

Organizational Behavior



Unit: I

- Introduction: Organizational Behavior- Concept and Emergence of OB Concept; Nature and Theoretical frameworks; Disciplines contributing to the field of OB; Historical Background- Hawthorne Studies, Psychological foundations; Models of Organizational Behavior, Challenges and Opportunities for Organizational Behavior;

- Organizational Behavior (OB) is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself.
- One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life.
- As a multi-disciplinary field, organizational behavior has been influenced by developments in a number of allied disciplines including sociology, psychology, economics, and engineering as well as by the experience of practitioners.

History and Evolution of Organisational Behavior Studies

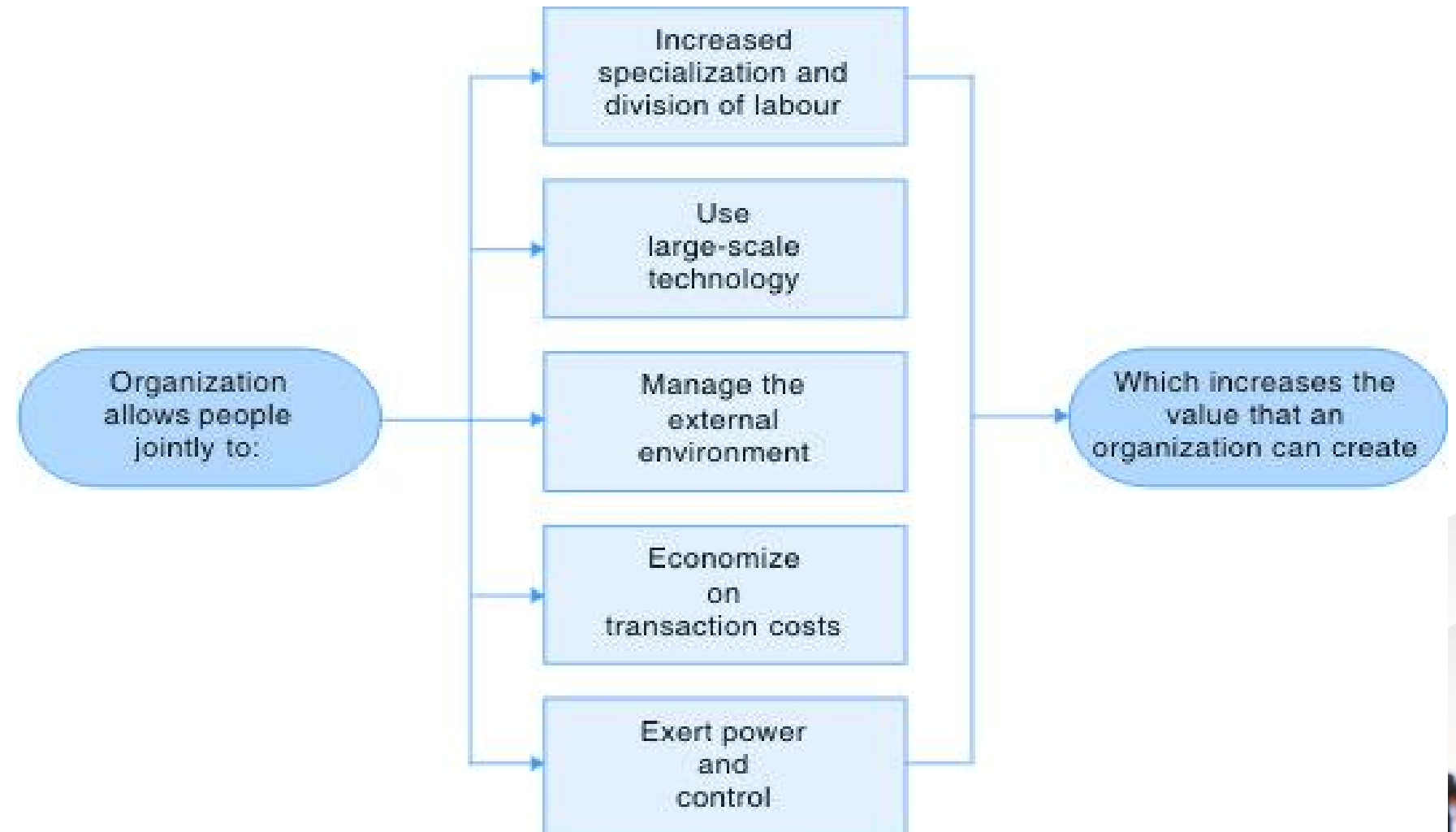
- In the 1890's; with the arrival of scientific management and Taylorism, Organizational Behavior Studies was forming it as an academic discipline.
- Failure of scientific management gave birth to the human relations movement which is characterized by a heavy emphasis on employee cooperation and morale.
- Human Relations Movement from the 1930's to 1950's contributed to shaping the Organizational Behavior studies.



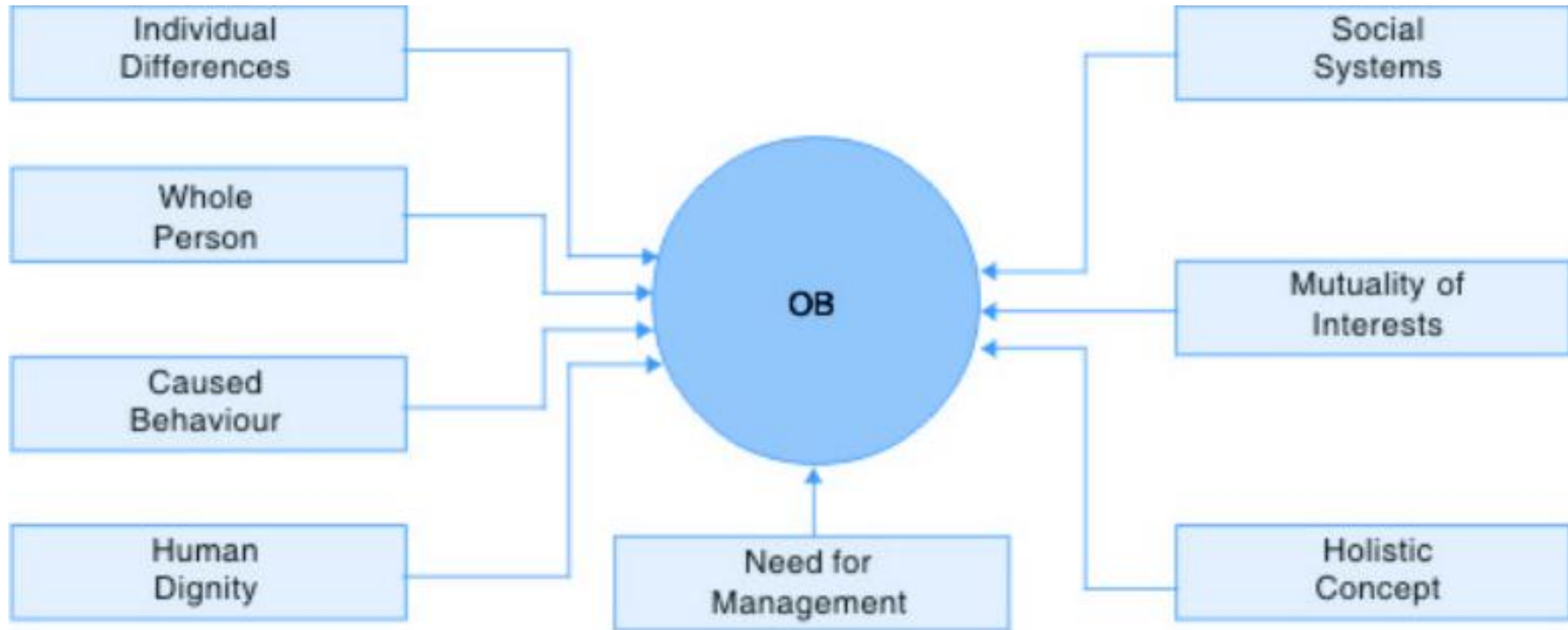
History and Evolution of Organisational Behavior Studies

- Works of scholars like Elton Mayo, Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Maslow, David Mc Cellan and Victor Vroom contributed to the growth of Organisational Behaviour as a discipline.
- Simon along with Chester Barnard; argued that people make decisions differently in organizations than outside of them. Simon was awarded the Nobel Prize in Economics for his work on organizational decision making.
- In the 1960s and 1970s, the field became more quantitative and produced such ideas as the informal organization, and resource dependence. Contingency theory, institutional theory, and organizational ecology also emerged.
- Starting in the 1980s, cultural explanations of organizations and organizational change became areas of study. Informed by anthropology, psychology, and sociology, qualitative research became more acceptable in OB.

Five Reasons Why Organisations Exist



Foundations of OB



The Hawthorne Studies

- The Hawthorne studies were conducted on workers at the Hawthorne plant of the Western Electric Company by Elton Mayo and Fritz Roethlisberger in the 1920s.
- The Hawthorne studies were part of a refocus on managerial strategy incorporating the socio-psychological aspects of human behavior in organizations.



The Hawthorne Studies

- The studies originally looked into whether workers were more responsive and worked more efficiently under certain environmental conditions, such as improved lighting. The results were surprising: Mayo and Roethlisberger found that workers were more responsive to social factors—such as the people they worked with on a team and the amount of interest their manager had in their work—than the factors (lighting, etc.) the researchers had gone in to inspect.
- The Hawthorne studies discovered that workers were highly responsive to additional attention from their managers and the feeling that their managers actually cared about, and were interested in, their work. The studies also found that although financial motives are important, social issues are equally important factors in worker productivity.

The Hawthorne Studies

- There were a number of other experiments conducted in the Hawthorne studies, including one in which two women were chosen as test subjects and were then asked to choose four other workers to join the test group.
- Together, the women worked assembling telephone relays in a separate room over the course of five years (1927-1932). Their output was measured during this time—at first, in secret.
- It started two weeks before moving the women to an experiment room and continued throughout the study. In the experiment room, they had a supervisor who discussed changes with them and, at times, used the women's suggestions.
- The researchers then spent five years measuring how different variables impacted both the group's and the individuals' productivity. Some of the variables included giving two five-minute breaks (after a discussion with the group on the best length of time), and then changing to two 10-minute breaks (not the preference of the group).

The Hawthorne Studies

Intangible Motivators

- Changing a variable usually increased productivity, even if the variable was just a change back to the original condition. Researchers concluded that the employees worked harder because they thought they were being monitored individually. Researchers hypothesized that choosing one's own coworkers, working as a group, being treated as special (as evidenced by working in a separate room), and having a sympathetic supervisor were the real reasons for the productivity increase.
- The Hawthorne studies showed that people's work performance is dependent on social issues and job satisfaction, and that monetary incentives and good working conditions are generally less important in improving employee productivity than meeting individuals' need and desire to belong to a group and be included in decision making and work.

Organizational Behavior Definition

- “Organizational behavior is directly concerned with the understanding, prediction, and control of human behavior in organizations.” — Fred Luthans.
- Organizational behavior is the study of both group and individual performance and activity within an organization. This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc.
- It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work. OB draws from other disciplines to create a unique field.
- For example, when we review topics such as personality and motivation, we will again review studies from the field of psychology. The topic of team processes relies heavily on the field of sociology.
- Even medical science contributes to the field of Organizational Behavior, particularly in the study of stress and its effects on individuals.
- Although there is still considerable debate as to the relative importance of change, there appears to be general agreement that OB includes the core topics of motivation, leader behavior, and power, interpersonal communication, group structure and processes, learning, attitude development, and perception, change processes, conflict, work design, and work stress.

Features of Organizational Behavior

- Organizational Behavior is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.
- That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.
- Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

Organizational Behavior is;

- A Separate Field of Study and not a Discipline Only.
- An Interdisciplinary Approach.
- Applied Science.
- Normative Science.
- A Humanistic and Optimistic Approach.
- A Total System Approach.
- These 6 features or characteristics show the nature of Organizational Behavior that is the study of understanding and control behavior within the organization.

Objectives of Organizational Behavior

- The organizations in which people work have an effect on their thoughts, feelings, and actions. These thoughts, feelings, and actions, in turn, affect the organization itself.
- Organizational behavior studies the mechanisms governing these interactions, seeking to identify and foster behaviors conducive to the survival and effectiveness of the organization.
 1. Job Satisfaction.
 2. Finding the Right People.
 3. Organizational Culture.
 4. Leadership and Conflict Resolution.
 5. Understanding Employees Better.
 6. Understand how to Develop Good Leaders.
 7. Develop a Good Team.
 8. Higher Productivity.
- These 8 objectives of organizational behavior show that OB is concerned with people within the organization, how they are interacting, what is the level of their satisfaction, the level of motivation, and find ways to improve it in a way the yields most productivity.

Fundamental Concepts of Organizational Behavior

Organization Behavior is based on a few fundamental concepts which revolve around the nature of people and organizations.

- Individual Differences.
- Perception.
- A Whole Person.
- Motivated Behavior.
- The desire for Involvement.
- The value of the Person.
- Human Dignity.
- Organizations are Social System.
- Mutuality of Interest.
- Holistic Concept.



Main Challenges and Opportunities of Organizational Behavior

Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals.

- Improving Peoples' Skills.
- Improving Quality and Productivity.
- Total Quality Management (TQM).
- Managing Workforce Diversity.
- Responding to Globalization.
- Empowering People.
- Coping with Temporariness.
- Stimulating Innovation and Change.
- Emergence of E-Organisation & E-Commerce.
- Improving Ethical Behavior.
- Improving Customer Service.
- Helping Employees Balance Work-Life Conflicts.
- Flattening World.

Limitations of Organizational Behavior

Recognize the limitations of organizational behavior. Organizational Behavior will not abolish conflict and frustration; it can only reduce them. It is a way to improve, not an absolute answer to problems.

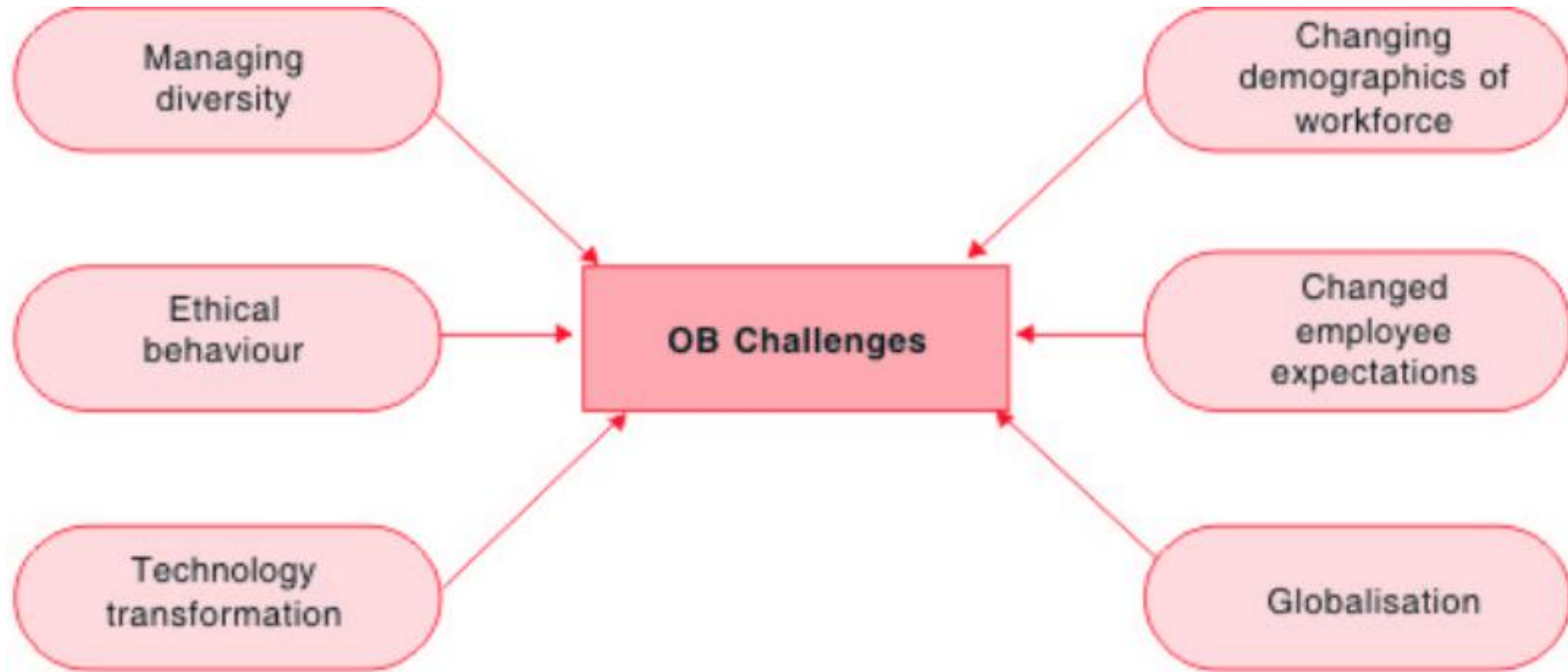
- We can discuss organizational behavior as a separate subject, but to apply it, we must tie it to the whole reality. Improved organizational behavior will not solve unemployment.
- Organizational Behavior will not make up for our deficiencies, cannot substitute for poor planning, inept organizing, or inadequate controls. It is only one of the many systems operating within a larger social system.

3 major limitations of OB are;

- Behavioral Bias.
- The Law of Diminishing Returns.
- Unethical Manipulation of People.
- Learn how these organizational behavior limitations work.



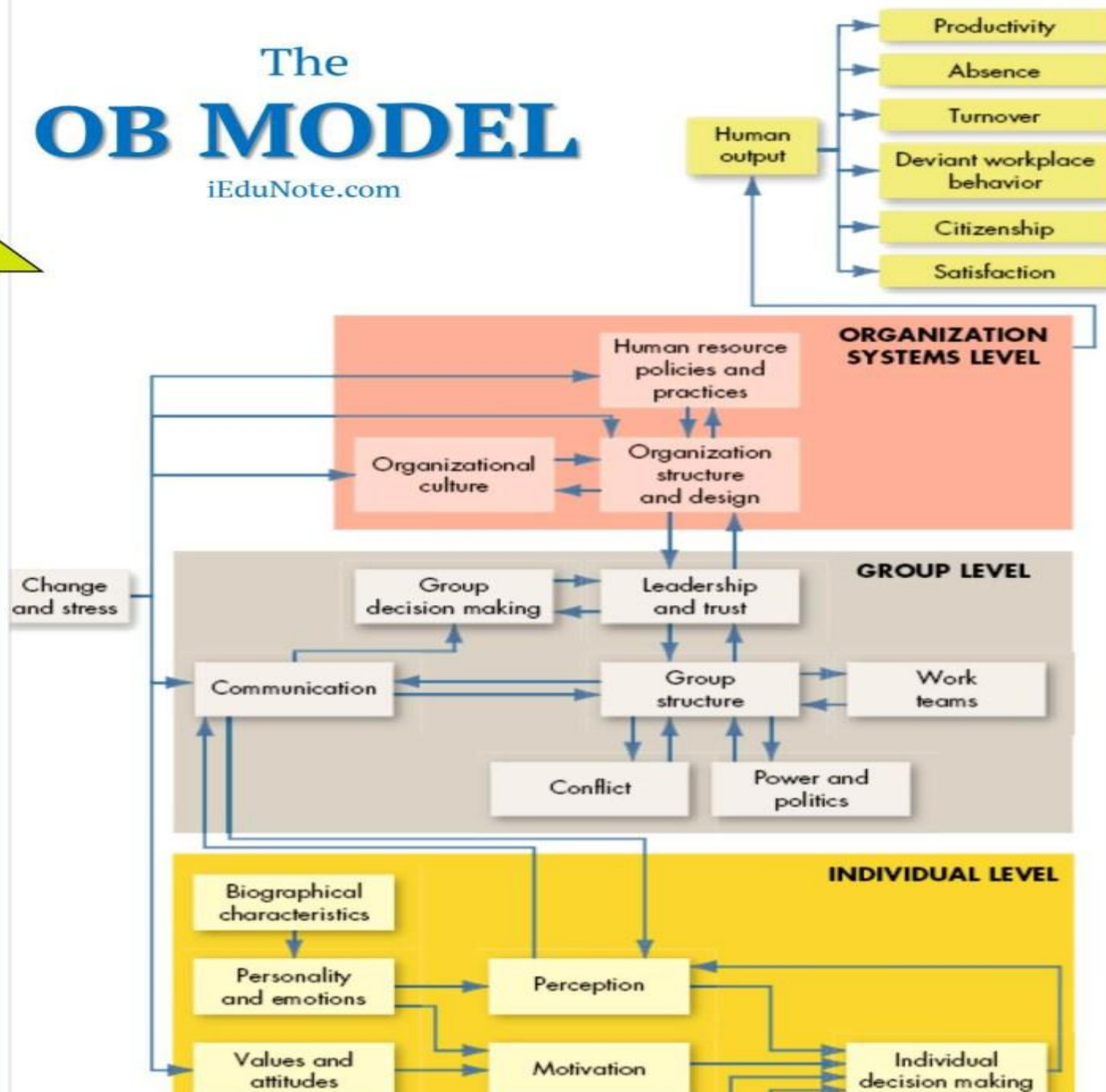
OB Challenges



The OB MODEL

iEduNote.com

Three Levels



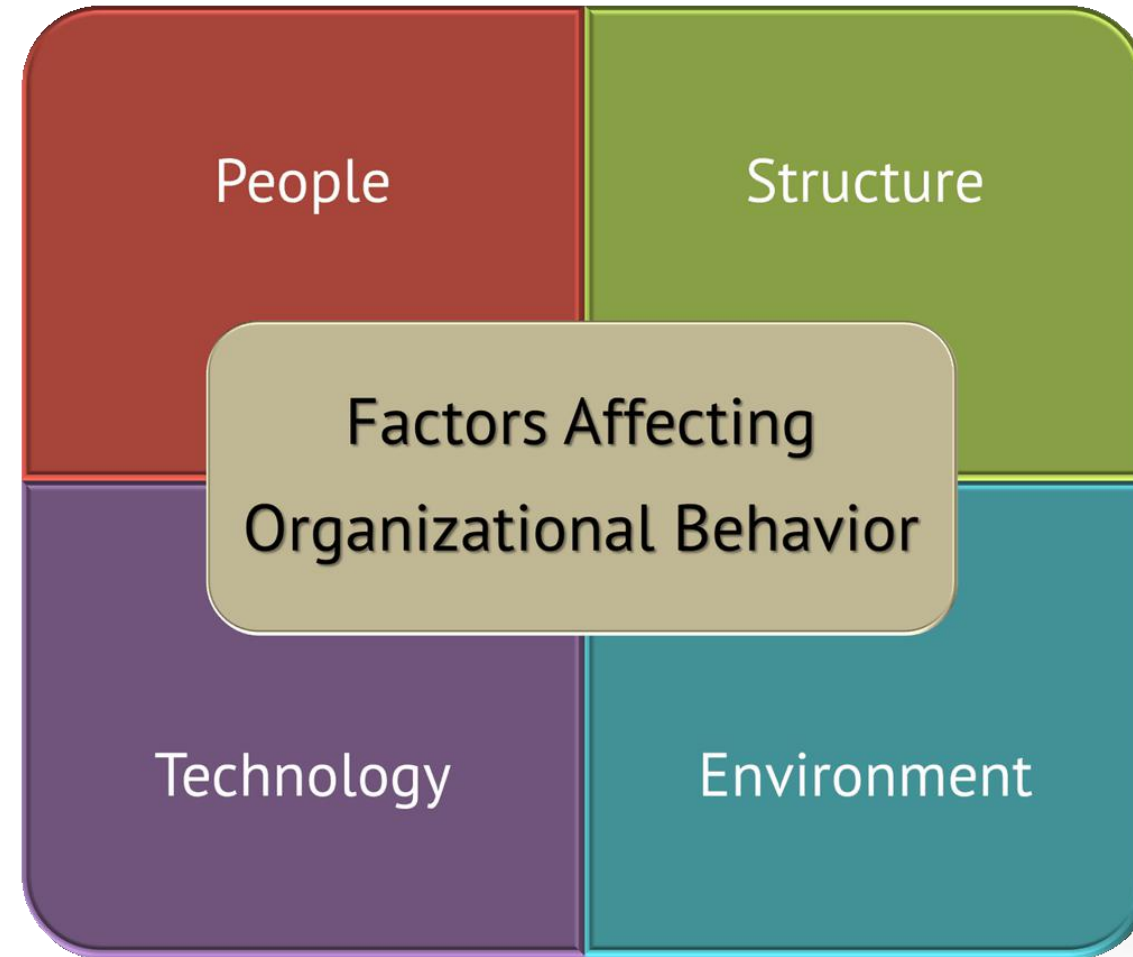
Dependent Variables (Y)

Independent Variables (X)

OB model

- The OB model Shows the 3 levels, Individual-level, Group level, and Organization System-level and how they impact the elements of human output.
- The above figure presents the skeleton on which constructed the OB model.
- It proposes that there are three levels of analysis in OB and that, as we move from the individual level to the organization systems level, we add systematically to our understanding of behavior in organizations.
- The three basic levels are analogous to building blocks; each level is constructed on the previous level.
- Group concepts grow out of the foundation laid in the individual section; we overlay constraints on the individual and group in order to arrive at organizational behavior.

Key Forces Affecting Organizational Behavior



Key Forces Affecting Organizational Behavior

- There is a complex set of key forces that affect organizational behavior today. These key forces are classified into four areas;
- People.
- Structure.
- Technology.
- Environment.
- There is an interaction between people, structure, and technology and these elements are influenced by the environment. 4 key forces affecting Organizational Behavior and it is applied.

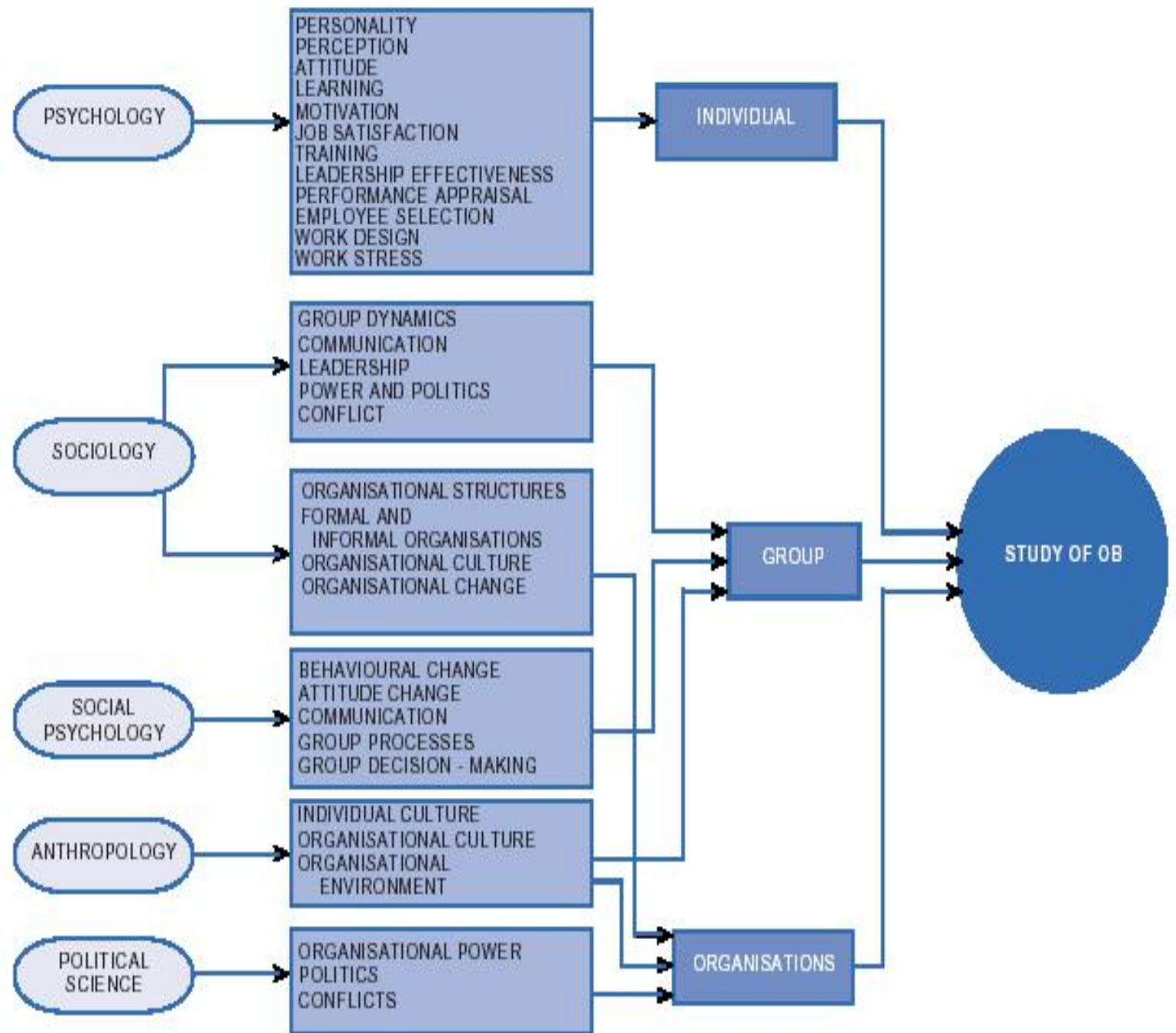
Contributing Disciplines to the Organizational Behavior field

- There are some important disciplines in the organizational behavior field which developed it extensively.
- Due to the increase in organizational complexity, various types of knowledge are required and help in many ways.

The major disciplines are;

- Psychology.
- Sociology.
- Social Psychology.
- Anthropology.
- Political Sciences.
- Economics.

Major disciplines and their contributions to OB



4 Approaches to Organizational Behavior studies

Approaches to Organizational Behavior Studies

Human Resources Approach

Contingency Approach

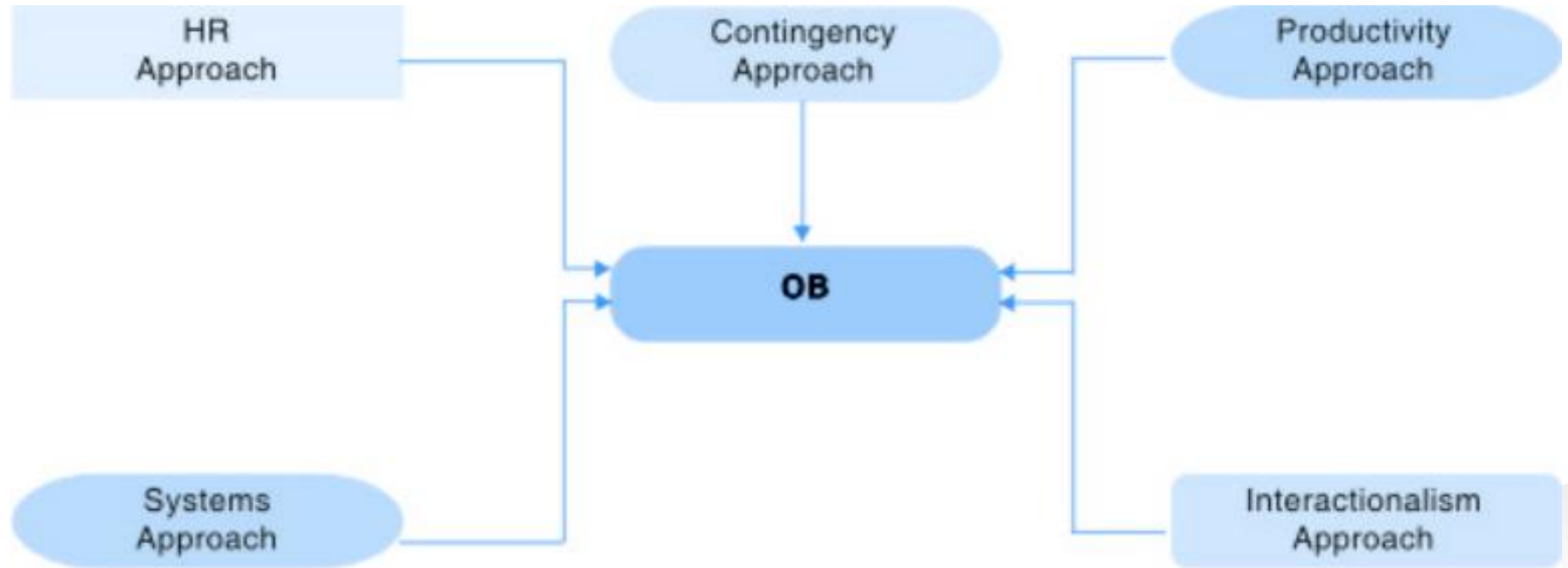
Productivity Approach

Systems Approach

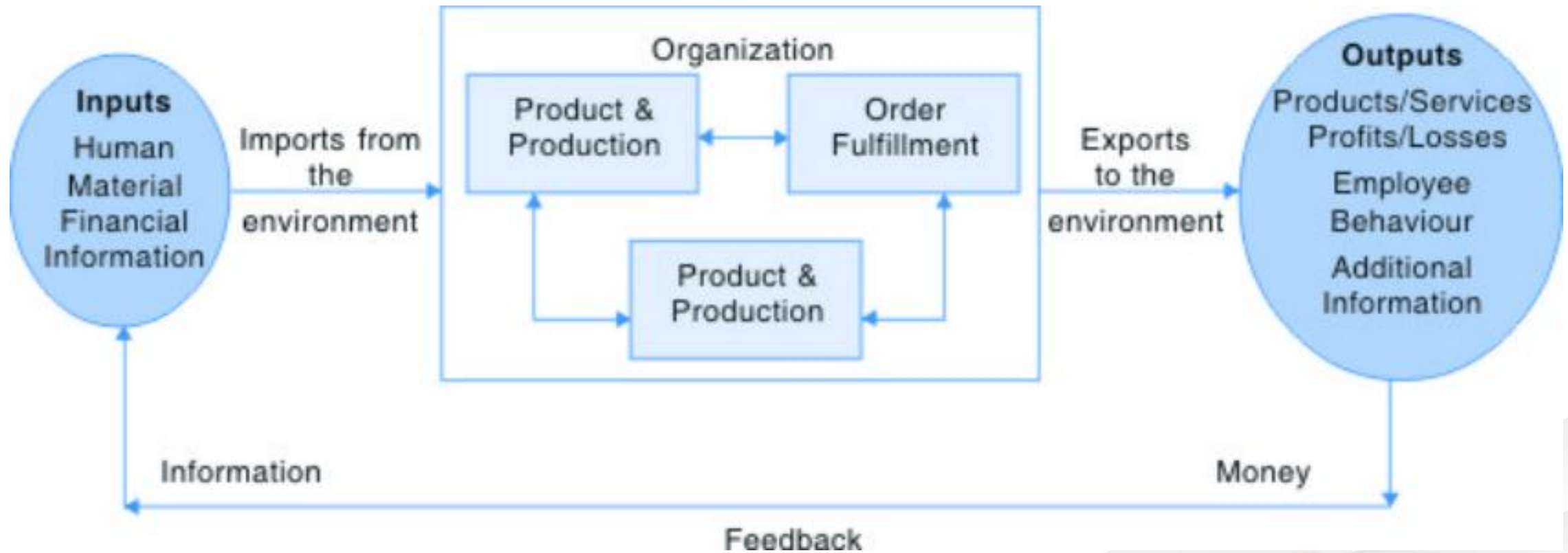
Approaches to Organizational Behavior studies

- Organizational behavior approaches are a result of the research done by experts in this field.
- These experts studied and attempted to quantify research done about the actions and reactions of employees, with regard to their work environments.
- Human resources approach.
- Contingency approach.
- Productivity approach.
- Systems approach.

Approaches to Organizational Behavior studies



Systems Approach to Organizations



Research Methodology of Organizational Behavior

- The understanding and effective application of organizational behavior depend on a rigorous research methodology.
- The search for the truth of why people behave the way they do is a very delicate and complicated process.
- In fact, the problems are so great that many scholars, Chiefly from the physical and engineering sciences, argue that there can be no precise science of behavior.
- The research method of organizational behavior start with Theory, use of research designs, and checking the validity of studies

Reasons for Studying Organizational Behavior

1. Organizational Behavior is concerned with the study of what people do in an organization and how that behavior affects the performance of the organization.
2. OB studies put the focus on motivation, leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.
3. OB draws heavily from behavioral and social sciences, most importantly from psychology.

There are several practical reasons, why we study Organizational Behavior;

1. OB is the study of learning how to predict human behavior and, then, apply it in some useful way to make the organization more effective. It helps in the effective utilization of people working in the organization guarantees the success of the organization.
2. OB helps the managers to understand the basis of motivation and what he should do to motivate his subordinates.
3. OB helps to maintain cordial industrial relations which help to increase the overall productivity of the industry.
4. It helps greatly in improving but inter-personal relations in the organizations.
5. It helps managers apply appropriate motivational techniques in accordance with the nature of individual employees who exhibit a learning difference in many respects.

Conclusion

- Organizational Behavior is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.
- That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.
- Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives. OB encompasses a wide range of topics, such as human behavior, change, leadership, teams, etc.
- Organizational behavior has a great impact on individuals and also in organizations that cannot be ignored. In order to run the businesses effectively and efficiently, the study of organizational behavior is very essential.

Assignment - 1

Q 1. Explain organizational behaviour. What is its main goal.

Q 2. Explain in detail, Hawthorne studies.

Q 3. Elaborate the features of Organizational Behavior.

Q 4. Explain the objectives of organizational behaviour.

Q 5. What are the contributing disciplines to the Organizational Behavior field ?

Q 6. Explain Organization behaviour model.

Q 7. Explain fundamental Concepts of Organizational Behavior.

Q 8. Explain main Challenges and Opportunities of Organizational Behavior.

Q9 . Write 4 approaches to Organizational Behavior studies.

Q10. What are key Forces Affecting Organizational Behavior.

Q 11. Explain the reasons for Studying Organizational Behavior