

INTRODUCTION

An organisation is generally regarded as group of individuals contributing their efforts towards common goal. It is a mechanism which helps the activities to be performed effectively. The organisation is established for the purpose of achieving business objectives those may differ from business to business. But for every business an organisation is a must. In the organisation, individuals and groups behave in diverse ways. Such behaviour is influenced by a wide range of factors which in turn influences the functioning of the organisation. Thus, the study and analysis of human behaviour in organisations has been termed as a separate discipline called as “Organisational Behaviour”. It is a growing discipline, interdisciplinary in nature which draws the combined talents of psychologists, sociologists and anthropologists, who are termed as behavioural scientists. Human being may be physically alike but not behaviourally. The same person behaves differently in different situations due to the influence of various factors. The important among them include: various models of Man i.e., Economic Man, Social Man, Organisational Man, self-actualising-Man, Complex Man, Impulsive Man.

DEFINITIONS OF OB

There are various definitions of organisational behaviour.

- John W. Newstrom and Keith Davis define the term organisational behaviour as, “the study and application of knowledge about how people as individuals and as groups- act within organisational. It strives to identify ways in which people can act more effectively.”

This definition deals with the behaviour of the people within organisations acting as individual and as groups. It also deals with diverting the human behaviour towards organisational requirements.

- Stephen P. Robbins defines organisational behaviour as “a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge toward improving an organisation`s effectiveness.”

This definition deals with the development of knowledge regarding the behaviour caused by individuals, group and structures in an organization. It also deals with utilization of such knowledge for enhancing organizational effectiveness.

- Fred Luthans defines organizational behaviour as " the understanding, prediction and management of human behaviour in organizations." This definition seems to be simple and compressive. But further analysis is necessary to understand it thoroughly.

- Organizational behaviour can be defined as studying, predicting and managing human behaviour caused by individuals, groups and structures towards the requirements of organizational strategies. Analysis of these definitions indicates the following features of organizational behaviour.

Features of organizational Behaviour

- Human behaviour is caused by individuals, groups and structures of the organizations. For example, the tall structures make the individuals to be rule minded and behave mechanically. The flat structures make the individual to be innovative, creative, challenging and committed.

- Human behaviour can be studied, predicted and managed. This can be done to some extent but not completely as required or anticipated.
- Understand the organizational strategies, type of human behaviour necessary for their implementation to the maximum extent.
- The purpose of organizational behaviour is to enhance organisational efficiency and effectiveness.
- Organisational behaviour is a multidisciplinary subject i.e., various disciplines contributed to OB.
- OB is the study of human behaviour in organisation.
- OB is the study and application of knowledge about how people act within the organisation.
- OB is directly concerned with understanding, prediction and control of human behaviour in the organisation.

FOCUS AND PURPOSE

The study of OB helps the organisation in many respects as follows:

- i) It explains about the prediction of behaviour of an individual.
- ii) It explains the interpersonal relationship.
- iii) It helps in marketing.
- iv) It helps in maintaining cordial relationship in the organisation.
- v) It helps the manager to motivate his/her subordinates.
- vi) It tries to understand the reasons for individual differences and use these differences for the benefits of the organisation by adopting suitable methods of motivation, training, etc.
- vii) It helps in framing new economic policy of the country.

NATURE

Organizational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows:

1. A Separate Field of Study and not a Discipline

Only By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

2. An Interdisciplinary Approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

3. An Applied Science

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates on fundamental researches, the latter concentrates on applied researches. O.B. involves both applied research and its application in organizational analysis. Hence, O.B. can be called both science as well as art.

4. A Normative Science

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accept organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

5. A Humanistic and Optimistic Approach

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environment. Environment affects performance of workers working in an organization.

6. A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her sociopsychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

7. OB Studies Similarities in Individuals

People are also similar as well as dissimilar in, likes, dislikes, professions or occupations, interests etc. There are scientists, engineers, technical experts, management expert, politicians, business people etc. We find some people with similar physical, psychological, social abilities and religious beliefs within the broader limits. In other words, individuals may not be identically equal to one another but differ from one another within certain limits.

8. OB studies Individual Differences

Individuals differ from one to another within the broad spectrum. OB draws concepts and principles from other behavioural sciences, which help in directing human behaviour in the organization despite diversity.

SCOPE OF OB

The subject matter of OB consists of three concepts i.e.

a. Intra individual behaviour

This behaviour indicates the behaviour within the individual, which includes different aspects (PPLAMJE):

- Perception
- Personality
- Learning
- Attitude
- Motivation
- Job satisfaction
- Emotion

b. Inter individual behaviour

The inter individual behaviour relates to the behaviour between two individuals which includes:

- Group Dynamic
- Team Work
- Communication
- Leadership
- Intergroup Conflict
- Transactional Analysis

c. Group behaviour

Group behaviour gives due importance towards the attitude of manager when he/she is in the group. It includes:

- Formation of organisation
- Structure of organisation
- Effectiveness of organisation

The three internal organizational elements viz., people, technology and structure and the fourth element, i.e., external social systems may be taken as the scope of O.B.

a. People

The people constitute the internal social system of the organization. They consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband. Human organization changes every day. Today, it is not the same as it was yesterday. It may change further in the coming days. People are living, thinking and feeling being who created the organization and try to achieve the objectives and goals. Thus, organizations exist to serve the people and not the people exist to serve the organization.

b. Structure

Structure defines the sole relationship of people in an organization. Different people in an organization are given different roles and they have certain relationship with others. It leads to division of labour so that people can perform their duties or work to accomplish the organizational goal. Thus, everybody cannot be an accountant or a clerk. Work is complex and different duties are to be performed by different people. Some may be accountant, others may be managers, clerks, peons or workers. All are so related to each other to accomplish the goal in a co-ordinated manner. Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.

c. Technology

Technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing so they are given assistance of buildings, machines, tools, processes and resources. The nature of technology depends very much on the nature of the organization and influences the work or working conditions. Thus, technology brings effectiveness and at the same restricts people in various ways.

d. Social System

Social system provides external environment which the organization operates. A single organization cannot exist also. It is a part of the whole. One organization cannot give everything and therefore, there are many other organizations. All these organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

NEED FOR STUDING ORGANISATIONAL BEHAVIOUR

- Organisational behaviour provides a sound work environment.
- It helps in creating effective leaders.
- It improves interpersonal relations.
- It maintains cordial industrial relation.
- It improves motivation and communication.
- It helps in creating congenial Organisational climate.

Importance of Organizational Behaviour:

- It builds better relationship by achieving people's, organizational, and social objectives.
- It covers a wide array of human resource like behaviour, training and development, change management, leadership, teams etc.
- It brings coordination which is the essence of management.
- It improves goodwill of the organization.
- It helps to achieve objectives quickly.
- It makes optimum utilization of resources.
- It facilitates motivation.
- It leads to higher efficiency.
- It improves relations in the organization.
- It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

THEORITICAL FRAMEWORK OF ORGANIZATIONAL BEHAVIOUR

Three main theoretical frameworks of organizational behaviour include the cognitive, behaviouristic and social learning frameworks. These form the basis of an organizational behaviour model.

The cognitive approach is based on the expectancy, demand and incentive concepts. Edward Tolman has developed this approach. Behaviouristic framework concentrates on observable behaviours. Ivan Pavlov and John B. Watson evolved the theoretical model of the behaviouristic approach. These theorists described human behaviour on the basis of the connection between stimulus and response.

The social learning approach integrates the thoughts and principles of both the cognitive and behaviouristic frameworks. This approach denotes that behaviour is explained as a constant reciprocal interaction between cognitive, behavioural and environmental determinants. Renowned theorists, Allbert Bandura, Julian Rotter, Salancik and Pfeffer are the main advocates this framework.

Cognitive Framework:

- As per the cognitive framework of organizational behaviour, before the behaviour of a person, cognition starts and giving input to the thinking, perception and problem solving of the person.

- It is based on the concept of the **expectancy**, **demand** and the **intention** of the human being
- According to Edward Tolman, learning consists of the expectancy that a particular event will lead to a particular consequence. If we use this to represent cognitive framework it simply means every individual set his goal and he also know the behaviour will take him to achieve the goal.
- This framework is useful in analyzing perception, personality, motivation, decision making of human in the organisation.

Behaviouristic Framework:

- Pioneer behaviourists Ivan Pavlov and Jon B. Watson insist that it is advisable and fruitful to study the behaviour of the human being which is visible than studying the mind which is elusive in nature. The concept of the Behavioural Framework of Organizational Behaviour can be clearly explained with the help of Stimulus and response. This is also called as Behaviouristic Framework of Organisational Behaviour.
- Stimulus is the force of action or motivation and response is the reaction or the behaviour (Dog and the S-R Concept). Further behaviourists B.F.Skinner developed this concept by considering the environmental consequences which lead to a certain behaviour. Skinner advocates that Behaviour is not the outcome of stimulus alone, but it is an outcome that also depends on contingent environmental consequences of a behaviour.
- This means that a human can project different behaviour for the same stimulus and he exhibits a response depending on environmental consequences. Overall it can be said that the Behavioural framework based on observable behaviour and observable environmental variables.

Social- Cognitive Framework:

- The Social Cognitive Theory is a framework that will give a base to understand human behaviour.
- It states that the person and the external situations are interdependence with each other along with the behaviour itself to determine the behaviour.
- It means that along with cognitive and external situation the experiences faced through relevant past events determines what a person becomes and this will create an impact in subsequent behaviour.

CHALLENGES AND OPPORTUNITIES FOR ORGANISATIONAL BEHAVIOUR

There are many challenges and opportunities for managers to use Organizational Behaviour concepts to enhance the overall effectiveness of individuals, groups and organization. The following are some of the critical issues confronting managers for which the knowledge of Organizational Behaviour offers worthy solutions based on behavioural science and other interdisciplinary fields.

SIGNIFICANT PROBLEMS IN MANAGEMENT

The following are some of the significant problems:

- a. **Improving People Skills:** Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills etc. These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.

Implications for Managers: Designing an effective performance appraisal system with built-in training facilities will help upgrade the skills of the employees to cope up the demands of the external environment. The lower-level cadre in management is required to possess more of technical skills. As they move towards upward direction, their roles will be remarkably changed and expected to have more of human relations and conceptual skills.

- b. **Improving Quality and Productivity:** Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use.

Implications for Managers: Today's managers understand that any efforts to improve quality and productivity must influence their employees. These employees will not only be a major force in carrying out changes, but increasingly will participate actively in planning those changes. Managers will put maximum effort in meeting the customer's requirements by involving everyone from all the levels and across all functions. Regular communications (both formally and informally) with all the staff at all levels is must. Two-way communications at all levels must be promoted. Identifying training needs and relating them with individual capabilities and requirements is must. Top management's participation and commitment and a culture of continuous improvement must be established.

- c. **Managing Workforce Diversity:** This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs and work styles.

Implications for Managers: Managers have to shift their philosophy from treating everyone alike to recognizing individual differences and responding to those differences in ways that

will ensure employee retention and greater productivity while, at the same time not discriminating. If work force diversity is managed more effectively, the management is likely to acquire more benefits such as creativity and innovation as well as improving decision making skills by providing different perspectives on problems. If diversity is not managed properly and showed biases to favour only a few categories of employees, there is potential for higher turnover, more difficulty in communicating and more interpersonal conflicts.

- d. **Responding to Globalization:** Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company's products or services are spreading across the nations using mass communication, internet, faster transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

Implications for Managers: Globalization affects managerial skills in at least two ways: i) an Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries. ii) Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

- e. **Empowering People:** The main issue is delegating more power and responsibility to the lower-level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

Implications for Manager: The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it

drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

- f. **Coping with 'Temporariness':** In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yester years, there used to be a long period of stability and occasionally interrupted by short period of change, but at present the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

Implications for Manager: Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behaviour will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

- g. **Stimulating Innovation and Change:** Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

Implications for Managers: Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example – books are being sold only through internet. Internet selling an organization's employees can be the impetus for innovation and change; otherwise, they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

- h. **Improving Ethical behaviour:** The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job? The ground rules governing the constituents of good ethical behaviour has not been clearly defined. Differentiating right things from wrong behavior has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain,

employees in competitor business participating in massive cover-ups of defective products etc.

Implications for Managers: Managers must evolve a code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behaviour of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behaviour. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behaviour.

MODELS OF ORGANIZATIONAL BEHAVIOR:

We will look at five models of organizational behaviour in this course.

AUTOCRATIC MODEL:

- This model depends on power. The manager has the power to demand “you do this or else” – and an employee who does not follow orders is punished.
- The manager has formal, official, authority over employees.
- This model assumes that employees have to be directed and pushed into doing the work. In this model, management does the thinking, employees obey orders and depend on the manager. Employees are tightly controlled. The manager can hire, fire and “perspire” them.
- Employees may obey managers but employees may not respect management. Typically, employees receive minimum pay for minimum expected performance.
- Employees may have lower skills. Often, employees work in the authority model because they have to provide subsistence for themselves and their families.
- Its weakness is that it leads to “micro- management” where managers control all details of daily operations. Managers control time and processes, they put their needs above those of employees, they insist on complicated approval processes for even the smallest things and closely monitor all results.
- The problem with the autocratic model and micro management is that it leads to low employee morale, poor decision-making (no one will make a decision because he/ she is afraid of the decision being over turned) and high turnover.
- As well, employees kept quiet about hating the workplace, they certainly made their feelings known at home and in the community.
- This model can get things done but it has high human costs. It can be useful in crisis situations, within armies or with short-term employees.

CUSTODIAL MODEL:

- In the late 1800’s, employers realized that employees might work better if their basic needs more satisfied, if they were more secure and had a better quality of work life. This was called paternalism- taking care of employees by providing them with benefits to meet their security needs.
- The custodial approach depends on economic resources – money for wages and benefits - to motivate employees. The company has to have enough money to cover these costs. By the 1930’s most employers were offering welfare programs- for example, housing,

medical care and insurance, fewer working hours sick pay, pensions and paid vacation time off.

- The problem with the custodial model is that it leads to dependence on the organization by the employee because of the security offered. Employees do not want to leave the organization, not so much because they like the job, but because they like or depend on the benefits that go with it. They cannot afford to quit.
- In this model, employees may focus on economic rewards. They may be reasonable content, but may not be highly motivated – just passively cooperative. Companies that adopt the custodial approach normally have a lower staff turnover. However, employees do not produce their best work and are not motivated to grow to their full potential.
- The custodial model is a good foundation for organizations to grow to the next approach.

SUPPORTIVE MODEL:

- It depends on leadership, not authority or money. Through leadership, managers provide a work situation in which employees can develop.
- The supportive model assumes that employees want to work and will take responsibility. Employees are encouraged to be involved in the organization.
- Employees are more strongly motivated because their status and recognition needs are better met than with earlier models. The supportive approach is not about money, but about the way people are treated at work.
- A supportive manager helps employees solve problems and accomplish their work. However, some managers may agree with the model but not actually practice it at work.
- This model is followed widely, especially in the West, because it responds to employee drives for complex needs.
- It is especially useful in production work places. Employees in developing countries are aware of management practices around the world and are demanding more modern approaches.

COLLEGIAL MODEL:

- Collegial means people working together cooperatively. In this model, management builds a feeling of partnership with employees.
- The environment is open and people participate. The collegial model is about team work. Managers are coaches to help build better teams. Employees are responsible – they feel obliged to others on the team to produce quality work.
- Employees must be self-disciplined. Many employees feel satisfied that they are making a worthwhile contribution. This leads to self-actualization and moderate enthusiasm in the way they perform.
- The collegial model is especially useful for creative work, like marketing or communications or in thinking environments, like education or planning.

THE SYSTEM MODEL:

- This is the most recent model. In this model, people want more than money, job security and cooperative teams. Employees today want trust, an ethical workplace, managers who show care and compassion and a workplace that has a sense of community.

- The system model focuses on “identifying developing and managing the strengths within employees”. Managers focus on “helping employees develop feelings of hope, optimism, self - confidence, empathy, trustworthiness, esteem, courage, efficacy and resiliency.”
- In the system model, “Managers protect and nurture their employees...to develop a positive workplace culture which leads to organizational success and committed employees.” Both managers and employees need social intelligence in this model with managers as facilitators.
- In the system model, managers and employees see the mutual benefits and obligations they share in the complex system (the organization). Everyone has psychological ownership for the organization, its products and services. Everyone feels possessive, responsible and “at home” in the organization.
- Employees can reach a state of self-motivation. Their highest order needs are met. They have passion and commitment to organizational goals, not just their own personal wants and needs.

Limitations of Organizational Behaviour:

- **Behavioural bias:** It further causes dependence, dis-contentment, indiscipline, and irresponsibility.
- **Law of diminishing returns:** It says that beyond a certain point, there is a decline in output even after each additional good or positive factor.
- **Unethical practices and manipulation of people:** Knowledge of motivation and communication acquired can be used to exploit subordinates in an organization by the manipulative managers.