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ORGANISATIONAL BEHAVIOUR

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ORGANIZATIONAL BEHAVIOUR

- An organization is a group of people who work together to achieve individual goals or group goals. Individual goals are goals that members within the group aim to achieve, for example earning money, getting respect and so on. Examples of goals for an organization are profit, development of a particular drug or ensuring that a particular product is promoted. Organizations exist to offer resources and services. The quality of these goods and services are the result of the behavior and performance of the employees within an organization.
- Organizational behavior (OB), is the study of factors that influence the behavior of individuals and groups within organizations and also the way an organization responds to their environment. The study of organizational behavior provides concepts and theories that help to understand, analyze and describe the behavior within organization and provides tools for making decisions in order to achieve organizational goals.
- The **study of organizational behaviour** includes **areas of research dedicated to improving job performance, increasing job satisfaction, promoting innovation, and encouraging leadership** and is a foundation of corporate human resources.
- As defined by **Kossen**, "an organisation is a group of individuals coordinated into different levels of authority and segments of specialization for the purpose of achieving the goals and objectives of the organisation."
- The structure of an organisation denotes the **formal hierarchical framework by which job tasks are divided, grouped, and**

coordinated. While most organisations start with a **clear focus on levels and functions along with the people to man these functions**, it takes a while before the units of the organisation get defined more clearly with a firmer statement of its policies, procedures, and goals.

BEHAVIOURAL DYNAMICS IN ORGANISATIONS

- Organisational chart
- Formal and Informal structure
- Matrix structure
- Divisional structure
- Functional structure
- Organic structure

Organisation Charts

- It is a **simple and understandable representation** of the formal organisation structure.
- It is a **formal record** of the **chain of command**, along with titles assigned to the various individuals in the organisation.
- It gives a clear **overview of the shape and structure** of an organisation, captured in a visual form.
- It is a **blueprint for proper conceptualization, further thinking; a discussion board for further modifications without affecting the desired focus.**

The organisation chart well drawn, can give an insight in to the organisation's philosophy, its hierarchical structure, line and staff authority, authority and responsibility levels, chain of command, line of delegated authority, decentralisation or otherwise in an organisation as well as span of control

Formal And Informal Organisations

Formal organizations are more structured and depend on authority-based chains of command.

Informal organizations do not require hierarchies of authority or structured internal processes. They are **not formed in order to reach specific goals** like a formal organization.

Matrix Structure

- In a matrix organisation, teams are formed, and **team members report to two or more managers.**
- It ensures **speed and efficiency in decisions** and enhances commitment levels among the managers.
- Also called **'Two Boss Employee'**
- In this structure, the person right at the top of the structure is responsible for the success of the project.

Divisional Structure

- Organizational structure describes **how activities within a company or business are delegated, and how different roles, responsibilities and authority are managed by the organization.**
- Divisional structure means dividing the whole enterprise according to the major products to be manufactured.
- The controlling **authority focuses on results, coordinates and controls the activities,** and provides support services between divisions.

Organic Structure

- Organic organisations have a flat structure with only one or two levels of management, emphasising **a decentralised approach to management that encourages high employee involvement in decision making**

- This structure creates independent small businesses or enterprises that can rapidly **respond to customers' needs or changes in the business environment.**

Functional Structure

- Functional structures group similar or related **occupational specialties or processes** together under the familiar headings of **finance, manufacturing, marketing, accounts receivable, research, Human Resources, etc.**
- Department managers coordinate to ensure a smooth flow of information. This way, all employees know their responsibilities and duties and can respond effectively when a particular situation arises.

While designing an organisation structure, the following points need to be kept in mind:

1. Identification of key activities which will produce desired results.
2. Classification and grouping of the key activities.
3. Analysing the decisions required to be made at each level.
4. Analysing the relationship between jobs.
5. Delegation of appropriate Authority to enable the individuals to discharge their assigned duties and responsibilities.

THE PERSON - JOB FIT

- Person job fit is the process of **identifying individual competencies** needed for a job with the help of certain external processes like interviews, physiological test, references and the likes to measure knowledge skills and abilities of an individual against the competencies required for the job.

- **Basic orientation training and extensive skill upgradation** at frequent intervals during work-life of the individual in the organization and the clear focus of individual skills, knowledge, and attitudes.
- The success in attaining **perfect job-man fit lies in organization's ability to know the individual training** need and to impart such tailor-made trainings in the areas of skill-deficiency.

Individual Culture vis-à-vis Organisational Culture

- Everyone in the society has indulges his/her own cultures.
- Individuals when they are stepping into the organizations as employees, along with them, they also carry a baggage of cultures, perceptions, behaviours, drives, etc.
- **Hence, it is imperative on the part of the organizations to right-size these diverse cultures so as to align with the organizational culture.**
- (OB) is the **study of human behaviour in organizational system, the interface between human behaviour and the organization, and the organization itself.**
- Organization is a **combination of humanity and technology.**
- Employees are **influenced by external environment.**

This kind of environment also encourages employees **to spend time fully exploring a particular topic or idea**, absorbing and pondering over it and returning with follow-up questions, rather than trying to fit too much into too short a period of time.

GROUP DYNAMICS

- A group can be defined as **several individuals who come together to accomplish a particular task or goal.**
- Groups help accomplish important tasks and they help **maintain a high-quality workforce.**
- Groups offer the **potential for synergy.** When synergy occurs, groups accomplish more than the total of their members' individual capabilities.
- Group dynamics refers to the attitudinal and behavioural characteristics of a group and is concerned with how groups form, their structure and process, and how they function.
- Group dynamics is relevant in both formal and informal groups of all types.

The following sections provide information related to group dynamics

- Group Development
- Group Types
- Group Structure
- Group Norms
- Group Roles

Group Development

- **Group dynamics is concerned with why and how groups develop.** There are several theories as to why groups develop.
- A classic theory, developed by George Homans, suggests that groups develop based on activities, interactions, and sentiments. Basically, the theory means that when individuals share common activities, they will have more interaction and will develop attitudes (positive or negative) toward each other. The major element in this theory is the interaction of the individuals involved.

- Group dynamics as related to development **concerns not only "why" groups form but also "how"**.
- The Group Development refers to form an association of individuals to work as a group and direct their actions towards the achieving of a common goal.
- The **jobs of each group member are interdependent and that's why the performance of one will affect the entire group's performance.**
- It is often called as a team building or team development.

According to Tuckman's theory, there are five stages of group development:

1 Forming: The major goals of the group have not been established. The **nature of the task or leadership of the group has not been determined** Thus, forming is an orientation stage when members get to know one another and share expectations about the group. **Members learn the purpose of the group as well as the rules to be followed.**

2. Storming: In this stage, the group is likely to see the highest level of disagreement and conflict. Members often challenge group goals and struggle for power. **Individuals often want for the leadership position during this stage of development.** If members are not able to resolve the conflict, then the group **will often disband or continue in existence** but will remain ineffective and never advance to the other stages.

3. Norming: Once the role of every member is cleared along with the authority and responsibility of each, the team members start settling in a group. Here, everybody works cohesively towards the target and **appreciate each other's experience and skills**

4. Performing: During this stage of development, individuals accept one another, and conflict is resolved through group discussion.

- **Synergy gets created between the team members, where everyone works towards the accomplishment of a goal.**
- This stage is characterized by flexibility and interdependence. The team members know each other so well that they can handle any complex problem that comes before the team.
- **Not all groups experience this stage** of development because it is characterized by the **disbandment of the group.**
- Reasons that group **disband vary, with common reasons being the accomplishment of the task or individuals** deciding to go their own ways.
- Members of the group often **experience feelings of closure and sadness** as they prepare to leave.

Group Types

One common way to classify group is by whether they are formal or informal in nature.

- **Command groups** which are often called as '**Permanent work groups**', are specified by the organizational chart and often consist of a supervisor and the subordinates that report to that supervisor.
- **Task groups or 'temporary work groups'** are created for a specific purpose - to solve a specific problem or to perform a defined task

Task groups consist of people who work together to achieve a common task.

- A **functional group** is created by the organisation to accomplish specific goals within an unspecified time frame. Functional groups remain in existence even after achievement of current goals and objectives. Examples of functional groups would be a marketing department, a customer service department, or an accounting department.

- Three common types of informal groups are 'Friendship groups', 'interest groups and reference groups'.
- Friendship groups are formed by members who enjoy similar social activities, political beliefs, religious values, or other common bonds. **Interest groups** consist of persons who share common interests; they may be job-related interests.

Group Structure

- Group structure is a pattern of relationships among members that hold the group together and help it achieve assigned goals. Structure can be **described in a variety of ways**.
- Among the more common considerations are **group size, group roles, group norms, and group cohesiveness**.

Group Size

- Group size can vary from 2 people to a very large number of people. Small groups of two to ten are thought to be more effective

Group Roles

- In formal groups, roles are usually predetermined and assigned to members. **Each role will have specific responsibilities and duties**.

Group Norms

Norms are acceptable standards of behaviour within a group that are shared by the members of the group.

Norms define the boundaries of acceptable and unacceptable behaviour.

Group Cohesiveness

- Cohesiveness refers to the bonding of group members and their desire to remain part of the group. Many factors influence the amount of group cohesiveness. **the more difficult it is to obtain group membership the more cohesive the group.**
- in order to maintain and ensure better group cohesiveness, the 'social loafing' should be checked periodically, to take corrective actions on an ongoing process.

Group Effectiveness

- **Bringing together a group or team to address a problem or develop a solution is never easy**, but talent managers can create more successful, powerful groups by focusing on the purpose - both individual and the group.
- the term group effectiveness is the **capacity a group must accomplish the goals or objectives.**
- the 'Group' must aim to work towards achieving a common goal, while the group consists of people with varied behaviors, attitudes, perceptions, drives and needs, the cumulative efforts/performance of all the members in the group largely effect the group effectiveness.
- Hence, **the measures of effectiveness of group depends largely on the characteristics of a group and its activities** which are as under:
 - Productivity,
 - Satisfaction and attitudes,
 - Attendance,
 - Retention,
 - Learning and adaption,
 - Physical and mental well-being.

People are generally uncomfortable with chaos, ambiguity, and conflict.

An important factor which affects control and effectiveness in a group is **group norms**.

Norms are shared group expectations about behaviour. These norms describe as to **how members ought to behave**.

LEADERSHIP AND TEAM EFFECTIVENESS

- The term 'Leadership', can be defined as the **ability to persuade or influencing the behaviours or activities of an individual or a group** towards the achievement of a goal in a given situation,
- Leadership process comprises three factors viz., **leader**, the **follower/s** and **other situational variables**.
- More often than not, it is observed that the terms '**Leader**' and '**Leadership**' are used interchangeably on a misplaced premise that these two terms denote the same meaning.
- It is therefore necessary to understand that while the **Leader** is viewed as a **person in the group who is capable of influencing group activities** with regard to goals formation and goal accomplishment; the term '**Leadership**' denotes the behaviour that is exhibited by the leader in a particular role and situation.

An analysis of the above definition of 'Leadership' provides certain **basic characteristics** which are as under:

- Leadership is basically a personal quality which motivates the individuals to be with leaders.
- It is the administrative acumen **JUDGEMENT/UNDERSTANDING** of the leader which can inspire and guide the followers in the right direction to get things done, make decisions and assume responsibility.
- A team is defined as a reasonably small group of people, who bring to the table a set of complementary and appropriate skills, and who

hold themselves mutually accountable for achieving a clear and identifiable set of goals.

Team Effectiveness

- Team effectiveness is **the capacity of a group of people, usually with complementary skills, to work together to accomplish goals set out by an authority, team members, or team leaders.**
- Improving the effectiveness of the team is one of the cheapest **ways of improving the performance of the organisation.**

The **following factors** contribute to hard work, skill development and effective problem-solving strategies:

- The task itself should be motivating.
- The task itself should be seen as being worthwhile. It needs to be a whole piece of work with a clear and visible outcome so that people can feel a sense of ownership.

The team needs challenging goals, which are clearly defined which will help it mobilize its efforts to find innovative ways to achieve feats that may have been considered impossible.

Providing a challenging job is the most important motivator to sustain group effort.

Leadership and Team Building

- **Managers are the basic resource of the business enterprise and the most expensive resource in most businesses and the one that depreciates the fastest and needs constant replenishment".** " says Peter Drucker,
- A manager is a leader of a group of workers, he is a leader for getting desired results and he is a leader who must show the way forward.

- Going by the conceptual understanding **a leader is always a manager** but a **manager cannot always be a leader** as the leader requires to possess certain special qualities to keep the cohesiveness in the team and to add value to the organization.
- Hence, it is imperative to study the difference between a leader and a manager.

Leadership and Management

- Leadership actually differs from management skills in a number of ways.
- Management is about coping with complexity; it brings order and predictability to a situation. But that's no longer enough; to succeed, companies must be able to adapt to change. Leadership, then, is about learning how to cope with rapid change.
- Management involves planning and budgeting. Leadership involves setting direction.
- Management involves organizing and staffing. Leadership involves aligning people.
- Management provides control and solves problems. Leadership provides motivation.
- Since the function of leadership is to produce and manage change, setting the direction of that change is fundamental to leadership.

The Six Leadership Styles at a Glance

Leadership Style	Coercive	Authoritative	Affiliative	Democratic	Pacesetter	Coaching
The leader's modus operandi	Demands immediate compliance	Mobilizes people toward a vision	Creates harmony and builds emotional bonds	Forges consensus through participation	Sets high standards for performance	Develops people for the future
The style in a phrase	"Do what I tell you."	"Come with me."	"People come first."	"What do you think?"	"Do as I do, now"	"Try this"
Underlying emotional intelligence competencies	Drive to achieve, initiative, self-control	Self-confidence, empathy, change catalyst	Empathy, building, Relationship, communication	Collaboration team leadership, communication	Conscientiousness, drive to achieve, initiative	Developing others, empathy, self-awareness
When the style works best	In a crisis, to kick start a turnaround, or with problem employees	When changes require a new vision, or when a clear direction is needed	To heal rifts in a team or to motivate people during stressful circumstances	To build buy-in consensus, or get input from employees	To get quick results from a high motivated and competent team	To help an employee improve performance or develop long-term strengths
Overall impact on climate	Negative	Most strongly positive	Positive	Positive	Negative	Positive

Coercive Leadership Style

Commonly referred to as "directive" or "commanding" leadership, it's best to use coercive leadership when you need to fix a problem quickly and effectively. For example, dealing with a difficult employee or 'putting out a fire' at work.

Authoritative Leadership Style

You may know this one as "visionary" leadership. Authoritative leaders give their team a general direction and goal to achieve, but let them reach that goal in whichever way they deem appropriate.

Affiliative Leadership Style

An affiliative leader is all about the people. They want to create a positive work environment for their team members and are big on giving praise. The downside, though, is that the team rarely receives actionable advice or correction, leaving team members feeling confused and leaderless.

Democratic Leadership Style

Under democratic leadership (also known as “participative” leadership), every team member has a valued voice that management genuinely wants to hear from. These workplaces are typically more flexible and collaborative, but that comes with a price: Longer, more frequent meetings to discuss everyone’s opinions and hash out ideas.

Pacesetting Leadership Style

If you’re a pacesetting leader, you walk the walk and talk the talk daily. You know the importance of setting a good example for your team and having high standards for the work they produce.

Coaching Leadership Style

Much like its name suggests, coaching leaders focus on the personal development of their team members, rather than just meeting work-related quotas or sales goals. They work one-on-one with their employees to achieve excellence, which works well for employees who are open to improvement.

HUMAN RESOURCE IMPLICATIONS OF BENCHMARKING

Benchmarking

- Benchmarking may be a one-off event but is often treated as a **continuous process** in which organisations continually seek to improve their practices.
- Benchmarking is the process of comparing the business processes and performance metrics including cost, cycle time, productivity, or quality to another that is widely considered to be an industry leader and hence considered as the standard benchmark or best practice
- Benchmarking helps to **compare and understand where a given business is in relation to the recognised standard**. The term benchmarking was first used by cobblers to measure people's feet for shoes. They would place someone's foot on a "bench" and mark it out to make the pattern for the shoes.
- Benchmarking is **most used to measure performance using a specific indicator** (cost per unit of measure, productivity per unit of measure, cycle time of x per unit of measure or defects per unit of measure) resulting in a metric of performance that is then compared to others.

The following is an **example of a typical benchmarking methodology**:

1. Identify the problem areas
2. Identify other industries that have similar processes and shortlist organizations that are leaders in these areas
3. Visit the "best practice" companies to identify leading edge practices

Types of Benchmarking

- **Process Benchmarking** - the initiating firm focuses its observation and investigation of business processes with a goal of identifying and observing the best practices from one or more benchmark firms.
- **Financial Benchmarking** - performing a financial analysis and comparing the results to assess one's overall competitiveness and productivity.
- **Performance Benchmarking** - allows the initiator firm to assess their competitive position by comparing products and services with those of target firms.
- **Product Benchmarking** - the process of designing new products or upgrades to current ones. This process can sometimes involve reverse engineering which is taking apart competitors' products to find strengths and weaknesses.
- **Functional Benchmarking** - a company will focus its **benchmarking on a single function** to improve the operation of that function. Complex functions such as Human Resources, Finance and Accounting and Information and Communication Technology are unlikely to be directly comparable in cost and efficiency terms and may need to be segregated into processes to make valid comparison.

QUALITY INITIATIVES IN ORGANISATIONS

1. Total Quality Management (TQM)

- **TQM** is defined both a philosophy and a set of guiding principles that represent the foundation of, continuously improving organization, **it is the application of methods and human resources to improve all the processes within an organization and exceed customer needs now and in the future.** It integrated fundamental management techniques, existing improvement efforts, and technical tools under a disciplined approach.
- **Total Quality management is defined as a continuous effort by the management as well as employees** of a particular organization to ensure long term customer loyalty and customer satisfaction. Remember, one happy and satisfied customer brings ten new customers along with him whereas one disappointed individual will spread bad word of mouth and spoil several of your existing as well as potential customers.

Principles of Total Quality Management:

- A committed and involved management to provide long-term top-to-bottom organizational support
- An unwavering focus on the customer, both internally and externally.
- Effective involvement and utilization of the teamwork.
- Continuous improvement of the business and production.
- Benchmarking.
- Treating suppliers as their business colleagues.
- Establish performance measures for the processes.
- Involvement of employees.
- Communication

- Problem solving
- Involves fact-based decision making

Quality Costs are defined as those costs associated with the **no achievement of product or service quality** as defined by the requirements established by the organization and its contracts with customers and society.

TQM Implementation Process

- **Plan**

Planning starts with first recognizing an opportunity for change so you can make plans to effect change.

- **Do**

Once you've found a viable solution, it's better to first test it on a small scale.

- **Check**

To ensure the effectiveness of any plan before you think about implementing it, review the effects of your actions.

- **Act**

This is where you apply your solution. But remember that PDCA/PDSA is a continuous process.

Even though your improved process or product becomes the new standard, you still have to continue planning, checking, and doing things to improve them.

Relevance of TQM in Banking Industry

- In banking Industry, **high customer value** has become a source of competitive advantage. Therefore, commercial banks have employed creative business platforms like Total Quality Management (TQM) for mammoth value creation for their sustainability in the severe competition.
- Viewing TQM as a strategy for organizational excellence, this concept can be better leveraged in banks for **enhancing marketing potentialities**, and in facilitating efficient management of **various processes, procedures and business policies and operational efficiency and better delivery of services**.
- The impact of TQM on financial issues such as **profits, earning, and market share and growth rate** is the outcome of the strong and direct impact of TQM on non-financial and people issues such as **changing organizational culture, productivity, productivity, employee morale and innovation**.
- Given this fact, the TQM has since reached the doors of banking industry and the banks are giving utmost priority to this aspect as a strategy for organizational efficiency and effectiveness.

Business Process Reengineering (BPR)

- Business process reengineering (**BPR**) is one approach for **redesigning the way work is done to better support the organisation's business goals and improve efficiency** on all parameters.
- A major aim of BPR is to analyze workflows within and between business functions in order to optimize the end-to-end business

process and eliminate tasks that do not improve performance or provide the customer with value.

- **BPR focuses on processes and not on tasks, jobs, or people.** Reengineering starts with a high-level assessment of the organisation's mission, strategic goals, and customer demands.
- Basic questions are asked, such as "Does our mission need to be redefined? Are organisation strategic goals aligned with our mission? Who are our customers?"
- Only after the organisation **rethinks what it should be doing, does it go on to decide how best to do it.**
- Reengineering focuses on the organisation's business processes- the steps and procedures that govern how **resources are used to create products and services that meet the needs of the company's current customers as well as the market.**

BPR Implementation

There are following these broad guidelines: -

a. Envision new processes

- Secure management support
- Identify reengineering opportunities
- Identify enabling technologies
- Align with corporate strategy

b. Initiating change

- Set up reengineering team
- Define desired performance goals

c. Process diagnosis

- Describe existing processes
- Uncover deficiencies in existing processes

d. Process redesign

- Develop alternative process scenarios
- Develop new process design
- Design HR architecture
- Select IT platform
- Develop overall blueprint for action and gather feedback

e. Reconstruction

- Develop/install IT solution
- Establish process changes

f. Process monitoring

- Performance measurement, including time, quality, cost, IT performance
- Link to continuous improvement

**International Organisation for Standardisation (ISO) &
ISO 9000 Series**

- **The ISO 9000 family addresses various aspects of quality management and contains some of ISO's best-known standards.**
- The standards provide guidance and tools for companies and organizations who want to ensure that their products and services consistently meet customer's requirements, and that quality is consistently improved.
- **ISO 9000 can help a company satisfy its customers, meet regulatory requirements, and achieve continual improvement.**

ISO 9000 Facts

- Originally published in 1987 by the International Organisation for Standardisation (ISO), a specialized international agency for standardisation composed of the national standards bodies of 90 countries.
- ISO is an independent, non-governmental international organization with a membership of **167 national standards bodies**.
- Underwent major revision in 2000.
- Now includes ISO 9000:2000 (definitions), ISO 9001:2008 (requirements) and ISO 9004:2000 (continuous improvement).

Standards in the family are:

ISO 9000

ISO 9001

ISO 9002

ISO 9003

ISO 9004

- **ISO 9000** covers **Quality management & Quality assurance**
- **ISO 9001** covers Focusing Design, Development, and production
- **ISO 9002** covers Production, Installation
- **ISO 9003** covers Model for quality assurance in final inspection and testing.
- **ISO 9004** covers quality management and quality systems

PRINCIPLES OF ISO 9000:2000 SERIES

- Customer focus
- Leadership
- Involvement of people

- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision-making
- Mutually beneficial supplier relationships

Quality Circle - A Way to Quality Improvement

- **Quality Circle is a small group of 6 to 12 employees doing similar work who voluntarily meet on a regular basis to identify improvements in their respective work areas using proven techniques for analysing and solving work related problems coming in the way of achieving and sustaining excellence leading to mutual upliftment of employees as well as the organisation.**
- It is "a way of capturing the creative and innovative power that lies within the work force".
- Participative methods in the workplace are one way to improve both the work environment for employees and productivity and quality for the company. Quality Circle is one such employee participation method.
- It involves the chanelisation of skills, capabilities, confidence, and creativity of the workforce through cumulative process of education, training, work experience and participation. It also implies the creation of facilitative conditions and environment of work, which creates and sustains their motivation and commitment towards work excellence.

The objectives of Quality Circles are multi-faced

- 1. Change in Attitude:** From "I don't care" to "I do care". Continuous improvement in quality of work life through humanisation of work.
- 2. Self-Development:** Bring out Hidden Potential' of people. People get to learn additional skills
- 3. Development of Team Spirit:** Individual Vs Team - "I could not do but we did it' Eliminate inter departmental conflicts.
- 4. Improved Organisational Culture:** Positive working environment, total involvement of people at all levels, higher motivational level, and participative management process.

Quality Circles also help to develop internal leadership, reinforce worker morale and motivation, and encourage a strong sense of teamwork in an organisation. Other benefits include higher quality, improved productivity, greater upward flow of information, broader improved worker attitudes, and job enrichment.

The operation of quality circles involves a set of sequential steps as under:

- Problem identification: Identify several problems, decide the priority and select the problem to be taken up first
- Problem is clarified and analysed by basic problem-solving methods.
- Generate alternative solutions: Identify and evaluate causes and generate number of possible alternative solutions and select the most appropriate solution. Discuss and evaluate the alternative solutions by comparison in terms of investment and return from the investment.
- Prepare plan of action for converting the solution into action plan and implement solution as a test case.

- The management evaluates the recommended solution. Then it is tested and if successful, implemented on a full scale.

Six Sigma

- **Six Sigma is a fact-based data driven structured methodology that is used to create breakthrough improvements in business processes with a strong focus on customer needs.**
- **Six Sigma is a top-down solution to help organizations align their business strategy to critical improvement efforts, mobilize teams to attack high impact projects, accelerate improved business results and govern efforts to ensure improvements are sustained.**
- The word is a statistical term that measures how far a given process deviates from perfection. To achieve Six Sigma Quality, a process must produce no more than 3.4 defects per million opportunities. An 'opportunity' is defined as a chance for nonconformance, or not meeting the required specifications.
- The number of companies that have deployed Six Sigma runs into the thousands.
- Six Sigma has been deployed in all types of industries including manufacturing, **IT, ITES, services, healthcare, design, BPO etc.** Some companies that have realised huge benefits are **GE, Motorola, Caterpillar, Microsoft, Ford, Wipro, HP, etc.**
- Six Sigma began in 1986 as a statistically-based method to reduce variation in electronic manufacturing processes in Motorola Inc in the USA.
- Today, twenty-something years on, Six Sigma is used as an all-encompassing business performance methodology, all over the world, in organisations as diverse as **local government departments, prisons, hospitals, the armed forces, banks, the tiffin service (Mumbai dabbawallahs) and multi-national corporations.**

A team of managers ('Black Belts' normally) who 'own' these processes is responsible for:

- **identifying and understanding** these processes in detail, and
- **understanding the levels of quality** (especially tolerance of variation) that customers (internal and external)
- **measuring the effectiveness and efficiency** of each process performance - notably the 'sigma performance

SIX SIGMA process elements

- D- Define opportunity
- M - Measure performance
- A-Analyze opportunity
- I-Improve performance
- C-Control performance, and optionally
- T- Transfer best practice (to spread the learning to other areas of the organisation)

Six Sigma in Indian Banks

- New age banks are becoming **more quality and cost-conscious**; six sigma is increasingly getting popular.
- ICICI Bank, HDFC Bank and some of the back-office operations of MNC banks have initiated the Six sigma process for specific activities in the bank. While Citibank has six sigma running as a worldwide initiative, HSBC has started the process for its Indian operations.

ONE LINERS

- Fit means that HR Manager would like to profess that their aim is to provide right man for the right job

Ans: Person job

- **Organizational structure is reflected in which form?**

Ans: Organization chart

- describes the tendency for individual productivity to decrease as group size increases which is also called “Social Loafing”.

Ans: Ringlemann effect

- **Work groups of employees and supervisors that meet regularly to discuss their quality problems and recommend solutions is a form of participative management called**

Ans: Quality Circles

- **Which stage define that Individuals often want for the leadership position during this stage of development?**

Ans: Storming

- Is the process of comparing the business processes and performance metrics including cost, cycle time, productivity, or quality.

Ans: Benchmarking

- Deming's 4 step cycle for Total Quality Management improvement is _____

Ans: PDCA

- Designing and monitoring business activities to minimise waste and resources without compromising with customer satisfaction, is in which quality practice?

Ans: Six Sigma

- Group of employees who meet regularly to discuss ways to increase quality are called _____

Ans: Quality circle