

Organizational Behaviour - II
Prof. S. Susmita Mukhopadhyay
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Lecture –15
Benefits and Drawbacks of Competition and Cooperation

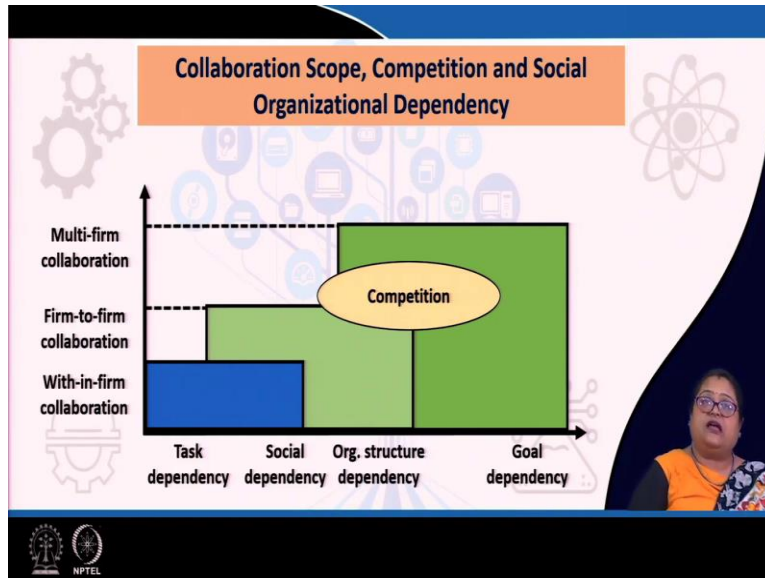
Welcome back to the discussion on competition and cooperation. In the earlier lectures we have understood the meaning of competition and cooperation, understood the value of competition and cooperation. Different types of competition and cooperation and there, we have understood the factors which affect the competition and cooperation. Also, we have seen the functions of competition and cooperation.

Like how it has Organisation the groups and individuals to develop to reach their goals and to reach the collective goal also. We have seen the various models of competition and cooperation and we have seen situations where organisation the group, the individuals have to decide like whether to compete and whether to co-operate based on what I see to be the outcome and the may be the joint outcome and individual outcome of either cooperating and competing and what else based on the mutual trust to respect that we have with each other, the mutual dependency that we have with each other.

We have seen also like how they force acting in the environment which may affect like the once progress but based on your own competencies based on the strength, based on the opportunities that you can see in those competitions that forces which are there. How you plan your strategies to overcome those and creating mark for yourself will help in your effectiveness and survival in the organisation and also in the market scenario.

So, this we observe both for the individual at the individual level, group level at the organisational level, at the organisation-to-organisation relationship level also. Today's lecture we are going to discuss on the benefits and drawbacks of competition and cooperation.

(Refer Slide Time: 02:45)



So, before we go to the discussion of today, so let us just recapitulate like when there is task dependency and social dependency, we will find firm collaboration is happening when there is a task dependency and social dependency along with that organisational structure dependency, then we find firm to firm collaboration, which is happening and also like when number of firms decide to come together where is organisational structure dependency and more so goal dependency.

So, the based on the dependency of one party on the other say mutually handing holds together people can survive the organisations can survive then that is the scope of collaboration that were discussing over here based on the nature of the dependencies which are there. So, groups within the form or decides to collaborate two or three firms decide to collaborate or major number of firms together decide to collaborate based on whether there is a task dependencies, social dependency, structural dependency and goal dependency.

And then they decide to compete also so there could be collaboration and some issues and competition and other issues. So, what we can tell it to be a blend of competition and cooperation together so we can collaborate on some extent and we can compete on the other extent also. We can blend both competition and collaboration, so which you call coepetition. So that may also happen. So, with that discussion we move forward to understanding the benefits and uses of competition and cooperation.

(Refer Slide Time: 04:55)



Benefits of Cooperation

Cooperation are beneficials in every organizational development in the ways of :

- Bonding support
- Teamwork and shared decision
- Openness, trust and safety
- Self work and personal power
- Employee wellbeing

The slide features a background with various icons like gears, a lightbulb, and a network diagram. An illustration of three children (two girls and one boy) celebrating with a trophy is shown on the right. A small inset video of a woman is visible in the bottom right corner.

The benefits of cooperation are like the in every organisation of development for any organisational development cooperation are beneficial because it helps in bonding support teamwork and shared vision, openness trust and safety self work and personal power and employee will be being.

(Refer Slide Time: 05:25)



Benefits of Cooperation

➤ **Bonding, support and playfulness:**

It is hard to maintain positive feelings about someone who is trying to make lose of others. Hurt feelings and arguments often result from competitive play. In cooperative play, challenge, discovery and success are shared. Emphasis is on participation, acceptance and the 'joy of play.' In the end, it's the relationship with each other that counts.

The slide features a background with various icons like gears, a lightbulb, and a network diagram. An illustration of a child is shown on the right. A small inset video of a woman is visible in the bottom right corner.

First important is it helps in bonding support and playfulness that is the first important benefit of cooperation. So, it is hard to maintain positive feelings about someone who is trying to make loss of others. Hurt feelings and arguments of a result from competitive play. Cooperative play challenge discovery and success are shared. Emphasis is on participation acceptance and Joy of

play. In the end its relationship with each other that comes.

(Refer Slide Time: 06:09)



The slide features a white background with a blue header and footer. The title 'Benefits of Cooperation' is in an orange box. A yellow text box contains the main content. A woman is visible in the bottom right corner. The NPTEL logo is in the bottom left.

Benefits of Cooperation

➤ **Teamwork and shared decision making:**

Competition makes it difficult to share our skills, experiences and resources because each person is separately involved in his or her exclusive goal. In our schools and work places, students and employees are often taught to regard each other not as potential collaborators, but rather as opponents, rivals, and obstacles to their own success.

Teamwork and shared decision making: Competition makes it difficult to share our skills experiences and resources because each person separately involved in his or her exclusive goals. In our schools and workplaces students and employees are often taught to regard each other not as potential collaborators, but rather as opponent, rivals and obstacles in their own success.

(Refer Slide Time: 06:46)



The slide features a white background with a blue header and footer. The title 'Benefits of Cooperation' is in an orange box. A yellow text box contains the main content. A woman is visible in the bottom right corner. The NPTEL logo is in the bottom left.

Benefits of Cooperation

➤ **Openness, Trust and Safety:**

Often competition—in work and play—results in arguments, hurt feelings and separation. Many games are based on secrecy and intimidation resulting in players feeling unsafe. In work or play, people really want and need to feel safe, be open and honest, and above all, feel trusted. Cooperative situations help create that atmosphere, because participants give encouragement and support of one another.

A benefit of cooperation is also openness trust and safety: Upon competition in work and play results in arguments heart feelings and separation. Many games are played based on secrecy and intimidation resulting in players feeling safe. In World Cup league people really want to need to

feel safe be open and honest and above all feel trusted. Cooperated situation helps create that atmosphere because participants give encouragement and support to one another.

So why we are discussing the work and play simultaneously you were here because the way the games the children play. The games that maybe adolescence play these has immense influence on how we grow up as an adult and how we nurture our behaviour, how much self confident we become, what are the values that we share what is the perspective of life that we developed. So, types of games that kids play it and maybe the adolescence play it the types of things that they are involved.

As its immense influence in building them up; as like the potential employees that our adults that we see in future in organisation because the root lies much earlier in their childhood. So here we are simultaneously discussing work and play because see how we behave in a workplace the seed is there in the types of places that we have played during the childhood, whether we have been tuned to understanding others is opponents as or as collaborators.

So how our mental frame has developed and how we see others, how is; she approaches towards others which we are taught in our childhood and which becomes very ingrain part of our own sense. So, and what is the safety trust that we have seen in the atmosphere the which is there around us when we are exploring with creative ideas when we are trying to do something new is a very important ingredients if you metal of your building up you as a person is an adult who goes to the organisation as an employee and contribute to the future life.

(Refer Slide Time: 09:46)

Benefits of Cooperation

➤ **Self worth and personal power:**

Cooperativeness has been linked to greater learning, emotional maturity and strong personal identity. Participants often become more flexible in their thinking and willingness to invent creative solutions. The result is enjoyment, personal confidence and a feeling of self-worth

The slide features a background with various icons including gears, a hand holding a gear, a chemical structure, and a person. A small video inset in the bottom right shows a woman speaking. Logos for IIT Bombay and NPTEL are visible at the bottom left.

Self worth and Personal Power: Cooperativeness has been linked to greater learning emotional maturity and strong personal identity. Participants often become more flexible in their thinking and willingness to invent creative solutions. The result is enjoyment personal confidence and feeling of self worth.

(Refer Slide Time: 10:18)

Benefits of Cooperation

➤ **Employee well-being:**

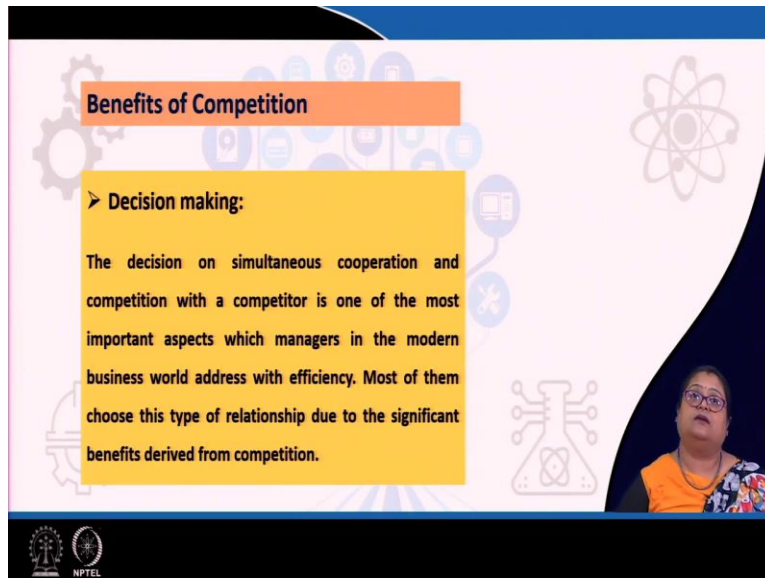
Most competitive situations are highly stressful; the possibility of failure creates agitation if not outright anxiety. The fear or anger generated from being eliminated or losing often causes embarrassment, tension and hostility. Cooperative activities are non-threatening and non-judgmental. As a result, this creates an atmosphere for relaxation and well-being—the foundation for more genuine, healthy and playful fun.

The slide features a background with various icons including gears, a hand holding a gear, a chemical structure, and a person. A small video inset in the bottom right shows a woman speaking. Logos for IIT Bombay and NPTEL are visible at the bottom left.

Employee well-being: Most competitive situations are highly stressful the possibility of failures creates agitation. If not outright anxiety the fear anger generated from being eliminated or losing often causes embarrassment, tension and hostility. Cooperative activities are non threatening and non judgmental. As a result, this creates an atmosphere of relaxation and well being the foundation for more genuine healthy and playful fun.

So, because your working together there is it is a non-judgmental like who is better and who can do well and then the other because all of us contributing to each other development then it is an atmosphere of relaxation and holistic well being which is that.

(Refer Slide Time: 11:24)



The slide features a title 'Benefits of Competition' in an orange box. Below it, a yellow box contains the text: '► Decision making: The decision on simultaneous cooperation and competition with a competitor is one of the most important aspects which managers in the modern business world address with efficiency. Most of them choose this type of relationship due to the significant benefits derived from competition.' A video inset in the bottom right shows a woman with glasses and a colorful patterned top. The slide background is light pink with various icons like gears, a lightbulb, and a brain. The NPTEL logo is in the bottom left corner.

The competition also has its own benefits, first is decision making. A decision on simultaneous cooperation and competition with the competitor is one of the most important aspects which managers in the modern business world address with efficiency. Most of them choose this type of relationship due to the significant benefits to right from competition and this competition as we were already telling this is a healthy competition if it is a task-oriented competition.

(Refer Slide Time: 12:03)

Benefits of Competition

➤ **Complementary resources:**

Enterprises declare their willingness to create competitive relationships to obtain complementary resources, especially non-tangible ones or those that are otherwise unavailable. Synergy effects take place between complementary resources, which make the systems of these resources more valuable and more difficult for other competitors to imitate.

The slide features a yellow text box on a light blue background with various icons like gears, a lightbulb, and a network diagram. A small video inset of a woman is visible in the bottom right corner. The NPTEL logo is at the bottom left.

Complementary resources: Enterprises declared their willingness to create competitive relationship to obtain complementary resources especially non tangible once or those that are otherwise unavailable. A synergy effect takes place between complementary resources which make the system of these resources more valuable and more difficult for other competitors to imitate. So, if we are bringing up complementary non tangible resources and then we are blending them at the end so that creates synergy.

(Refer Slide Time: 12:51)

Benefits of Competition

➤ **Organisational efficiency:**

Coopetition also stimulates the innovation of partners and the development of technology. In accordance with the resource-based concept, enterprises declare their will to create competitive relationships in order to jointly create intangible assets, including the ability to transfer and use their knowledge, cooperation, and skills to increase the efficiency of the organization.

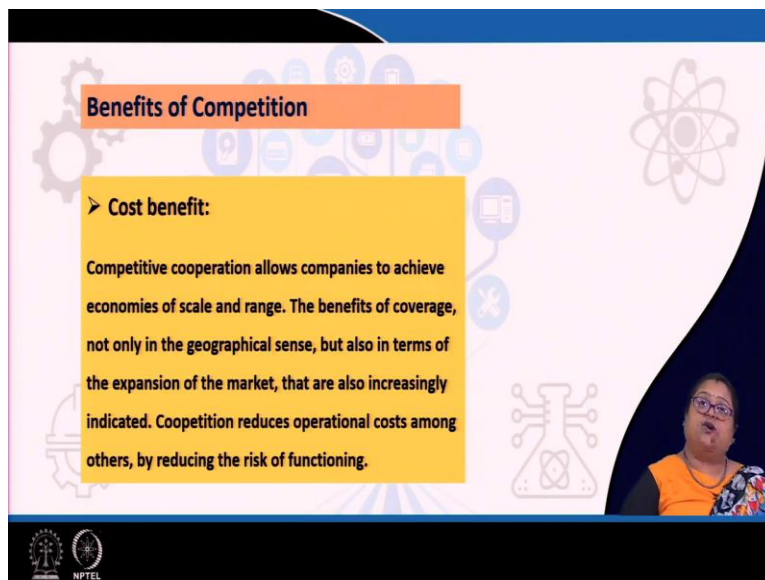
The slide features a yellow text box on a light blue background with various icons like gears, a lightbulb, and a network diagram. A small video inset of a woman is visible in the bottom right corner. The NPTEL logo is at the bottom left.

Organisational efficiency: Competition also stimulates the innovation of partners and the development of technology. In accordance with resource-based concept enterprises declared to create competitive relationships in order to jointly create intangible assets, including the ability

to transfer and use the knowledge cooperation and skills to increase the efficiency of the organisation. So, at first, I likely it was a common goal giver and you are encouraged to give your best to reach that goal.

So that everybody is trying to give their best and trying to come out with the best performances and then at end we can combine all these best performances that the end result is of course of magical performance.

(Refer Slide Time: 13:54)



The slide features a title 'Benefits of Competition' in an orange box. Below it, a yellow box contains the text: '➤ Cost benefit: Competitive cooperation allows companies to achieve economies of scale and range. The benefits of coverage, not only in the geographical sense, but also in terms of the expansion of the market, that are also increasingly indicated. Competition reduces operational costs among others, by reducing the risk of functioning.' A video inset in the bottom right shows a woman speaking. The slide is decorated with icons of gears, a lightbulb, a network, and a chemical flask. Logos for IIT Bombay and NPTEL are at the bottom left.

Cost benefit: Competitive cooperation allows companies to achieve economies of scale and range. The benefits of coverage not only in the geographical sense, but also in terms of the expansion of the market and that also increasingly indicated. Competition reduces operational costs among others by reducing the risk of function.

(Refer Slide Time: 14:25)

Benefits of Competition

➤ **Creation of organisational values:**

Competitive relationships contribute to the creation of values, the dynamic development of companies, and an increase in the value of competitors. Often, competitive relationships are made of a defensive nature; in addition to strengthening market position, competitive relationships also protect market position and increase entry barriers for non-system entities.

The slide features a background with various icons including gears, a lightbulb, a network diagram, and a chemical structure. A small video inset in the bottom right corner shows a woman with glasses and a colorful patterned top. The NPTEL logo is visible in the bottom left corner.

Creation of organisational values: Competitive relationships contribute to the creation of values, the dynamic development of companies and an increase in the value of competitors. Often competitive relationships are made of a defensive nature. In addition to strengthening market position competitive relationships also protect market position and increase entry barriers for non- system entities.

(Refer Slide Time: 14:58)

Benefits of Competition

➤ **Incentivize the team:**

Although salary is a strong component in finding and keeping good talent, human resources managers have learned that people are often motivated to move into the next gear with other incentives for which competition makes a difference. One would think that people are motivated by money, and that a good paycheck is incentive enough to do a good job. However, there are other incentives beyond money also which motivate people.

The slide features a background with various icons including gears, a lightbulb, a network diagram, and a chemical structure. A small video inset in the bottom right corner shows a woman with glasses and a colorful patterned top. The NPTEL logo is visible in the bottom left corner.

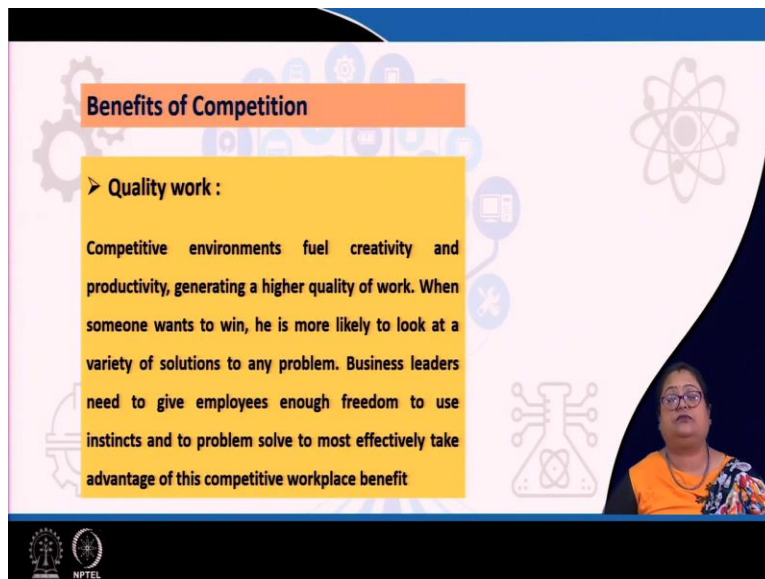
Incentivize the team: Although the salary is a strong component in finding and keeping good talent human resources managers have learnt that people often motivated to move into the next year with other incentives for which competitions makes a difference. What would think that people are motivated by money and that a good paycheck is incentive enough do a good job. But

yes, this is there.

But that could be other things also like whenever we are talking of fringe benefits whenever we' are talking of perks the status symbols. These are also incentives that we get either recognition that you get in the organisation through competitions and these are by performing as a best performer or the best employee of the year. So, these really people motivate people of course money is there.

But these were also motivators to know more about it, please go through the all your videos that we have on performance and reward management and also principles of management.

(Refer Slide Time: 16:24)



Benefits of Competition

➤ **Quality work :**

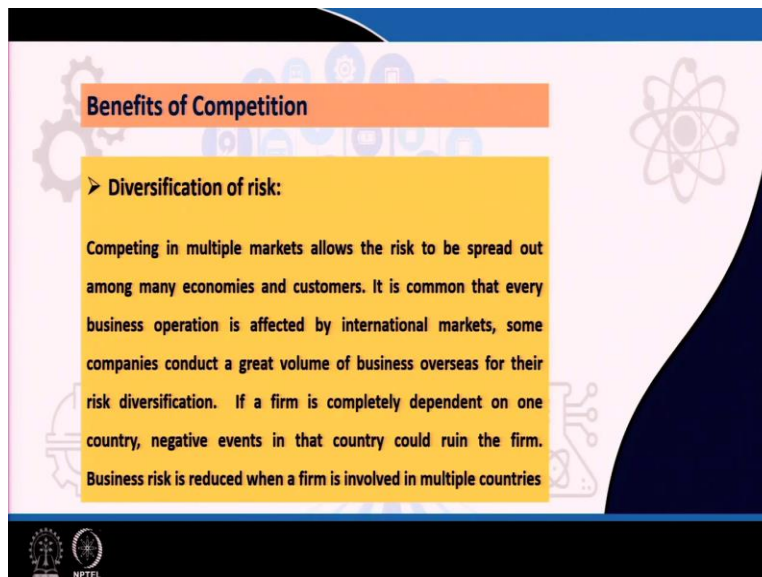
Competitive environments fuel creativity and productivity, generating a higher quality of work. When someone wants to win, he is more likely to look at a variety of solutions to any problem. Business leaders need to give employees enough freedom to use instincts and to problem solve to most effectively take advantage of this competitive workplace benefit

Quality work: Competitive environment well creativity and productivity generating higher quality of work. When someone wants to win, he is more likely to look at a variety of solutions at any problem business leaders need to give employees enough freedom to use instincts and to solve problem to most effectively take this advantage of this competitive workplace benefit. So, if people are competing with each other with the solutions so newer solutions are coming up for problem solving in a creative way.

So, if people are allowed to freedom to think creatively thinks in a different way so and they competing with each other which is also motivating to such an extent we can get different quality

solutions. We will discuss more on this why we are discussing the next lecture sessions on problem solving and creativity.

(Refer Slide Time: 17:38)



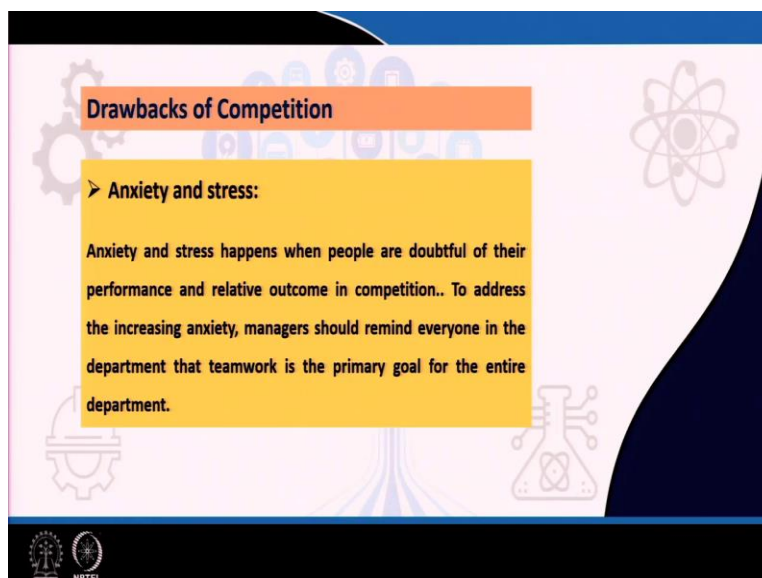
Benefits of Competition

➤ **Diversification of risk:**

Competing in multiple markets allows the risk to be spread out among many economies and customers. It is common that every business operation is affected by international markets, some companies conduct a great volume of business overseas for their risk diversification. If a firm is completely dependent on one country, negative events in that country could ruin the firm. Business risk is reduced when a firm is involved in multiple countries

Diversification of risk: Competing in multiple markets allows the risk to be spread out amongst many economies and customers. It is common that every business operation is affected by international markets. Some companies conduct a greater volume of business overseas for their risk diversification. If the firms completely dependent on the one country the negative events in that country could ruin the firm. Business risk is reduced when a firm is involved in multiple countries.

(Refer Slide Time: 18:20)



Drawbacks of Competition

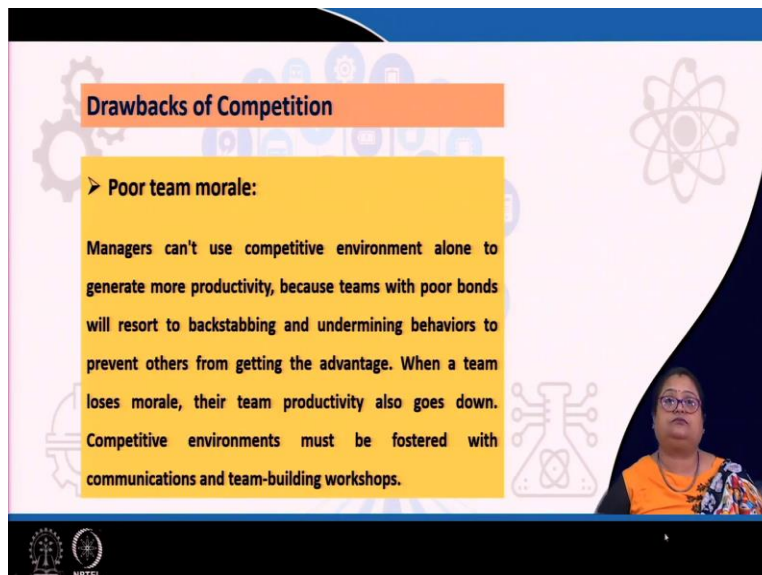
➤ **Anxiety and stress:**

Anxiety and stress happens when people are doubtful of their performance and relative outcome in competition.. To address the increasing anxiety, managers should remind everyone in the department that teamwork is the primary goal for the entire department.

Anxiety and stress: Anxiety and stress happens when people are doubtful of their performance and relative outcome in competition to address the increasing anxiety out of like what will happen your outcome is uncertain. How I perform and even if I perform is it going to give me the desired results or not when people are confused about it when they are doubtful about it. How I would be judged by the organisation if I am not able to perform well.

These kinds of things give rise to anxiety and stress in people's mind. So, to address this increasing anxiety and Manager should remind everyone in the department that the team work is the primary goal for the entire department and try to motivate the people for openness to become more confident from inside and co-operate together.

(Refer Slide Time: 19:30)



The slide features a title 'Drawbacks of Competition' in an orange box. Below it, a yellow box contains the text: '➤ Poor team morale: Managers can't use competitive environment alone to generate more productivity, because teams with poor bonds will resort to backstabbing and undermining behaviors to prevent others from getting the advantage. When a team loses morale, their team productivity also goes down. Competitive environments must be fostered with communications and team-building workshops.' The slide also includes decorative icons of a gear, an atom, and a brain, and a small video inset of a woman in the bottom right corner.

Poor team morale: This is one of the drawbacks of competition. Managers cannot use competitive environment alone to generate more productivity because teams with poor bonds will resort to backstabbing and undermining behaviour to prevent others from getting the advantage. When a team loses morale the team productivity also goes down. Competitive environment must be fostered with communication and team building workshops.

(Refer Slide Time: 20:08)

Drawbacks of Competition

➤ **Fear and doubt:**

When there are strong competitors, the new entrants will lose business to them, often frequently. That increases sales costs, time to close, and makes it harder to grow rapidly. Competitors will also spread fear and doubt in the marketplace. This is particularly galling. Some of that crazy competitors stuck around for a long time and hurt portfolio company in the market.

The slide features a blue header, an orange title bar, and a yellow text box. It includes decorative icons of a gear, an atom, and a circuit board. The NPTEL logo is visible in the bottom left corner.

Fear and doubt: When there are strong competitors the new entrants will lose business to them of infrequently that increases sales costs, time to close and makes it harder to grow rapidly. Competitors will also spread fear and doubt in the marketplace. This is particularly galling. Some of that crazy competitor talks around for a long time and hard portfolio company in the market. Now, we will discuss on the drawbacks of cooperation.

(Refer Slide Time: 20:48)

Drawbacks of Cooperation

➤ **Less operational control:**

One of the drawbacks of cooperation mainly in business cooperatives is that each member's reduced control over how he/she operates the business.

The slide features a blue header, an orange title bar, and a yellow text box. It includes decorative icons of a gear, an atom, and a circuit board. A small video inset in the bottom right shows a woman speaking. The NPTEL logo is visible in the bottom left corner.

What will see you over here like less operational control is one of the drawbacks of cooperation. Mainly in business cooperatives because here the members have reduced control over how he or she operates the business.

(Refer Slide Time: 21:09)

Drawbacks of Cooperation

➤ **Fewer incentives:**

Cooperative businesses have fewer incentives for large investors when attracting capital. As a result, they aren't that appealing to those wealthy investors. They will mostly attract smaller investors, while the larger ones generally stay away after knowing that the size of their investment does not determine the size of their influence.

The slide features a blue header, a yellow text box, and a presenter in the bottom right corner. The background includes faint icons of a gear, a lightbulb, and a molecular structure. The NPTEL logo is visible in the bottom left corner.

Another drawback of cooperation is of course fewer incentives. Cooperative businesses have fewer incentives for large investors when attracting capital. As a result, they are that appealing to the wealthy investors. They will mostly attract smaller investors while the larger was generally stay away after knowing that the size of their investment does not determine the size of their influence.

(Refer Slide Time: 21:49)

Competition and Cooperation in Social Perspective

- The individual goals of self-concern and other-concern help explain tendencies to cooperate or compete with others.
- Both competition and cooperation are common and useful reactions to social interaction dilemmas.
- The solutions to social dilemmas are more favorable when the outcomes are integrative rather than fixed-sum.
- Conflict is sometimes realistic, in the sense that the goals of the interacting parties really are incompatible. But in many cases, conflicts are more perceived than realistic.

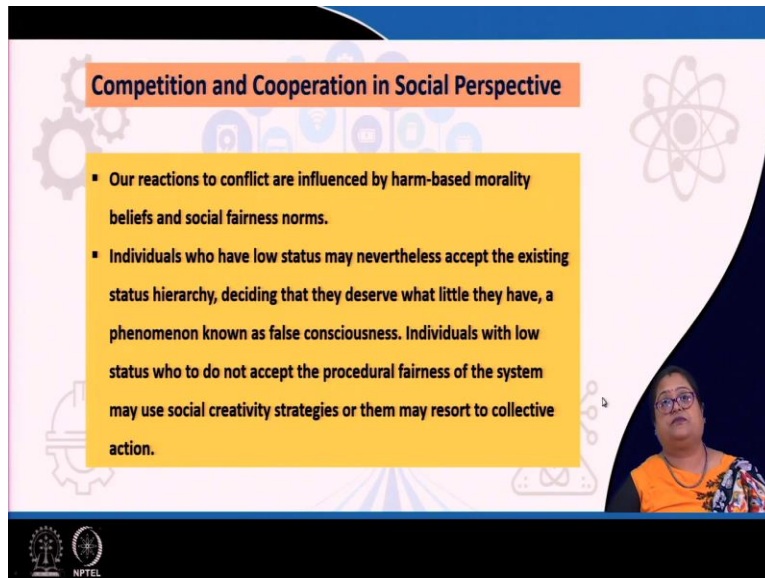
The slide features a blue header, a yellow text box, and a presenter in the bottom right corner. The background includes faint icons of a gear, a lightbulb, and a molecular structure. The NPTEL logo is visible in the bottom left corner.

Now we will discuss competition and cooperation in a social perspective. The individual goals of self concerned and others concerned help explain the tendency is to compete or co-operate with each other. Both competition and cooperation are common and useful reactions to social interaction dilemmas. The solutions to social dilemmas are more favourable when the outcomes

are integrative rather than fixed some methods.

Conflicts sometimes realistic in the; sense that the goals of the interacting parties really are incompatible but, in many cases, conflicts are more perceived than it is realistic.

(Refer Slide Time: 22:45)



The slide features a title bar at the top with the text "Competition and Cooperation in Social Perspective". Below the title, there is a yellow box containing two bullet points. The first bullet point states: "Our reactions to conflict are influenced by harm-based morality beliefs and social fairness norms." The second bullet point states: "Individuals who have low status may nevertheless accept the existing status hierarchy, deciding that they deserve what little they have, a phenomenon known as false consciousness. Individuals with low status who do not accept the procedural fairness of the system may use social creativity strategies or they may resort to collective action." In the bottom right corner of the slide, there is a small video feed showing a woman with glasses and a colorful patterned top. The slide also includes decorative icons of gears and an atom symbol, and a logo for NPTEL in the bottom left corner.

- Our reactions to conflict are influenced by harm-based morality beliefs and social fairness norms.
- Individuals who have low status may nevertheless accept the existing status hierarchy, deciding that they deserve what little they have, a phenomenon known as false consciousness. Individuals with low status who do not accept the procedural fairness of the system may use social creativity strategies or they may resort to collective action.

Our reactions to conflict influenced by harm-based morality beliefs and social fairness norms. Individuals who have low status may nevertheless accept existing status hierarchy deciding that they deserve what little they have. A phenomenon known as false consciousness, individuals with low status who do not accept the procedural fairness of the system may use social creativity strategies or they may resort to collective action.

(Refer Slide Time: 23:34)

REFERENCES

- Aswathappa, K.(2014). Organisational Behaviour, Text, Cases Games. Himalaya Publishing House, Mumbai
- Luthans, F. (2011). Organizational Behavior: An Evidence-based Approach, Published by McGraw-Hill/Irwin,
- Stoner, A.F. (1984). Management, Prentice-Hall, New Delhi
- Cherrington, D.J. (1989). Organisational Behaviour, Allyn and Beacon, Boston, USA
- White, D.D. and Bednar D.A. (1986). Organisational Behaviour, Allyn and Beacon, Boston, USA
- Cutlip Scott. M , Center, A. H. (1952). Effective Public Relations, Pearson Prentice Hall, USA
- Judge, Timothy A., Robbins, Stephen P. (2017). Organizational behavior-Pearson Education Limited






So, these are the references that we have for the discussion that you had till now.

(Refer Slide Time: 23:41)

CONCLUSION

In the conclusion of this lecture session, we may recap the discussion held on benefits and drawbacks of cooperation and competition which may be very much helpful to learners. They will obtain knowledge on the overall discussions made in this session. This is the end of this week lecture on competition and cooperation.

In upcoming lecture I will be discussing about the leadership issues . Till then enjoy the learning, thank you all.

In the conclusion of this lecture session, we may recap that the discussion is held on benefits and drawbacks of cooperation and competition which may be very helpful to the learners. They will obtain overall knowledge on the discussion made on these issues. And this is the end to this week's lecture on competition and cooperation. In upcoming lecturer, I will be discussing about the leadership issues till then enjoy the learning, thanks to you all.