

**BBA – IV SEMESTER**

**SUBJECT- ORGANISATIONAL BEHAVIOUR  
(Topic- Introduction to OB)**

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# Organizational Behaviour

## **Organization-**

- An organization is a consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals.
- An organization is a structure having relationship that is interwinded between people who work with collective sense of purpose

## **Structure of an organization -**

- Organization structure is the basic frame work with in which the decision making behavior of an executive take place
- It is an established pattern of relationship among the components of organization.
- These relationship are stable and change only slowly

## **Types of organization -**

- Organizations are formed with a specific purpose.
- Some organizations are profit driven and some serve the society like universities , hospitals and welfare organizations
- **There are three general type of organization , they are :**

1. Functional organization
2. Line and staff
3. Matrix form

- These organizations will have formal structures
- In recent time there are informal structures which have invisible relationship between the members, such as network organization and boundary less organization. These are called as virtual organization

## **Functional organization -**

- In this type the specialists person will be heading their respective departments to discharge specific functions assigned to them
- Workers under functional type receives instructions from their head or specialists

## **Line and staff organization-**

- This is combined structure of line (Actual execution of work) and staff(Advisory body)
- This structure covers planning and execution
- Planning is done by staff officials and execution is done by line officials

## **Matrix organization -**

- This is the multiple command system in which workers will have two bosses
- In this structure vertical and horizontal pattern of reporting system operates simultaneously.
- Global organizations prefers this structure

### **Types of organization structure-**

- There are two types of structures

1. Tall structure

2. Flat structure

- Tall structure implies –

1. Centralization of authority

2. Many middle level management and narrow span of control

3. Extended communication lines

4. Impersonality

- Flat organization structure implies -

1. Less intervention from top management

2. De – Centralized authority

3. Wide span of management

4. Less extended communication lines

• **Organizational structures is determined by varies factor, -**

1. Size of the business

2. Job designing

3. Grouping of activity

4. Span of control

5. Delegation of authority

• Today's organizations are becoming oriented towards flat structure and technology is the driving force therefore virtual organizations are increasing reducing the human force at work

### **MEANING AND DEFINITION OF ORGANISATIONAL BEHAVIOUR-**

• Organisational behaviour is concerned with people's thoughts, feelings, emotions and actions in setting up a work. Understanding an individual behaviour is in itself a challenge, but understanding group behaviour in an organisational environment is a monumental managerial task.

• As Nadler and Tushman put it, "Understanding one individual's behaviour is challenging in and of itself; understanding a group that is made up of different individuals and comprehending the many relationships among those individuals is even more complex. Ultimately, the organisation's work gets done through people, individually or collectively, on their, own or in collaboration with technology. Therefore, the management of organisational behaviour is central to the management task—a task that involves the capacity to "understand" the behaviour patterns of individuals, groups and organisations, to "predict" what behavioural responses will be elicited by various managerial actions and finally to use this understanding and these predictions to achieve "control".

• Organisational behaviour can then be defined as: "The study of human behaviour in organisational settings, the interface between human behaviour and the organisational context, and the organisation itself."

• The above definition has three parts—the individual behaviour, the organisation and the (interface between the two. Each individual brings to an organisation a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create organisational settings. The organisational behaviour is specifically concerned with work-related behaviour, which takes place in organisations.

• In addition to understanding; the on-going behavioural processes involved, in 'their own jobs, managers must understand the basic human element of their work. Organisational behaviour offers three major ways of understanding this context; people as organisations, people as resources and people as people.

• Above all, organisations are people; and without people there would be no organisations. Thus, if managers are to understand the organisations in which they work, they must first understand the people who make up the organisations.

• As resources, people are one of the organisation's most valuable assets. People create the organisation, guide and direct its course, and vitalise and revitalise it. People make the decisions, solve the problems, and answer the questions. As managers increasingly recognise the value of potential contributions by their employees, it will become more and more important for managers and employees to grasp the complexities of organisational behaviour.

• Finally, there is people as people - an argument derived from the simple notion of humanistic management. People spend a large part of their lives in organisational settings, mostly as employees. They have a right to expect something in return beyond wages and benefits. They have a right to expect satisfaction and to learn new skills. An understanding of organisational behaviour can help the manager better appreciate the variety of individual needs and expectations.

• Organisational behaviour is concerned with the characteristics and behaviours of employees in isolation; the characteristics and processes that are part of the organisation itself; and the characteristics and behaviours directly resulting from people with their individual needs and motivations working within the structure of the organisation. One cannot understand an individual's behaviour completely without learning something about that individual's organisation. Similarly, he cannot understand how the organisation operates without studying the people who make it up. Thus, the organisation influences and is influenced by individuals.

**OB:**

- *“A field of study that investigates the impact that individuals, groups and structure have on behavior within organization, for the purpose of applying such knowledge toward improving an organization's effectiveness.”*
- *“Organization behaviour is the study and application of knowledge of how people act or behave within organization.”*
- *“It is the study of what people think, feel and do in and around organization.”*

### **Basic concepts/variables of OB -**

- Individual behaviour
- Perception
- Values and attitudes
- Motivation

### **FOUNDATIONS OF OB -**

- The basic assumptions distinct to the discipline are:
  1. Individual differences
  2. A whole person
  3. Caused behaviour
  4. Human dignity
  5. Social system
  6. Mutuality of interest
  7. Holistic concept

#### **1. INDIVIDUAL DIFFERENCES –**

- Each person in the world is individually different.
- Whether in terms of intelligence, physique, personality, speech or any other trait.
- This basically takes place because of psychological difference.
- This difference is usually causing great motivation to the management by treating people differently.
- OB begins with the individual.
- A group is powerless until individuals act.

#### **2. A whole person –**

- An individual is not only measured in terms of the skills he is processing but also his likes and dislikes, pride and prejudice etc.
- A person's family life can not be ignored/separated from his work life.

### **3. Caused behaviour -**

- The employee behavior is caused but not random.
- And his behavior is directed towards what is right or wrong, his interest etc.
- Thus a human behavior is caused because of some reason behind it.
- And management should realize it and correct his behavior if wrong.

### **4. Human dignity -**

- People should be treated differently from other factors as they are in the highest order in the universe.
- Every person wanted to be treated with dignity and respect.
- Every job entitles a person to be treated with respect and recognition of their ABILITIES.

### **5. Social systems**

- Organizations are social system and all activities are governed by social and psychological laws.
- People have social roles and status. Their behaviour is influenced by group and individual drives.
- Two types of system exist side by side: formal and informal systems.
- An organization is a social system and changes dynamically.
- All the parts are interdependent and influenced by each other.

### **6. Mutuality of interest**

- —Organizations need people and people need organizations.
- Organizations have human purpose. They are formed and maintained because of the mutual interest among the people.
- People see organization as a means to help them reach their goals.
- This mutuality in interest helps in achieving the organization goals effectively.

### **7. Holistic concept**

- All the above concepts make OB an holistic system.
- This concept interprets organization relationship as a whole person, whole group, whole organization and a whole social system.

### **IMPORTANCE /BENEFITS OF OB –**

1. OB provides a road map to our lives in organization: every person is made up differently as per their personality showing different emotions, feelings and behavior. This makes an organization perplexed. Thus OB helps us in tackling and overcoming such differences which are functional, less stressed and career advancing.
2. The field of OB uses scientific research to help us understand and predict organizational life: OB is not a pure science but it helps us in understanding the cause and effect relationship among the people in an organization.
3. OB helps us influence organizational events: a person needs to know how to communicate their ideas effectively to others, manage conflicts, take decisions, work with teams etc. thus OB helps in influencing organizational events.
4. OB helps an individual understand himself and others better: this helps in improving the interpersonal relationships considerably.

5. A manager in a business establishment is concerned with getting things done through delegation: the person will be successful in delegating the authority, motivate subordinates for better results.
6. The field of OB is useful in maintaining cordial industrial relations: In an organization it is an indifferent attitude of the boss which makes the workers lazy. The relation between management and employee are often strained by different reason which are personal reason , human problem should be tackled humanely.
7. The subject of OB is also useful in the field of marketing: organization behavior helps in understanding the consumer choice and studying their behavior, there fore OB helps us in innovating new products with creativity and learning of responses
8. Interest in pursuing carrier in marketing: OB creates a person to take up carrier in management on how to predict human behavior to the effectiveness of organization. It talks about people skill and ability to understand one's employees
9. Effective management of all the sectors: Effective management means efficient management of human resources and this is possible only through study of OB. OB enables the manager to motivate his subordinate towards higher productivity and better results.



## **Towards OB DISCIPLINE ((OB AN INTERDISCIPLINARY))**

**Contributing Disciplines to the OB Field Psychology** The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.

- **Unit of Analysis:**

- **Individual**

- **Contributions to OB:**

- **Learning, motivation, personality, emotions, perception**

- **Training, leadership effectiveness, job satisfaction**

- **Individual decision making, performance appraisal attitude measurement**

- **Employee selection, work design, and work stress**

A Separate Field of Study Organizational behaviour can be treated as a distinct field of study. It is yet to become a science. Now efforts are being made to synthesize principles, concepts and processes in this field of study. **Interdisciplinary Approach** Organizational behaviour is basically an interdisciplinary approach. It draws heavily from other disciplines like psychology, sociology and anthropology. Besides, it also takes relevant things from economics, political science, law and history. Organizational behaviour integrates the relevant contents of these disciplines to make them applicable for organizational analysis. e.g. it addresses issues, which may be relevant to the case, such as the following:

- What facilitates accurate perception and attribution?
- What influences individual, group and organizational learning and the development of individual attitudes toward work?
- How do individual differences in personality, personal development, and career development affect individual's behaviours and attitudes?
- What motivates people to work, and how does the organizational reward system influence worker's behaviour and attitudes?
- How do managers build effective teams?
- What contributes to effective decision-making?
- What are the constituents of effective communication?
- What are the characteristics of effective communication?
- How can power be secured and used productively?
- What factors contribute to effective negotiations?
- How can conflict (between groups or between a manager and subordinates) be resolved or managed?
- How can jobs and organizations be effectively designed?
- How can managers help workers deal effectively with change?

**An Applied Science** The basic objective of organizational behaviour is to make application of various researches to solve the organizational problems, particularly related to the human behavioral aspect.

### **Normative and Value Centered**

Organizational behaviour is a normative science. A normative science prescribes how the various findings of researches can be applied to get organizational results, which are acceptable to the society.

Thus, what is acceptable by the society or individuals engaged in an organization is a matter of values of the society and people concerned.

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**Humanistic and Optimistic** Organizational behaviour 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 innate potential of man to be independent, creative, predictive and capable of contributing positively to the objectives of the organization. **Oriented towards Organizational Objectives**

Organizational behaviour is oriented towards organizational objectives. In fact, organizational behaviour tries to integrate both individual and organizational objectives so that both are achieved simultaneously. **A Total System Approach**

An individual's behaviour can be analyzed keeping in view his psychological framework, interpersonal-orientation, group influence and social and cultural factors; Thus, individual's nature is quite complex and organizational behaviour by applying systems approach tries to find solutions for this complexity.

**APPROACHES TO ORGANIZATIONAL BEHAVIOUR** There are mainly four approaches to organizational behaviour. They are: • Human resources approach • Contingency approach • Productivity approach • Systems approach

**Human Resources Approach** The human resources approach is concerned with the growth and development of people towards higher levels of competency, creativity and fulfillment, because people are the central resource in any organization. This approach help employees become better in terms of work and responsibility and then it tries to create a climate in which they can contribute to the best of their improved abilities. This approach is also known as 'supportive approach' because the manager's primary role changes from control of employees to providing an active support for their growth and performance. **A Contingency Approach**

A contingency approach to organizational behaviour implies that different situations require different behavioral practices for effectiveness instead of following a traditional approach for all situations. Each situation must be analyzed carefully to determine the significant variables that exist in order to establish the more effective practices. The strength of this approach is that it encourages analysis of each situation prior to action. Thus, it helps to use all the current knowledge about people in the organization in the most appropriate manner.

**Productivity Approach** Productivity is a ratio that compares units of output with units of input. It is often measured in terms of economic inputs and outputs. Productivity is considered to be improved, if more outputs can be produced from the same amount of inputs. But besides economic inputs and outputs, human and social inputs and outputs also are important. **Systems Approach** A system is an interrelated part of an organization or a society that interacts with everyone related to that organization or society and functions as a whole. Within the organization 'people' employ 'technology' in performing the 'task' that they are responsible for, while the 'structure' of the organization serves as a basis for co-ordinating all their different activities. The systems view emphasizes the interdependence of each of these elements within the organization, if the organization as a whole is to function effectively. The other key aspect of the systems view of organization is its emphasis on the interaction between the organization and its broader environment, which consists of social, economic, cultural and political environment within which they operate. Organizations are dependent upon their surrounding environment in two main ways: *First*, the organization requires 'inputs' from the environment in the form of raw material, people, money, ideas and so on. The organization itself can be thought of as performing certain 'transformation' processes, on its inputs in order to create outputs in the form of products or services. *Secondly*, the organization depends on environment such as, public to accept its output. The systems view of organization thus emphasizes on the key interdependencies that organizations must manage. Within themselves the organizations must trade off the interdependencies among people, tasks, technology and structure in order to perform their transformation processes effectively and efficiently. Organizations must also recognize their interdependence with the broader environments within which they exist.

## LIMITATIONS OF ORGANIZATIONAL BEHAVIOUR

- Organizational behaviour cannot abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.
- It is only one of the many systems operating within a large social system.
- People who lack system understanding may develop a 'behavioral basis', which gives them a narrow view point, i.e., a tunnel vision that emphasizes on satisfying employee experiences while overlooking the broader system of an organization in relation to all its public.
- The law of diminishing returns also operates in the case of organizational behaviour. It states, that at some point increase of a desirable practice produce declining returns and sometimes, negative returns. The concept implies that for any situation there is an optimum amount of a desirable practice. When that point is exceeded, there is a decline in returns. For example, too much security may lead to less employee initiative and growth. This relationship shows that organizational effectiveness is achieved not by maximizing one human variable but by working all system variables together in a balanced way.

A significant concern about organizational behaviour is that its knowledge and techniques could be used to manipulate people without regard for human welfare. People who lack ethical values could use people in unethical ways.

## FUTURE OF ORGANIZATIONAL BEHAVIOUR –

The growing interest in organizational behaviour stems from both a philosophical desire by many people to create more humanistic work places and a practical need to design more productive work environments. As a result of these forces, organizational behaviour is now a part of the curriculum of almost all courses including engineering and medical. The field of organizational behaviour has grown in depth and breadth. The keys to its past and future success revolve around the related processes of theory development, research and managerial practice. Although organizational behaviour has certain limitations, it has a tremendous potential to contribute to the advancement of civilisation. It has provided and will provide much improvement in the human environment. By building a better climate for people, organizational behaviour will release their creative potential to solve major social problems. In this way organizational behaviour will contribute to social improvements. Improved organizational behaviour is not easy to apply but opportunities are there. It should produce a higher quality of life in which there is improved harmony within each individual, among people and among the organizations of future. **Ob model**

- Individual behaviour comprises such aspects as personality, perception, attitudes, learning and motivation.
- Group behavior covers group dynamics, leaderships, power and politics, communication and conflicts.
- At organizational level, organizational culture change and development etc are covered.
- The total and cumulative behaviour impacts the organization's effectiveness.