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Paper: Organizational behavior

Q1:

Ans: The COVID-19 pandemic could be the most serious challenge to financial institutions in nearly a century. As the economic fallout spreads, retail banks find themselves juggling some big priorities that require concrete steps to reposition now while also recalibrating for the future. They're working to keep their distribution channels open, despite social distancing advice and supervisory and compliance functions that were never designed for remote work. They're trying to manage revenue and customer expectations, despite near-zero interest rates and growing pressure on consumers. And, they need to keep an eye on strategy and brand issues that will define their future, as market forces and customer behaviors potentially change coming out of this crisis.

It's a tall order. But there are plenty of concrete steps banks can take, right now, to support the communities and customers they serve while balancing medium to long term positioning. These steps include:

1. Focus business continuity planning on issues for survival
2. Show empathy to your customers while making sound business decisions
3. Rethink your balance sheet challenges while managing loan stress and customer sensitivity
4. Find ways to trim your costs quickly
5. Reset your revenue outlook
6. Replot the post-COVID-19 strategy

Q2:

Ans: Cultures around the world are getting more and more interconnected and the business world is becoming increasingly global. For managers this means that they should be able to work with a large variety of people from different countries and cultural backgrounds. However, since most people are so strongly immersed in their own culture, they often fail to see how it affects their patterns of thinking or their behavior. To overcome this, researchers suggest some kind of tools or

mechanisms with which to compare countries on cultural similarities and differences. A number of attempts have been made to combine these cultural differences across borders (e.g. the GLOBE study, Trompenaars' cultural dimensions and Hall's cultural dimensions). However, the most-used and best-known framework for cultural differences is Geert Hofstede's **Cultural Dimensions**. Over the years, his study led to six cultural dimensions on which countries can be ranked: *Power Distance*, *Individualism/Collectivism*, *Masculinity/Femininity*, *Uncertainty Avoidance*, *Long-term/Short-term Orientation* and *Restraint/Indulgence*. Each dimension will be elaborated on below:

Power Distance

This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally: beliefs about the appropriate distribution of power in society. The fundamental issue here is how a society handles inequalities among people. People in societies exhibiting a large degree of Power Distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low Power Distance, people strive to equalize the distribution of power and demand justification for inequalities of power. China and Saudi Arabia are countries with a high Power Distance index.

Individualism

The Individualism/Collectivism dimension is about the relative importance of individual versus group interests. The high side of this dimension, called individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families. Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we." The USA is considered as one of the most individualistic countries in the world.

Masculinity

The Masculinity/Femininity dimension is about what values are considered more important in a society. The Masculine side of this dimension represents a preference in society for achievement, heroism, assertiveness and material rewards for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life. Society at large is more consensus-oriented. In the business context Masculinity versus Femininity is sometimes also related to as "tough versus tender" cultures. Japan is considered to be a very masculine country, whereas Scandinavian countries such as Norway and Sweden are considered highly feminine.

Uncertainty Avoidance

The Uncertainty Avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. In addition its impact on rule making is taken into account. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? Countries exhibiting a high Uncertainty Avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behavior and ideas. These countries often need many rules to constrain uncertainty. Countries with a low Uncertainty Avoidance index maintain a more relaxed attitude in which practice counts more than principles, tolerance for ambiguity is accepted and the need for rules to

constrain uncertainty is minimal. South American countries such as Chile, Peru and Argentina are highly uncertainty avoiding countries.

Time Orientation

Every society has to maintain some links with its own past while dealing with the challenges of the present and the future. Societies prioritize these two existential goals differently. Countries that score low on this dimension, for example, prefer to maintain time-honoured traditions and norms while viewing societal change with suspicion. They are past and present oriented and value traditions and social obligations. Countries with cultures that scores high on this dimension on the other hand take a more pragmatic approach: they are future oriented and encourage thrift and efforts in modern education as a way to prepare for the future. Asian countries such as China and Japan are known for their long term orientation. Morocco is a short term oriented country.

Indulgence

The Indulgence dimension is a relatively new dimension to the model. This dimension is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. Relatively weak control is called Indulgence and relatively strong control is called Restraint. Cultures can, therefore, be described as Indulgent or Restrained. Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.

Q3:

Ans: How you respond to your customers could be pivotal to how your brand is seen for years to come. Many banks already have mountains of customer segmentation data that can play a critical role in determining — and meeting — customer needs. For instance, you can use this data to identify which customers are better positioned to ride out the crisis and those who will need more active management and outreach. From here, you may need to develop specific, defined, customer service suggestions, such as converting credit card balances to home equity lines with fee deferrals or waivers for homeowners who need liquidity.

We recommend two core strategies that focus on near-term remedies that help preserve long-term customer relationships while balancing the needs of the community, especially for regional banks.

1. Customer relief and remediation

You may provide temporary relief with no credit bureau impact for a period of 30 to 90 days. This could apply to auto, mortgage, card, and small business loan payments through monthly service fees waivers and early CD withdrawals for retail and small business customers.

2. Manage customer perception, brand image, and commitment to the local community

You have an opportunity to use social listening and voice-of-customer tools to identify issues related to how your brand is perceived. Work with your communications staff to create targeted messages rather than waves of mass emails. You'll want to make sure customers are aware of the role that your bank is playing to support the community during this difficult period. Create a dedicated team to respond quickly and empathetically to social media issues.

Q4:

Ans: Effect on moods:

The COVID-19 pandemic has likely brought many changes to how you live your life, and with it uncertainty, altered daily routines, financial pressures and social isolation. You may worry about getting sick, how long the pandemic will last and what the future will bring. Information overload, rumors and misinformation can make your life feel out of control and make it unclear what to do.

During the COVID-19 pandemic, you may experience stress, anxiety, fear, sadness and loneliness. And mental health disorders, including anxiety and depression, can worsen.

Learn self-care strategies and get the care you need to help you cope.

Effect on emotions:

people who are quarantined are very likely to develop a wide range of symptoms of psychological stress and disorder, including low mood, insomnia, stress, anxiety, anger, irritability, emotional exhaustion, depression and post-traumatic stress symptoms. Low mood and irritability specifically stand out as being very common, the study notes.

In China, these expected mental health effects are already being reported in the first research papers about the lockdown.

In cases where parents were quarantined with children, the mental health toll became even steeper. In one study, no less than 28% of quarantined parents warranted a diagnosis of “trauma-related mental health disorder”.

Among quarantined hospital staff, almost 10% reported “high depressive symptoms” up to three years after being quarantined. Another study reporting on the long-term effects of SARS quarantine among healthcare workers found a long-term risk for alcohol abuse, self-medication and long-lasting “avoidance” behaviour. This means that years after being quarantined, some hospital workers still avoid being in close contact with patients by simply not showing up for work.

Reasons for stress abound in lockdown: there is risk of infection, fear of becoming sick or of losing loved ones, as well as the prospect of financial hardship. All these, and many more, are present in this current pandemic.