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## FOCUS AND PURPOSE

Definition, Need and Importance of OB – Nature and scope of OB – Frame Work – Organizational Behaviour models.

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## Part – 1

### 1.1 Definition

According to Fred Luthans

“Organizational behavior is understanding, predicting and controlling human behavior at work.”

### 1.2 Meaning

OB is concerned with the study of human behavior at work. In other words, OB is the study and application of knowledge about how people as individuals and as groups behave or act in organizations

### 1.3 Features/ Characteristics/Nature of Organizational Behavior

**i) An Integral Part of Management:** OB is a part of general management .It represents behavior approach to management.

**ii) A Field of Study:** - Its study helps in understanding the human behavior in work organizations. It creates creative thinking among the managers to solve human problems in organizations.

**iii) Levels of Analysis:** OB involves three levels of analysis of behavior – individual behavior, group behavior and behavior of the organization itself.

Focusing on the individual level allows us to understand individual differences, perception, motivation, and learning. Focusing on the group level shows us how more than two people can work together in groups or teams within an organization. Focusing on the organization level allows us to see the effects of the organizational environment, technology, strategy, structure, and culture.

**v) Goal-Oriented:** OB is an action-oriented and goal-directed discipline. The major goals of organizational behavior are to understand, explain and predict human behavior in the organizational. It provides a normal thinking about people and their behavior.

**v) Human Tool:** OB is a human tool for human benefit. It helps in understanding and predicting the behavior of individuals. It provides overview about human beings. It helps the manager to understand the outcome of certain actions on human behavior.

**viii) Satisfaction of Employees' Needs:** OB looks to fulfill employees' needs and objective. Every employee in the organization wants to fulfill his needs through organizational activities. It is the organization's responsibility to provide friendly climate in the organization so that people may get need satisfaction and the organization may attain its objectives. Thus, both organization and individuals can be benefited by each other.

**ix) Humanistic and Optimistic:** OB focuses the attention on people from humanistic point of view. It is based on the belief that needs and motivation of people are of high concern. Further, there is optimism about the natural capable of contributing positively to the objectives of the organization. The man will actualize these talents if given proper conditions and environments.

**x) Total Systems Approach:** The systems approach is a coordinating approach which takes all the variables disturbing organizational functioning such as people, structure technology and environment. Systems generally require inputs, engage in some process, and produce outputs. The consequences of systems may be short-term, long-term, or both. Thus man's nature is quite complex and OB by applying systems approach tries to find solution of this difficulty.

#### **1.4 Need of Studying Organizational Behavior/Importance /objectives /Benefit or advantage of OB**

**1) Understanding of Self and Others:** The behavioral sciences help an individual understand himself and others better. An understanding of self and others will be very helpful to the individual in shaping his personality and dealing with others effectively.

Human behavior can be studied at the individual level, inter personal level, and group level and inter-group level as discussed below:

**i) Individual Behavior:** It tries to analyze why and how an individual behaves in a particular way. Human behavior is affected by a number of psychological, social and cultural factors. Organizational behavior put together these factors to understand individual behavior.

**ii) Inter-Personal Behavior:** Inter-personal interaction takes place because of individual's natural. Understanding of inter-personal behavior is facilitated by the study of attitude, perception, role analysis, transactional analysis, etc.

**iii) Group Behavior:** Individual behavior is often modified by group norms. Study of group activities helps in knowing how groups are formed, why people join groups etc. Management can use group activities for better communication, effective leadership and building high morale.

**2) Motivation of Human Resources:** The job of a manager in an organization is to get things done through others. He will be successful in his job when he can motivate his subordinates to work for organizational goals. He can use suitable motivation to motivate the subordinates.

**3) Effective Communication:** Behavioral sciences help in improving communication in the organization. It is communication through which people come in contact with each other. To achieve organizational effectiveness, the communication must be effective.

**4) Effective Organizational Climate:** Behavioral sciences suggest the creation of organizational climate in totally increasing employee satisfaction by changing poor work-process. Satisfactory working conditions, adequate compensation, and better equipments for the job are viewed as only a small effort in creating a sound organization climate.

**5) Good Human Relations:** Organizational behavior can be useful to achieve and maintain cordial relations in the organization. Organizational behavior helps understand the causes of poor industrial relations in the organization and suggest suitable measures for their improvement.

**6) Introduction of Change in the Organization:** Change is the law of nature. Changes are often opposed by the organizational members. The benefits of change should be highlighted and information should be shared with the employees

## 1.5 Conceptual Framework for Organizational Behavior

**i) Organizational Behavior Follows the Principles of Human Behavior:** People at work are governed by the same psychological (Mental and emotional) principles both inside and outside organizational life. Organizational behavior is human behavior in a particular setting.

**ii) Organizational Behavior is Situational:** - The individual behavior is an interaction between personal characteristics of the individual and situation. In order to understand a person's behavior, each situation must be analyzed carefully.

**For e.g.:-** If the employees are highly matured and willing to take more responsibility, the managers can follow delegating style and give full freedom to their employees. If the employees are not so matured and avoid taking any responsibility, the managers must follow directing style

**iii) Organizational Behavior is based on System Approach:** The systems approach is a coordinating approach which takes all the variables disturbing organizational functioning such as people, structure technology and environment.

Systems generally require inputs, engage in some process, and produce outputs. The consequences of systems may be short-term, long-term, or both. Thus man's nature is quite complex and OB by applying systems approach tries to find solution of this complexity.

**iv) Organizational Behavior Represents a Constant Interaction between Structure and Process Variables:** Structure refers to organizational design and positions. Process refers to what happens, with or without the structure. A retail store may use both formal advertising and public relations functions (structure) to help build its image in the community. However, most of the store's image is formed by words of mouth from satisfied and dissatisfied customers and employees (process variables).

## 1.6 Determinants of Organizational Behavior / Key Forces or factors Affecting OB / Elements of OB

- ⊙ **People:** - The success and failure of an organization mainly depends upon the type of the people, with which it is working. The behavior of an individual is different when he is alone to what it is when he is a member for a group. In fact the study of the organization behavior is the study of human behavior their likes and dislikes, needs and motives and other personalities.
- ⊙ **Structure:** - Structure defines the roles and relationships of people in an organization. Under the structure, different duties are to be performed by different people. Some may be managers others may be supervisors, clerks, peons or workers. All are related to each other to achieve the goals in a co-ordinated manner. The relationship create difficult problems of cooperation, negotiation and decision making
- ⊙ **Technology:** - Technology is important role for every organization. It provides the resources with which people work effectively. The technology used has a significant influence on working

relationships. The great benefit of technology is that it allows people to do more and better work, but it also restricts people in various ways. It has costs as well as benefits.

- © **The Environment:** - Numerous changes in the environment create demands on organizations. Individual organizations, such as a factory or a school, cannot escape being influenced by this external environment. It influences the attitudes of people, affects working conditions, and provides competition for resources and power. It must be considered in the study of human behavior in organizations.

## 1.7 Challenges and Opportunities for OB

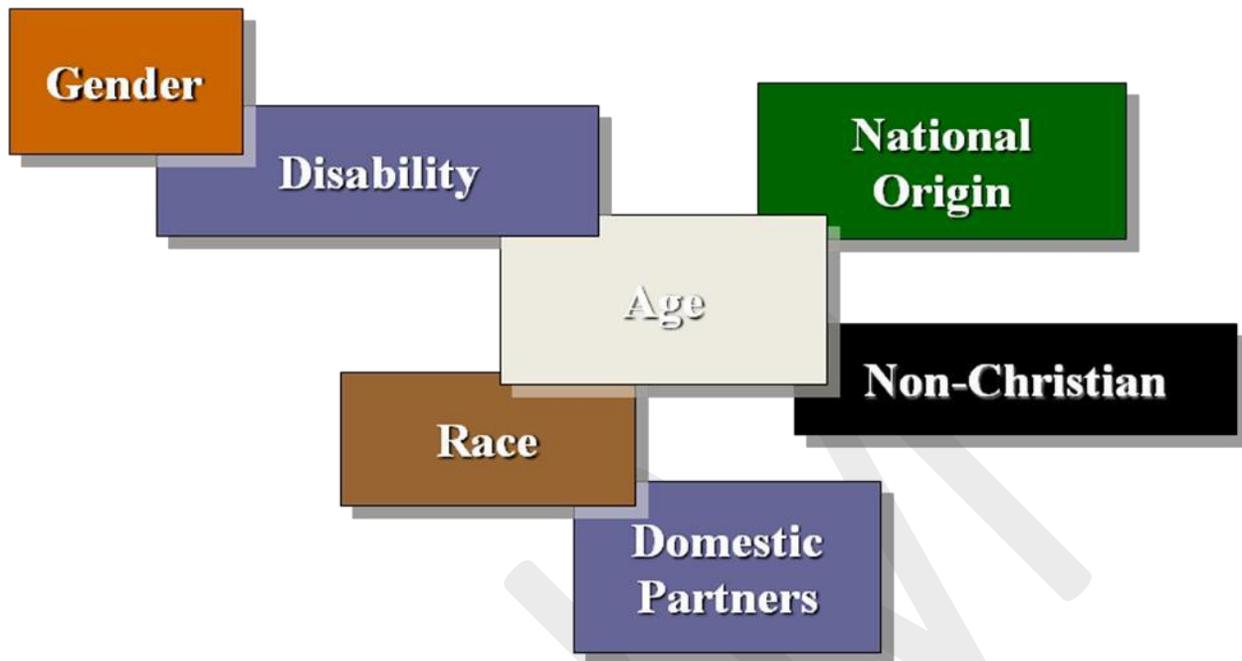
**A. Globalization of Business: - The managers are frequently transferred to another country.**

Globalization has created both challenges and opportunities for the managers. The global managers must work to understand the local culture and the behavioral forces that affect the workforce in order to manage the workers more effectively. Even if the global manager is working in his own country, he might have to manage the workers who belong to different cultures. In this case also, the manager will have to learn to adapt his management style to deal effectively with such workers.

- B. Workforce Diversity:** - Another serious challenge that managers face involves workforce diversity, i.e., the increasing heterogeneity (difference) of organizations with the addition of workers from different groups such as women, physically disabled persons, backward classes, cultural groups etc. Whereas globalization focuses on differences between personnel from different countries but workforce diversity addresses differences among people within the same country.

When workforce diversity is managed properly, there would be better communication, better human relations. If not it result in higher turnover, conflict, sineffective communication.

### Major workforce diversity



- C. **Changed Employee Expectations:** - with the changes in workforce, employee expectations and attitudes have also changed. Traditional attractiveness such as job-security, attractive remuneration, housing, and the like do not attract, maintain or motivate today's workforce. Employees today demand authority and expect quality of status with the management.
- D. **Increasing Quality Consciousness:** - Increased importance on quality, organizations have to change not only their technology but way of their working. Such a change results into behavioral problems in employees because that such a change would affect them badly. Therefore, the managers have to adopt suitable practices to ensure that employees accept change willingly and become part of the mission of improving quality consciousness throughout the organization.
- E. **Managing Change:** - Nothing is permanent except change. So the conflict arise when the employee fail to accept the changes. So, it is a big challenge to the manager to make them to understand about the need of change and the benefit to the organization and employees. So the manager is to prepare organizational members for change. They must play the role of 'change, to improve organizational effectiveness.

**F. Ethics and Social Responsibility:** - . Many organizations today are taking steps to improve the ethical standards of their employees and to avoid legal and/or public opinion problems.

From the point of view of social responsibility, increasing attention has been focused in the recent years on business compulsion to help avoid pollution, and contribute to social causes. However, defining ethical behavior and social responsibility is a great challenge. On the other hand it is expected of managers to create an ethically healthy climate for their subordinates where they can perform their duties efficiently and tackle a smallest level of doubt regarding what constitutes good and bad behavior.

## Part -2

### 1.8 Basic Approaches of OB

- 1) **Human Resources Approach or supportive approach:** - Employees have more creative and technical knowledge. It helps to achieve the objectives soon. The managers providing an active support for their growth and performance. So its help employees become more responsible and create a good climate to improve their abilities.
- 2) **Contingency Approach:** - It implies that different behavior practice required for difficult situations for effectiveness. Each situation must be analyzed carefully before taking any action. It helps to know all the current knowledge about the people in organization.

**E.g.:-** If the employees are highly matured and willing to take more responsibility, the managers can follow delegating style and give full freedom to their employees. If the employees are not so matured and avoid taking any responsibility, the managers must follow direct style.

- 3) **Results-Oriented Approach:** - All the organization needs to achieve some results or output. So the more output can be produced by the same amount of input. So productivity is based on utilization resources.

**For E.g.** Employees development programs lead to better citizen, high – quality products and service leads to high customer satisfaction like better organization behavior can improve job satisfaction.

- 4) **Systems Approach:** - It describes the organization as “open to its external environment”. Receiving certain inputs from the environment such as Human resources, raw materials etc and engaging in various operations – that process convert the raw material into finished product and finally turning out the output

Since it is open to the environment, the organization has to receive feedback from the employees and take corrective action as necessary.

## 1.9 Models of OB

### 1. Basic OB Model

- **Behavior at the Individual Level:** - It tries to analyze why and how an individual behaves in a particular way. Human behavior is affected by a number of psychological, social and cultural factors. Organizational behavior put together these factors to understand individual behavior. The study of behavior at individual level is called micro organizational behavior
- **Behavior at the Group Level:** - Individual behavior is often modified by group norms. Study of group activities helps in knowing how groups are formed, why people join groups etc. Management can use group activities for better communication, effective leadership and building high morale. The study of behavior at group level is known as meso organizational behavior
- **Behavior at the Organization Level:** - The organization is a composed of individuals and groups. Both of them follow with the structure of organization. They participate in shaping the culture of the organization. At times, they may fight for change in situation. So stress caused by the individual and groups has to be managed at the organization. Study of behavior at the whole organization is also referred to as macro organization behavior.

### 2. Types of Organizational Behavior Models

- **Autocratic Model:** - It is depend on power. The employees has to follow their boss command, otherwise they will be penalized. This theory is based on assumption that only management knows what is wrong and what is right and employees have to follow the order without any agreement.

E.g. – The boss has rights to hire, fire etc.

- **Custodial Model:** - This model focuses better employee satisfaction and security. Here the employees are satisfied by giving security and welfare need of employees. By giving rewards and benefits will satisfy the employee.
- **Supportive Model:** - The leadership motivates the people to work and not the power or money. The manager’s roles are one of helping employees & solve their problems and complete their work. So the workers feel a sense of participation and task involvement. (Important 2 mark)
- **Collegial Theory or model:** - It says about team concept. The management role is changed from that of a leader to that of a partner. Here the management and the employees are the partner to develop team work and attain the organization objectives. It brings self discipline among employees.

### 1.10 Comparison of 4 models of OB

		Custodial	Supportive	Collegial	System
<b>Autocratic</b>					
<b>Basis of Model</b>	Power	Economic resources	Leadership	Partnership	Trust, Community, Meaning
<b>Managerial Orientation</b>	Authority	Money	Support	Teamwork	Caring, compassion
<b>Employee Orientation</b>	Obedience	Security and benefits	Job performance	Responsible behavior	Psychological ownership
<b>Employee psychological result</b>	Dependence on boss	Dependence on organization	Participation	Self discipline	Self motivation
<b>Employee needs met</b>	Subsistence	Security	Status and recognition	Self actualization	Wide range

<b>Performance result</b>	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm	Passion and commitment to organizational goals.
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**1 Various conclusions may be drawn from the study of different models as follows:**

- i) As soon as the understanding of human behavior develops or social conditions change, the model is bound to change. No one model is best for all times.
- ii) Models of organizational behavior are related to hierarchy of human needs. As society advances on the need hierarchy, new models are developed to provide the higher order need.
- iii) Different models will remain in use though new model dominate as most appropriate for general use at any given time as task conditions differ from time to time and organization to organization.

**1.11 Contribution of Various Disciplines/Role of Behavioral Science in Management**

- 1) **Psychology:** - Psychology is an applied science, which helps to explain a human behavior in a particular situation and identify the action of individual. Psychologist have been able to modify individual behavior largely because they have better knowledge about leaning, motivation personality, change, leadership, job design and job satisfaction. The study of this theory can improve personal skills, change in attitude and positive approach
- 2) **Sociology:** - It says about the study of group behavior. The organization behavior based on group systems leadership, communication etc.
- 3) **Social Psychology:** - It is a subject where concept of psychology and sociology are combining to achieve better human behavior in organization. The field has contributed to manage change, group decision making, communication and ability of people in the organization to maintain social norms

**4 Anthropology:** - Anthropology studies the origin and development of human cultures, how those cultures have functioned in the past, and how they continue to function in the present. This information is very useful in understanding the behavior of individuals and groups in organizations. Culture has significant influence on human behavior. It dictates what people learn and how they behave. Thus, Anthropology contributes a lot in understanding the cultural effect on OB. Value systems; norms, sentiments, interactions, group cohesiveness, etc. are the concern of anthropology.

**5 Political Science:** - The study of the behavior of individuals and groups within a political environment - Political scientists include how and why people get power and such as political behavior, group decision-making, conflict behavior of interest groups, formation of union, etc.



- 6 Engineering :-** This discipline, too, has influenced OB. Industrial engineering, in particular, has long been concerned with work measurement, productivity measurement, workflow analysis and design, and labor relations
- 7. Economics:** - Economics help in understanding of economic conditions at a given time, economic policies of the government and all these factors affect the organizational climate. Organizational behavior has learned a great deal from such economic factors as labor market activities, cost-benefit analysis, human resource planning and forecasting and decision making etc.

### Important Question

#### 2 Marks

1. Define and meaning of Organizational Behaviour
2. Supportive Model

**16 Marks**

1. Importance of organizational Behaviour
2. Factors affecting organizational behaviour
3. Challenges and Opportunities of Organizational Behaviour
4. Basic Approaches and models of Organizational Behaviour