

Evolution of Organizational Behavior

In 1776, Adam Smith advocated a new form of organizational structure based on the division of labour. One hundred years later, German Sociologist Max Weber introduced the concept about rational organizations and initiated the concept of charismatic leadership.

Though the origin to the study of Organizational Behavior can trace its roots back to Max Weber and earlier organizational studies, it is generally considered to have begun as an academic discipline with the advent of scientific management in the 1890's, with Taylorism representing the peak of the movement. Thus, it was Fredrick Winslow Taylor who introduced the systematic use of goal setting and rewards to motivate employees that could be considered as the starting of the academic discipline of Organizational Behavior.

Proponents of scientific management held that rationalising the organization with precise sets of instructions and time-motion studies would lead to increased productivity. Studies of different compensation systems were also carried out to motivate workers.

In 1920's Elton Mayo an Australian born Harvard Professor and his colleagues conducted productivity studies at Western Electric's Hawthorne Plant. With this epoch making study the focus of organizational studies shifted to analysis of how human factors and psychology affected organizations. This shift of focus in the study of organizations was called the Hawthorne Effect. The Human Relations Movement focused on teams, motivation, and the actualisation of goals of individuals within organizations. Studies conducted by prominent scholars like Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Maslow, David McClelland and Victor Vroom contributed to the growth of Organizational Behavior as a discipline.

In the 1960's and 1970's, the field was strongly influenced by social psychology and the emphasis in academic study was quantitative research. An explosion of the arising, bounded rationality, informal organization, contingency theory, resource dependence, institution theory and population ecology theories have contributed to the study of organizational behavior.