships, failing in negotiations and consequently losing out on profits. But traditional values are respected and followed.

4. **(d) Germany**

   In societies with high power distance, there are wide differences among individuals in terms of income and power. Great Britain, Germany, and the US are examples of low power distance cultures. Mexico, the West African countries and Arab countries like Egypt, Syria etc., where high social inequalities prevail, are examples of high power distance cultures.

5. **(a) Assertiveness and competitiveness**

   Assertiveness and competitiveness are considered male values, whereas solidarity and quality of life are regarded as feminine values. In masculine cultures, gender roles are sharply differentiated, whereas in feminine cultures, the roles of men and women are less differentiated.

6. **(c) Canada**

   Hofstede created an index for each of the four dimensions: power distance, masculinity vs. femininity, uncertainty avoidance, and individualism vs. collectivism. He took the average scores of employees from a given country and plotted them on two graphs. The graphs showed that advanced countries such as the US, Canada, and Britain were low on the collectivism scale and power distance scale, while the Latin American and Asian countries were high on both scales.

7. **(a) Kinesics**

   Non-verbal communication has been classified by Argyle as kinesics, proxemics, appearance, posture, etc. Kinesics can be defined as body language. Body language can differ from culture to culture;

consequently, the body language of one culture can be misunderstood in another culture.

8. **(c) Proxemics**

   Non-verbal communication has been classified by Argyle as kinesics, proxemics, appearance, posture, etc. Proxemics refers to the way in which people maintain a physical distance from one another.

9. **(a) South-east Asian**

   People from low context cultures tend to keep a greater distance from others than people from high context cultures. But this does not apply to south-east Asian cultures. These are high context cultures but the people prefer to maintain a large distance from each other.

10. **(d) Choosing the right style of communication is crucial in business interactions**

    Choosing the right style of communication is crucial in business interactions and the style depends a lot on the culture of a region. The communication style depends partly on whether the addressees make a high or low contribution to the communication process. In cultures in which there is more of a democratic style of functioning, the communication style can be more participative. The style of communication also depends on whether a culture is individualistic or collective. In an individualistic culture, emphasis is given to the accomplishments of individuals.

11. **(b) Cultural sensitivity**

    Cultural sensitivity is the awareness, appreciation, and honest caring about another individual's culture. It also includes the ability to understand the perspectives of someone living or working in another culture.

12. **(c) Germany**

    In many cultures, it is important to build a personal rapport with all those concerned before settling down to actual business discussions. This is a major factor for gaining credibility. In several cultures, the capability of the concerned person gains precedence over developing personal relationships. For example in Germany, it is extremely important to prove one's competence in order to gain credibility. In Asian countries like Japan and Korea, on the other hand, elderly people may be given more credibility than younger ones.

13. (a) Cultural fluency

Cultural fluency is based on the ability to identify, understand, and apply cultural variables that influence the communicative behavior of members of different cultures. A person who has cultural fluency is able to communicate just like a member of that foreign culture.

14. (a) v, iv, ii, iii, i

The process of developing cultural fluency received attention when Dr Linda Beamer developed a model for developing intercultural communication competence in 1992. There are five levels in Beamer's model of learning cultural fluency. They are: acknowledging cultural diversity, organizing information according to stereotypes, asking questions to challenge stereotypes, analyzing communication episodes, and generating fluent messages from other cultures.

15. (b) Stereotypes

In simple terms, stereotypes are certain basic characteristics that distinguish one culture from another. Examples of stereotypes are, 'Treat the business card given by the Japanese with respect', 'Latin Americans like those who do business with them to show consideration toward their families', or 'Public display of affection should be avoided in China'. Stereotypes help to understand a culture better. However, they help to understand very limited aspects about a culture and help one to get the full picture.

Business Communication & Soft Skills
Course Structure

Block 1: Non-Verbal, Oral, and Group Communications	
Unit 1	Fundamentals of Communication
Unit 2	Nonverbal Communication
Unit 3	Listening
Unit 4	Negotiations
Unit 5	Interviewing
Unit 6	Group Communication
Unit 7	Making Presentations – Getting Started
Unit 8	Organizing and Presenting the Speech
Block 2: Writing Business Letters, Resumes and Memos	
Unit 9	Letter Writing: Writing about the Routine and the Pleasant
Unit 10	Writing about the Unpleasant
Unit 11	Writing to Persuade
Unit 12	Communication for Employment – Resume
Unit 13	Communication for Employment – Application Letter
Unit 14	Writing Effective Memos
Block 3:	**Formatting Letters and Writing Business Reports**
Unit 15	Structure and Layout of Letters
Unit 16	The Framework of a Report
Unit 17	Writing Business Proposals and Business Plans
Unit 18	Writing the Report
Unit 19	Managing Data and Using Graphics in Reports
Unit 20	Review of Writing Skills
Block 4: Managing the Self	
Unit 21	Tools for Professional Development
Unit 22	Business Etiquette
Unit 23	Managerial Effectiveness – A Conceptual Framework
Unit 24	Stress Management
Unit 25	Creativity in Management
Block 5: Managing People	
Unit 26	Emotional Intelligence in Management
Unit 27	Interpersonal Skills
Unit 28	Leadership and Change Management Skills
Unit 29	Multi-Cultural Communication Skills