
UNIT 12 GROUP FORMATION AND STRUCTURE

Structure

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12.0 OBJECTIVES

After going through this unit, you should be able to:

- describe the concept of the group;
- discuss the significance of group behaviour;
- classify different types of groups;
- explain different stages of group development;
- describe the concept of group cohesiveness;
- explain the concept of group norms;
- discuss group dynamics; and
- explain the merits and limitations of group decision-making.

12.1 INTRODUCTION

We are all social beings. We are born and brought up in the society. When we join an organisation, we have to join as individual employee. After joining the organisation, as social beings we cannot remain alone and aloof from others. Therefore, an individual forms or joins a group. It is because, an organisation is a society in miniature. It is collection of individuals, who are usually assembled or clustered into groups or team to perform different activities of the organisation. Organisations use groups or teams because certain tasks are difficult to be performed alone by the individuals. A group is more than the sum of its parts. In fact, groups

are the basic building blocks of an organisation. No doubt, individuals are clustered into groups to fulfill several needs but it also helps organisations to achieve organisational goals and gain competitive advantage. The effective functioning of any organisation depends on the performance of the various groups in the organisation. In this Unit, you will learn the concept of group, significance of group behaviour, factors of group formation and various types of groups. You will be further exposed to the process of development of group, group cohesiveness and group structure. You will be familiarised with the concept of group norms and group dynamics and the process of group decision making.

12.2 CONCEPT OF GROUP

A group refers to the association of two or more persons interacting among themselves for the achievement of common goal. Jennifer and Gareth have defined a group as set of two or more people who interact with each other to achieve certain goals or to meet certain needs. Here group interaction and common goal are very important elements of group. The interaction reflects regular discussions and communication which may influence the behaviour of the group members. Moreover, the group members agree to achieve some common goal which is termed as group goal. The group goal binds the members together for making effort in the direction of realisation of the goal.

Given the important role that groups play in organisations, let us concentrate our focus upon the meaning of a work group. In true sense and for our purpose of studying group behaviour, the collection of individuals is called a group, when:

- They have a common goal;
- The members of the group constantly interact with each other, so that one person's actions affect and are being affected by the action of another person;
- Each member of group identifies with other member of the group;
- The member of the group is psychologically aware of each other;
- The behaviour of each member is interdependent on others.

Thus, a group is a set of two or more people who continuously interact with each other to achieve certain goals or meet certain needs. Accordingly, only gathering of individuals cannot be called a group.

Sometime we are confused that a group is also a team. A group can be called a team when it is formally formed by the organisation. Katzenbach & Smith have defined a team as a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable. Thus, major difference between the team and group is that the group can also be informally formed without any complementary skills and formal efforts of the organisation; team is always constituted by the organisation. It so happens because it is practically impossible for a formal organisation to meet the informal needs of its employees.

12.3 SIGNIFICANCE OF GROUP BEHAVIOUR

As a manager, it is important to understand the behaviour of the group. As you must be aware that the behaviour of a single individual is complex, complicated and unpredictable; therefore, it is difficult to understand the behaviour of a group. The manager has to understand the behaviour of several people together to manage them. More interestingly, people behave differently when they work in a group than when they work individually. Although groups can wonders for an organisation, as they have done in IT companies today, but they can also wreak havoc in an organisation when they function improperly. Therefore, let us learn the significance of the group behaviour as discussed below :

Group Goals : It is also interesting to note that although group member may have one or more goals in common, this does not mean that all their goals are identical. They may agree on the common goal providing the best customer service, but in deciding what constitute the best, the group may differ. In a firm, the production department may consider the best engineered and quality product as the best. The finance department may consider the reasonable cost as the best. The marketing department may consider the marketing strategy as the best. The personnel department may consider the high level of satisfaction level of the group as the best. Despite these different views, the best customer service may be the common goal of all departments. Normally group goal refers to the goal which most members or all members of a group usually agree as a common goal.

Group Function : The work that a group performs for the accomplishment of organisational goals is called group function. The functions of a formal group is different from the functions of an informal group. A formal group has to perform the assigned tasks of the organisation. For example, in a car manufacturing plant, one group's function may be to make the automobile bodies, another's function is to fit engine in the body, and another's could be to fit the accessories in the body. In fact, we can say that the entire organisation consists of a series of groups linked with each other depending upon their functions they perform in order to help the organisation to achieve its goals. Thus, group function is important both for the group as well as for the organisation. The function of a group influences the behaviour of its group members. The group provides them a sense of purpose of their work and motivates them to achieve the target.

Social Facilitation : The presence of group members may either facilitate the performance or create obstacle in performing the task. The presence of other members may stimulate the effort of the individual because he/she may think that others are evaluating his/her performance. This feeling induces the desire of the individual to perform better in the group. In the same way, if the task is not liked by group members, the individual may show little interest in performing such task. Therefore, the leader must create such environment at the work place, where the group influences the better performance of the individuals.

12.4 FACTORS OF GROUP FORMATION

There are various factors, which influence the formation of groups in organisations. Let us learn following important factors of group formation:

Psychological Factors : After joining the organisation, individual joins a particular group in which he/she finds him/her interest, attitude, personality, perception etc. matching with other individuals within the department or the organisation. As a result, group is formed.

Social Factors : Individuals also form or join the group based upon their social class, caste, and religion to satisfy their social needs. They do it primarily for satisfying their love, affection and care needs, which initially they feel deprived after leaving their families.

Security Factors : As an individual, sometimes one can feel insecure over unexpected developments such as sudden health problem, termination, suspension, local problems etc., therefore, everyone likes to be in a group to feel secured to work. Especially in a new place, for a new employee, the security need could be one of the major factors for joining a group.

Economic Factors : When an individual works in an organisation, he/she gets all types of economic incentives and benefits available within the rules and regulations. Sometimes organisations cannot meet an individual's accidental or obligatory needs like money for marriage, house construction, medical care and other proposes. So he/she gets associated with those people who help him/her at the time of need.

Cultural Factors : Individuals come to work from different society and culture. In case the place at which they work are far away from their place of origin , region and culture; they feel like a fish out of water. It may be due to the absence of cultural celebrations. This is one of the reasons for which people coming from same culture, tradition and speaking similar language usually form the group.

Proximity, Interaction, Interest and Influence : This is one of the common and logical reason for which people form the group in the organisation. Some people have to work together. Due to the similarity of nature of job, they have to interact with each other for this purpose. In course of interaction, interest develops which ultimately influences each other to sit, eat, discuss and share besides working together.

Check Your Progress A

1) What is Group ?

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2) Distinguish between group and team.

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3) Why do people form groups in organisations ?

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12.5 TYPES OF WORK GROUPS

Whatever may be the causes for which groups are formed, the formation of groups has become inevitable phenomenon in every organisation. There exists different types of groups in organisations. Each group plays crucial role in achieving organisational effectiveness. There are different ways through which we can classify the groups. One broad way to classify the group is on the basis their formation. Accordingly, the group can be formal group or informal group.

1.1.1 Formal Work Groups

Formal work groups are formed by the organisations. These groups are formed in order to help the organisation to achieve its specific goals. The goals of formal work group are determined according to the needs of the organisation. For example, purchase committee, quality control group, disciplinary action committee are the formal groups constituted by an organisation. These groups are established to accomplish certain organisational goals such as increasing product quality, safety, discipline, etc. in an organisation.

Types of Formal Work Groups

There are different types of formal groups in an organisation. Four important kinds of formal groups are command groups, the committees, teams, and self-managed work teams. Let us learn them in detail.

Command Group : It is the collection of employees who report to the same supervisor. Command groups are based on the basic reporting relationship in organisations. The existence of formal groups is

represented on organisational charts as departments (such as finance, personnel, marketing, sales, or accounting). Command groups help an organisation to accomplish variety of tasks. They have tremendous impact upon the extent to which an organisation is able to achieve its goals. The leaders of the command group play an important role in determining the effectiveness of these groups.

The Committees : It is the collection of people who are brought together by the organisation to accomplish a specific goal. Once the goal is achieved, the organisation disbands the committees. In case such committees are dealing with long term problems, in that case they may not be disbanded but the members in the committees can be changed or rotated on the basis of seniority and other criteria. These kinds of committees are known as standing committees.

The Team : It is a formal work group. People work in a group does not mean that they work in a team. A team is formed by the organisation for some specific purpose. In a team, there is a high level of interaction among its members. The members of the team work together very intensely to achieve a common goal. In course of working together, the member of the team learn the abilities and experiences of their members to accomplish things that could not be achieved by individuals working separately or by any other kinds of work groups.

Self-Managed Work Teams : Self-managed work teams are little different from normal teams . The members of self-managed work team are responsible for ensuring that the team accomplishes its goals. Leader of this team is identified by its members. The performance of leadership tasks is assigned to individual group members. The team is empowered to discipline its members who are not performing at an adequate level. There is coordinating efforts across group members, and even hiring and firing for and within the team is done by the team itself. In the recent years self-managed teams are gaining popularity and they have created a dramatic impact on organisations as well as on their members.

1.1.2 Informal Work Groups

Informal work groups emerge naturally in organisations. It is just like the shadow of the formal organisation. It is because organisational members perceive that it is difficult for their organisations to formally fulfill some of the bare needs and feel that membership in a group can help them to achieve their goals and meet their needs. For example, when a group of five factory workers who go for a picnic, movie, or booz together to satisfy their common need for affiliation and friendship this is the case of an informal group. Even sometimes, some employees form informal group.due to their ideological similarity.

Types of Informal Work Groups

Informal groups can be broadly divided into two types They are : (i) friendship groups; and (ii) interest groups.

- i) **Friendship Groups :** It is a group of employees in an organisation who enjoy each other's company and love to socialise with each other. They may socialise on the job and off the job. For example, a group of workers in a company who go for a picnic or a group of ladies staff who frequently have lunch together. Friendship groups help its members to meet the needs of social interaction. It also acts as an important source of social support to them. It contributes to its members to experience positive moods at work which can ultimately enable them to be satisfied with their respective jobs.
- ii) **Interest Groups :** Employees may form interest groups when they have a common interest or goal to achieve in the organisation. The interest of the members may be sometimes ignored or neglected by the organisation. The members of this group try to achieve their goal by uniting their efforts. Because of the common interest, it helps the members to voice their concerns, which some times provides an important pressure for organisational changes.

12.5.3 Small Groups vs Large Groups

Group size is an important determinant of the way group members behave. The size of a group is normally measured by the number of full-time members who are involved in achieving the group's goals. However, a group can be composed of just two or more people. On the basis of number of members, a group can be a small or large group. Let us learn them.

Small Groups : In a small group, members are likely to know everybody and interact regularly. In a small group, it is relatively easier for members to share information and recognize individual's contribution to the group. The members of a small group identify themselves easily and quickly with group's goals. The motivation and commitment of its members to group goals is very high hence, the member of this group derive higher levels of satisfaction.

Large Groups : In a large group, there are so many members. Because of many members, they are less likely to know one another and may have little personal contact with each other on a day-to-day basis. As a result, there exists lower level of interaction among members of this group and it makes information sharing difficult among them. Some times, the factors which individuals consider lead to their own contributions to the group, may become unimportant to the group, which ultimately reduces their motivation and commitment towards group. Therefore, people normally tend to be less satisfied in larger groups.

12.6 DEVELOPMENT OF GROUP

Groups, which we find in organisations in our day-to-day life, are not formed over night. Employee turnover, new selection, transfers and promotions of the employees in the organisation have impact upon the group status and may bring change in the existing group. As a result, group tasks and goals also change. How do groups change over time? It is very interesting and significant. In order to increase group performance, it is very important to manage these changes effectively. For example when a new batch of employees joins an organisation, and starts forming group on the basis of various factors discussed earlier, they face lot of difficulty to form a group. In fact, initially at each stage the group faces many difficulties. Similar is the case with work groups, from their inception to adjournment, they undergo important changes. Tuckman has divided the developments of a group in to five stages. They are forming, storming, norming, performing and adjourning. Let us learn them in detail.

Forming : The first stage of group development is called forming. At this stage, members try to know each other and establish a common understanding among them. They struggle to clarify group goals and determine appropriate behaviour within the group. The forming stage is completed once individuals within the group feel that they are truly the members of the group.

Storming : As its name implies, this stage is characterised by considerable amount of conflict. At this stage, group members try to resist for being controlled by the group very often, the members disagree about who should lead the group. They also have difference of opinion over how much power should the leader of their group have, etc. This stage is completed when group members no longer resist the group's control and there is mutual understanding and agreement about who will lead the group. Normally this stage is completed when group members consider that it is better to work together for the achievement of the group goals.

Norming : This is the third stage in the group development. At this stage, group members really start feeling that they belong to the group. They develop a very close intimacy and relationship with one another. A feeling of friendship develops among them. A well-developed sense of common purpose of the group emerges among the members. In this stage, group members agree on standards to guide the behaviour in the group.

Performing : When this stage reaches, the group is ready to tackle all types of group tasks. The members of the group work toward achievement of the group goals. The real work of the group gets accomplished at this stage. To arrive at this stage, groups should not take very long time.

Adjourning : This is the last stage of the group development. At this stage, a group disbands after having accomplished its goals. However, ongoing work groups in organisations do not go through this stage rather they remain at the performing stage.

Thus, the five-stages model of group development forming-storming-norming-performing-adjourning though sounds logical, research reveals that not all groups go through each of the stages and groups do not necessarily go through the stages sequentially. There can be considerable levels of conflict throughout their existence. As a result, the elements of storming stage continue for a long time.

Check Your Progress B

1) Distinguish between formal and Informal Group.

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2) What is self managed work team?

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3) Distinguish between small and large group.

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4) Enumerate the process of development of group.

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12.7 GROUP COHESIVENESS

With the passage of time, a group develops maturity and becomes cohesive. Cohesiveness is achieved in a group when the group appears to be very attractive to its members, individuals value their group membership and have a very strong willingness to remain members of the group. Thus, group cohesiveness is nothing but it is the attractiveness of a group to its members. A highly cohesive group very much appeals to their members. The cohesiveness of a group affects its performance and effectiveness. There are a large number of factors, which influence the level of cohesiveness of a group. Those factors can be broadly categorised into five types. They are : size of the group, homogeneous character of group members, success of the group, competition with other groups, and the exclusiveness of the group. Let us learn them in detail.

Size of the Group : Just like small family is more cohesive, similar is the case with a group. In case the size of the group is large, their members tend to be less satisfied and do not tend to be cohesive. Normally in a large group, only a few members of the group try to dominate every thing such as suggestion, opinion, its day to day functioning without giving opportunities for participation to the other members in the group. Therefore, the large groups are more prone to conflict, and members find it difficult to form close ties with each other, than a small or medium size group in which there exists cohesiveness.

Homogeneous Character of Group Members : More similarity the member feel with each other, better the chances that they will well get along with, and feel comfortable to communicate with each other. The most cohesive group is one where members are more homogeneous in terms of age, sex, education, marital status etc. and they share certain attitudes, values, experiences, and other characteristics, which are common to each other.

Success of Group : It is the success of the group which can make it cohesive. A realisation develops among its members to avoid differences for achieving group goals. When groups are successful in achieving their goals, they become especially attractive to their members, and group cohesiveness enhances.

Competition with Other Groups : Competition between groups in an organisation increases group cohesiveness when it motivates members of each group to band together to achieve group goals. For this reason, organisations often promote group cohesiveness by having work groups competition in the organisation between /among groups over sales target, zero defect production, minimization of wastages; etc. A group of production workers may compete to see which group can maintain the highest quality standards, and groups of maintenance workers may compete to have the best attendance record. Giving groups names and publicising also encourage healthy competition, which groups are doing extraordinarily well.

Exclusiveness : A group's exclusiveness is indicated by how is it difficult to become a member of the group, the extent to which outsider look up to group members. The exclusiveness of a group gives status in the organisation. It also provides special rights and privileges to its group members.

Thus, in cohesive group members become more active participants in the group activities and the level of communication within the group increases. They share a common goal, develop high group loyalty and get united to perceive threat. Moreover, in a cohesive group information flows through the group very fast.

12.8 GROUP STRUCTURE

In order to establish and maintain norms every group needs to develop a structure of its own. The structure of the group will enable it to create position and power in the group. Though leadership may be rotated throughout the membership but structure requires a leader to lead the group. It will determine who is to do what in the group. Of course, status in a group is earned by its members by furthering the interest of the group. The group structure shades and influences the behaviour of its members. It facilitates communication within the group. When the need arises, it is only because of the structure, the group leader will be in a position to control the behaviour and activity of its members. When there is meeting of the group, structure enables to maintain discipline and cooperation throughout the meeting. Various structural variables which govern groups are : formal leadership, norms, roles, group size and group cohesiveness. Let us learn them in detail.

Group Size : Group size is an important determinant of group structure. Size of the group is determined by the number of members who constitute a group. The size of group influences group's overall behaviour. In case size of group is large, it affects the productivity, commitment of group members towards group, which is called social loafing.

Social Loafing : When individuals work in a group, it sometimes becomes difficult to assess and identify an individual's contribution to group performance by the other group members or by the supervisors under whom they work. For example, group of workers who are jointly responsible for quality control in an organisation can not be individually assigned to particular areas but have to work together. When individuals work in groups, where their performances are not readily observable, there is a strong possibility for social loafing, i.e., the tendency of individuals to exert less effort when they work in a group than when they work alone.

Social loafing has tremendous impact upon group effectiveness. The efforts, and performance of individuals in a group tend to be highest when outcomes of such as praise and pay are administered to members individually contingent on the level of their individual performance. Since in a group, so many people are working together, their individual levels of performance cannot be identified easily and evaluated by a supervisor; therefore, members in a group realize that he will not receive any positive outcomes for performing at a low level. Due to nonexistence of connection between inputs and outcomes, the motivation level of member in the group can be lower.

Social loafing also occurs in workers who think that their own efforts are unimportant or not really needed, and this belief lowers their level of motivation. Thus, social loafing is a serious problem for work groups because it results in a process loss that lowers group performance. When social loafing occurs, actual group performance is lower than potential performance. An individual develops an attitude to work individually than the group.

Due to social loafing, sometime, some group members suggest other members of the group to reduce their efforts as well. Which is consistent with the equity theory of motivation, and suggests that workers who perceive inequity are motivated to try to restore equity by balancing their input/output ratios with the ratios of the members of other group with whom he feels as equal competitor. In order to reduce the social loafing, the groups are kept as small as possible.

Group Composition : The composition of a group is influenced by several characteristics, which are similar among the group members. In a homogeneous group, several common characteristics can be demographic characteristics such as age, sex, socioeconomic and cultural environment, education background and psychological characteristics such as; personality traits, skills, abilities, attitudes, values, belief influence them to form the group. However, in a heterogeneous group, there exists a lot of differences over these characteristics. Therefore, while a homogeneous groups is characterised by similarity, a heterogeneous group is characterised by diversity. The effects of group composition on the behaviour and performance of individual members are too complex to ascertain and there is less research on it. However, it is true that employees who are alike and similar to each other get along well with others. Therefore, the members of homogeneous groups find it simple to share information, have lower levels of conflict, and have relatively fewer problems in communication and coordination than the members of the heterogeneous groups. Therefore, the performance and goal attainment of homogeneous groups is too high than that of heterogeneous groups. Since group members normally like to get along with each other in homogeneous groups, their motivation and satisfaction level is high.

Group Status : Depending upon the tasks performed by a group in an organisation; it has its importance and status in an organisation. Though it is not expressed but status of a group is implicitly agreed-upon. For example, a top-management team has a very high status as it not only sets organisational goals but also determines how has the organisation to achieve them. Thus, more important a task performed by a group or a group's, the higher is its status in the organisation. The status of group in organisation motivates its members to perform at a high level.

Group Roles : The structure of the group specifies the rules of its roles of the members to facilitate the control of behaviour. It is the role, which tells group members about what are they expected to do. Role enables the group to hold its members accountable for their behaviour and provide the group with a standard through which the behaviour of the individual member and the group as a whole can be evaluated. Role relationships may be formally specified in a written job description that describes about how is a role occupant expected to interact with others to accomplish the group's or organisation's goals.

Written Rules : To control the behaviours of its members, to ensure high levels of performance and the attainment of group goals, every effective group need to establish written rules. Written rules specify behaviours that are required by group members and behaviours that are forbidden. Written rules have several

advantages in controlling and managing behaviour and performance of the members of the group. Rules help the groups to ensure that when and how will their members perform their assigned task that contribute to group and organisational effectiveness and avoid behaviours that impair performance and goal attainment. The rules help newcomers to learn the right way to perform their roles. It develops at any stage of its development. Normally rules developed at early stages are often changed or abandoned as the nature of the group's work, group goals, or organisational goals changes.

12.9 GROUP NORMS

When there are more than one individual in a group, there is every possibility of tension, confusion and conflict over the rights, duties and status of the group among its members. For the smooth functioning of the group, every group, develops its role norms, and rules irrespective of its type. Roles and rules help the group members as well as managers not only to control the member's behaviour in group but also specify what behaviours should group members engage in, so that the group will be effective, perform at a high level, and achieve its goals. Roles and rules are formal requirements to facilitate the smooth functioning of group. Norms on the other hand are unwritten rules and regulations, which govern the behaviour and actions of its members. It is the acceptable standards of behaviour of a group which is commonly shared by its members. We can only call a group effective groups, which control the behaviour of its members through its norms and channelise their effort for the attainment of group as well as the organisational goals. Group rewards its members who conform to the norm in a specified manner through verbal praise and they also get help from other members. Group also punishes its members when somebody in the group deviates from the norm.

Norms develop when members in a group share a common idea of acceptable behaviour, which, monitor each other's behaviour in the group. Many norms develop because several members bring their past experiences from other groups and from other organisations. Sometimes some critical incidents in the life of the organisation may also set the norm for the group.

The first and the most commonly used criteria for conformity of the group norms is compliance. It is assenting to a norm in order to attain rewards or avoid punishment. A realisation is developed among them that the compliance of norm will bring certain benefits and ignoring it will bring certain costs. Groups put tremendous pressure on the members to change their attitude and behaviour for the conformity of group norms.

Following are the advantages of norms for a group:

- Norms enables a group to accomplish its goals.
- Norms help the group to control and regulate the behaviour of its members without external influence.
- Norms enable a group to survive in the face of threat and competition from other groups. They protect the group and its members from outside pressure and interference.
- Norms help the group and its member to express group's value and give the group a unique identity of its own.
- Norms of the group enhance the predictability of group members in terms of performance, appearance etc.

12.10 GROUP DYNAMICS

Starting from the inception to maturity, a group is expected to pass through different stages and may find many ups and down in the process. No group can be built overnight. It is also not possible for a group to be static for ever. In case a group remains static, it may not achieve effectiveness on its own and may not be very useful for the organisation and for the group itself. Group dynamics is defined as the interactions and

forces between group members in a social situation. It refers to changes which takes place within groups and is concerned with the interaction and forces obtained among group members in a social setting. In the context of organisational behaviour, it is concerned with the dynamics of members of both formal and informal groups which exist in organisations. Kurt Lewin has popularised the term group dynamics in the year 1930s. There are different views about group dynamics. One view is that group dynamics encompasses the internal structure, formation and process of the group which influences the group itself and the other groups in the organisation. Another view considers it as a set of techniques and equates it with role playing, group therapy sensitivity training and other techniques. Another view is that group dynamics involves the discussion of internal and external determinants of a group change and theories of group formation.

12.11 GROUP DECISION MAKING

Decision making is one of the most important function of a manager. Decision can be taken alone or by a group. When decision is taken alone by a manager, we call it individual decision making and when a group takes a decision, it is called group decision making. Though depending upon the time, nature of the problem and situation, decision can be taken individually or in group. Group decisions may be better than the individual decisions. As a result, today organisations are constituting teams, groups and committees to take decisions. Group decisions has its own merits and limitations.

Merits of Group Decisions : Following are the merits of group decision making:

- The old saying, two heads are better than one also applies to group decision making. While taking the decisions an individual has limited knowledge, capability, ideas and alternatives. In case there is consensus among the members of a group, group decision can be better than the individual decisions.
- Group decisions are based on more knowledge, experiences and information of several members of the group. As a result, it improves the quality of decision. At the time of decision making, they take into account more alternatives.
- As more people are involved in the decision making process, it develops a feeling among the members, which ultimately enhances the commitment, satisfaction and participation level of members to implement the decision.
- Group decision facilitates personality development and awareness of the members of the group about the on going activities of the organisation. It also exposes them to the constraints existing in the organisation. As a result, they work to implement the decision whole heartedly in order to achieve the group as well as organisational goals.

Limitations of Groups Decisions : Group decisions are not free from their limitations. Following are some of the major limitations of group decisions.

- It is time consuming to arrive at a consensus when decision is to be taken by the group. It happens due to complexity of the problems, personality differences and politics within the group.
- Confidentiality may not be maintained in case of group decisions.
- Group decision can be dominated by a few members, which ultimately affects its spirit and effectiveness.
- In group decision, no body likes to share any responsibility, that is why sometimes it comes out to be a heartless, ineffective and delayed decision.
- The problem of group think where members may avoid to be too harsh towards the fellow member could also hinder the group decision making. It is possible when the group is more cohesive.

Check Your Progress C

- 1) What is Group Cohesiveness?

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2) What do you mean by social loafing?

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3) Distinguish between group roles and group norms.

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4) Distinguish between homogeneous groups and heterogeneous group.

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5) Compare the merits and limitations of group decisions.

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12.12 LET US SUM UP

When an employee joins an organisation, he/she joins as an individual. After joining the organisation, an individual either joins a group or forms a group to satisfy various needs such as psychological, social, safety, economic and cultural needs, which otherwise may not be fulfilled by the organisation. Thus, groups are inevitable phenomena in the organisation. As it is difficult to understand, predict and control the behaviour of an individual in the organisation, it becomes more difficult and challenging for a manager to understand the behaviour of a group.

There exist different types of groups in the organisation. They can be broadly divided into two types such as formal and informal. While formal groups are created by the organisation for some specific purpose; individual employees themselves form informal groups. Informal groups are just like shadows of the formal organisation. It is difficult to stop the formation of informal groups because no management can fulfil all types of needs of their employees. Though team is a type of formal group but a team has to possess some unique features of its aim such as; it always consists of the best employees of the organisation, the members of team are supposed to be master piece of their own area of work and specialisation, which may not be the case with a formal group. It is often formed on the basis of seniority, statutory requirements etc.

A group passes through different stages of its development such as storming, forming, norming, performing and adjourning. With the passage of time a group achieves its cohesiveness to face the threat competition and achieve its effectiveness. As a result, a structure develops in the group to give a formal shape to its existence and monitor its day to day activities. Group also develops its norm. A stable group can not be effective for itself as well as the organisation, so needs to have dynamism of its own. Since individual decisions have its own limitations, organisations are today forming teams and groups to take the advantages of group decision.

12.13 KEY WORDS

Formal Group : A group established by the organisation for the achievement of the specified goal.

Group : A set of two or more persons interacting among themselves for the achievement of a common goal.

Group Dynamics : The interactions and forces between group members in a social situation.

Group Goal : A goal that most members or all members agree on as a common goal.

Group Norms : The formal rules of conduct of behaviours which govern the behaviour and actions of the group members

Group Think : The tendency of cohesive group to value consensus at the cost decision quality by avoiding conflict.

Informal Group : A group that emerges when members think that the group will help them achieve their goal or meet their needs.

Social loafing : The tendency of individuals to exert less effort when they work in a group than working alone.

Team : A formal work group consisting of people who work intensely together for the achievement of a common goal.

12.14 TERMINAL QUESTIONS

- 1) What is a group ? Why do people form groups in organisation? Do you think that formation of group serve their purpose. Discuss.
- 2) How is group different from team? Explain the features of different types of formal work group.
- 3) What do you mean by group development? Explain different stages of the development of a group.
- 4) What is group structure? Why do a group needs a structure? How does the structure serve the purpose of group members?
- 5) What is group decision? Explain its merits and limitations. Do you think that group decision is better than individual decision ? Give your arguments.
- 6) Write notes on :
 - a) Group norms
 - b) Social loafing
 - c) Group dynamics
 - d) Small and large groups

Note : These questions will help you to understand the unit better. Try to write answers for them. Do not submit your answers to the university for assessment. These are for your practice only.

