

Unit-1

Introduction to Organizational Behaviour (OB)

Definition, Nature and Scope

Definition:

Organizational Behaviour is concerned with the understanding, prediction and control of human behaviour in organizations. It focuses on the individuals, the groups and the organization and also on their interactional relationships.

It is the study and application of knowledge about how people act with organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations. Wherever organizations are there is a need to understand organizational behaviour.

According to Fred Luthans, “Organisational behaviour is directly concerned with the understanding, prediction and control of human behaviour in organisations.”

NATURE OF OB:

The nature/ characteristics of OB are as given below:

1. OB is a part of general management and not the whole of management. It represents behavioural approach to management.
2. OB contains a body of theory, research and application associated with a growing concern for people at the work place. It helps in understanding human behaviour in work organizations.
3. OB is a human tool for human benefit. It helps in predicting the behaviour of individuals.
4. OB is inter-disciplinary field of study. It tries to synthesize knowledge drawn from various behavioural and social sciences such as Psychology, Sociology, Anthropology, Political-science, Economics, etc. In fact, OB is an applied behavioural science.
5. OB involves three levels of analysis of behaviour-individual behaviour, group behaviour and behaviour of the organization itself.
6. OB is an action-oriented and goal-directed discipline. It provides a rational thinking about people and their behavior.
7. OB is both a science and an art. The systematic knowledge about human behaviour is a science. The application of behavioral knowledge and skills clearly leans towards being an art.
8. OB seeks to fulfill both employees' needs and organizational objectives.

SCOPE OF OB

“OB is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge towards improving an organisation’s effectiveness”.

The scope of OB involves three levels of behaviour in organizations:

1. Individuals,
2. Groups and
3. Structure.

1. Individual Behaviour

- (i) Personality
- (ii) Perception
- (iii) Values and Attitudes
- (iv) Learning
- (v) Motivation

2. Group Behaviour

- (i) Work groups and group dynamics
- (ii) Dynamics of conflict
- (iii) Communication
- (iv) Leadership
- (v) Morale

3. Organization: Structure, Process and Application

- (i) Organizational Climate
- (ii) Organizational Culture
- (iii) Organizational Change
- (iv) Organizational Effectiveness
- (v) Organizational Development

IMPORTANCE OF ORGANIZATION BEHAVIOR/ WHY TO STUDY OB

1. It builds better relationship by achieving, people, organizational, and social objectives.

2. It covers a wide array of human resource like Behavior, training and development, change management, leadership, teams etc.
3. It brings coordination which is the essence of management.
4. It improves goodwill of the organization.
5. It helps to achieve objectives quickly.
6. It makes optimum utilization of resources.
7. It facilitates motivation.
8. It leads to higher efficiency.
9. It improves relations in the organization.
10. It is multidisciplinary in the sense that applies different techniques, methods, and theories to evaluate the performance.

Evolution of OB:

Organisational behaviour has emerged gradually, right from inception of social organisation. The main factor which promoted the growth of OB was understanding the needs and motives of the people engaged in organisational activities. Individual's desires and wants were focused on the activities devoted to obtain material means of satisfaction of his wants.

In this context, one can observe that it has direct link between labour, capital and management. The fact that needs of the labour force have not been given adequate importance by the management. The discontent at the work places becomes severe due to bad working conditions, occupational diseases and the unhealthy atmosphere.

Poor workers had to work just for survival. There was no consideration to improve human relation to create behavioural satisfaction of the working class. The discontent at the work places becomes uncontrollable and resulted in industrial revolution in England in the later half of the 18th century.

This action of the labour force brought them some relief in wages and relief measures in work places. In this regard, Robert Owen, a factory owner in Wales was the first person, who realised the needs of workers in his factory. He is sometimes referred to as the forerunner of Personnel Management.

The actual development of OB started from 1900 AD. The period witnessed scientific management of F.W. Taylor. He could inspire through his scientific management to a certain extent, workers to motivate their interest in work. Taylor advocated that improved working conditions can increase productivity. His approach made the initial momentum for OB. He believed in technical efficiency so much that these efforts could bring awakening among the workers.

It was during the First World War that 'Human relation movement' really got a significant support from the American Management Association, which took keen interest in the human factor in industry. This paved the way for the organisation for well-known conference in New York in 1918.

During this period Whiting Williams was conducting a research study on workers. Later on, he published his work entitled, “What is in the workers’ mind?” In the year 1920, The book of Williams had awakened thinking among the entrepreneurs and the intellectuals all over the world about importance of human relations in industry.

Elton Mayo and Roithlesberger of Harvard University stressed the importance of “Human behaviour at work places.” Their famous experiment of Hawthorne Electric Company helped in understanding the basic idea of social System within the working environment and the human problems to be solved by understanding in human factor at work.

During the Second World War and thereafter, this concept of human behaviour and an integrated relationship between management and workers gained much weightage amongst the industrialists and academicians. The contemporary organisational behaviour, by and large, became a full-fledged subject (Social Discipline) by the end of 1950 in the management field.

OB has contributed to management through its principles like setting of the goal in organisations, measures for assessing performance like MBO in performance appraisal, etc. In these fields, the contributions of Peter Drucker and Mc Gregor are worth mentioning.

The ethical or human conduct in organisation improved remarkably after the Hawthorne experiment.

Milgrams Obedience to Authority Study and the Management Trust (MBT) by R.S. Dwivedi are of immense value to Human Behaviour Studies.

Organisational Behaviour – 10 Important Objectives

There are several objectives of organisational behaviour and some of them are briefly stated here:

- (i) To analyse different perspective and potentialities to create and develop the ethical values in an organisation,
- (ii) To analyse the potentialities towards the ways and means to conduct and organise the systems, methods and approaches for organisation development in an organisation,
- (iii) To analyse the potentialities to develop process, methods and approaches of formal and informal patterns of organisation and society,
- (iv) To analyse how to make perspective methods and process of effective communication to formulate ethical norms in an organisation,
- (v) To analyse various aspects and factors affecting the group cohesiveness,
- (vi) To analyse the ways and means to develop different ethical aspects for group dynamism,
- (vii) To analyse the mutual interest of individual and group. Mutual interest is represented by the statement ‘Organisation needs people, and people also need organisation’,
- (viii) To analyse and evaluate the role of different key elements like people, structure, technology, interactive behaviour and environment etc.

- (ix) To analyse and evaluate the behavioural approaches in organisation. In context of that all of them are based on 'Art' and 'Science',
- (x) To analyse different aspects of work environment which duly affects the behavioural patterns and attitudes of persons.
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Organisational Behaviour – 4 Basic Aspects

In any organisation the area of behavioural and interactive aspects are much concerned with human behaviours. It is a dynamic and multidisciplinary field that seeks knowledge of behaviour in organisational structure by properly studying **individual, group and organisational processes**.

- (i) Organisation behaviour focuses on three levels of analysis- individuals, groups and organisations. In any organisation, people frequently work together in groups and teams. The individual and group both influence the organisation and are influenced by the environment in overall society.
 - (ii) Organisation behaviour is multidisciplinary in nature. The field of OB is likely to consider a wide variety of approaches. These approaches are based on individual and group oriented.
 - (iii) Organisation behaviour and its aspects are more relevant to different disciplines. The learning areas are relevant to different disciplines like psychology, groups' dynamics, sociology, organisational culture, anthropology, interpersonal conflicts, political science, management science, etc.,
 - (iv) Organisational behaviour are applicable in behavioural science. OB refers to seek knowledge and behavioural patterns in organization
 - (v) . It develops the process and methods of behavioural approaches.
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Organisational Behaviour – 5 Key Elements: People, Structure, Technology, Interactive Behaviour and Environment

Organisation behaviour is an integrated process by which the role and behaviour of people are incurred. Indian ethical norms emphasised for better work environment with behavioural aspects. In order to perform interactive and mutual tasks and to develop some behavioural aspects, certain key elements or constitutes are to be included. These elements may develop the interactive aspects for the well-being of persons.

As such, the key elements of organisational behaviour are stated here:

Element # 1. People:

People make the interactive and behavioural platform in any organisation and people consists in the form of individuals and group. The role and behaviour of people identifies, recognise and develop the interactive relations towards behavioural attitudes in society.

Element # 2. Structure:

The formal relationship of people makes the structural design in organisation. The managerial and organisational levels are decorated by specific job as well as level to be incurred in structural design. The rights and responsibilities are also being determined in a particular group or structure.

Element # 3. Technology:

The technology represents all the resources with which people work and affects the task that they perform. The role and utilisation of technology has a significant influence on the performance of people and thereby to achieve perfections in the betterment of interactive behaviour.

Element # 4. Interactive Behaviour:

In any organisation, the interactive relations and behaviour between individual and groups as well as the relations by formal and informal ways also have an important role to make perspectives in organisational behaviour. The mutual behaviour among people may be developed by the identification, existence and interactive role in any organisation and society.

Element # 5. Environment:

All organisations operate within internal and external environment. The existence, structural design, work performance, mutual relations and behavioural patterns are duly influenced by the internal and external environmental factors.

Organisational Behaviour – Challenges Faced by Organizational Behavior: Globalization, Management of Workforce Diversity, Incorporation of Innovation and a Few Others

The significance of studying OB is increasing day-by-day due to dynamic business environment. Now-a-days, numerous changes are taking place in the global, industrial, and organizational setups. These changes have brought numerous challenges for OB.

Following points discuss these issues briefly:

1. Globalization:

Implies that no organization can work effectively in isolation and has to comply with the global factors that have an impact on it. Globalization poses numerous challenges in front of an organization. At the individual level, an employee may require to work on foreign assignments or collaborate with people from different cultures.

At the group level, problems may arise in decision-making procedures and while working in teams that include people of different cultural backgrounds. At the organizational level, problems may arise in case of mergers or acquisitions due to vast cultural differences.

2. Management of Workforce Diversity:

Refers to the need of numerous conflict resolution techniques and problem- solving approaches to deal with diverse workforce. It is difficult to manage the employees belonging to different cultural backgrounds, due to differences in their values, beliefs, attitudes, and behaviors. A proper management

of workforce diversity can have numerous positive results, such as the availability of fresh ideas and talents.

3. Improvement in Quality and Productivity:

Refers to matching the desired levels of quality and productivity with the ever-changing demands. Management guru Tom Peter says, “Almost all quality improvement comes via simplification of design, manufacturing, layout, processes, and procedures.” Now-a-days, a number of programs, such as process reengineering and quality management are being implemented to bring improvement in productivity.

4. Improvement in People Skills:

Implies that it is the necessity of time to improve and upgrade the skills of employees from time to time. The change in business, political, and technological environment makes it important to train and develop the employees according to new trends. The technical and interpersonal skills of employees need constant improvement.

5. Incorporation of Innovation:

Implies that it is necessary to incorporate change in rules, regulations, processes and procedures of an organization to suit the current standards. It is easy to formulate the strategies for change in an organization, but difficult to implement it due to the employee resistance. If the resistance of employees is overcome then the positive changes can be brought in the organization to enhance the productivity level.

6. Incorporation of Work-Life Balance:

Indicates that the demanding work schedules and challenging jobs tend to upset the personal and social life of employees at times. Work-life balance can be achieved by implementing the concepts, such as work from home and flexible work-timings.

Globalization and Technology - Impact on Organizational Behavior

Social Cognitive theory says behavior, personal factors and social factors reciprocally influence each other. Globalization and technology being used by organization is part of social factors that reciprocally influences personal factors and behavior. Hence study of globalization and technology as important trends in organizational change dimensions.

Information Technology

The impact of information technology on organizations is truly amazing and it is further going on without an end in sight.

The developments in information technology, intranet and internet allow organizations to go paperless in exchanging information with customers, suppliers and employees. The information systems and the communication systems also provide employees easy access to all the information and knowledge of the organization in order to make better decisions and improve customer service. The real implication of development of information technology for organizational behavior discipline is management of the knowledge by the members of the organization.

Globalization

Globalization is also impacting the organizational behavior. Understanding behavior of formal organization members in a global organization needs more theory than what is developed so far in OB that has emphasis on one country business.

The top 100 global companies employ more than 6 million foreign nationals. Companies complain that they are short of people with global leadership capabilities.

Culture

Culture can be defined as the acquired knowledge that people use to interpret experience and generate social behaviour: Differences among cultures, how people see themselves, People's relation to their world, Individualism versus collectivism, The time dimension, Public versus private space

Persons working in global companies have to be given more inputs in multi-cultural practices to quickly adjust to the culture in various countries they may visit in short periods of time in fulfilling the job responsibility and interacting with colleagues and partners of the organization in those countries.

Diversity and Ethics Issues - Relevance to Organizational Behavior

Social Cognitive theory says behavior, personal factors and social factors reciprocally influence each other. Attention to diversity and ethics by organizations is part of social factors that reciprocally influences personal factors and behavior. Hence the study of diversity and ethics as important trend in organizational change dimensions is done in OB.

Specific characteristics of diversity

1. Age

In India, work force is getting progressively older. Now with mandatory retirement age, number of age discrimination complaints are increasing.

2. Gender

Women are entering employment in record numbers. By end of century, women are likely to make up half the workforce.

3. Ethnicity

According to census projections by 2050 Indian population will increase to a large number and will emerge as the a super power.

4. Education

Educational level of the India's workforce is increasing.

In addition to the above language also may become diversity issue.

Organizational behavior recognizes the increasing diversity in the society and workforce and therefore is advocating development of multicultural organizations.

Some features of multicultural organizations

1. They reflect the contributions and interests of diverse cultural and social groups in their mission, operations, and product or services.
2. Acts on a commitment to eradicate social oppression in all forms within the organization.
3. Includes the members of diverse cultural and social groups as full participants, especially in decisions that shape the organization.
4. Supports efforts in society and in other organizations efforts to eliminate all forms of social oppression.

Managers have to learn about personal values of various constituent groups and how the individuals would like to be treated. They also have to practice empathy. They have put themselves in the place of others and see things from their point of view to know their challenges.

Organizational Approaches to Managing Diversity

Testing: Test conducted for recruitment were modified to prevent culturally bias that leads to handicap for certain groups.

Mentoring: Mentors used to remove handicaps faced by disadvantaged groups.

Work/Family Programs: To take care of gender diversity, very innovative family-friendly programs are emerging.

Ethics and Ethical Behavior in Organizations

Ethics involves moral issues and deals with right and wrong behavior.

Some psychologist, take morality to include concern with, at least, all three of the triad of (1) harm, (2) purity, and (3) loyalty.

Most societies have moralities that are concerned with, at least, all three members of this triad. Concern with harm appears in the form of enforceable rules against killing, causing pain, mutilating, etc. Some may appeal to religion, others to tradition, and others to rational human nature in declaring morals and moral behavior. Descriptive moralities are morals of a specific societies or tribes. The descriptive moralities are put forward by an individual or a group, usually a society, and they provide a guide for the behavior of the people in that group or society.

Ethical behavior refers to moral behavior. Cultural, organizational and external environment determine ethical behavior. Cultural influences on ethical behavior come from family, friends, neighbors, education, religion, and the media. Organizational influences come from ethical codes, role models, policies and practices, and reward and punishment systems. The external forces (forces external to an organization) that impact ethical behavior include religious, political, legal, economic, and international developments.

Luthans indicated that in the area of ethical behavior, issues related to sexual harassment, discrimination in pay and promotion, and the right to privacy are especially relevant to the study of organizational behavior.

Sexual harassment: Sexual harassment in the workplace can be defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature. Employers have to uphold the rights of employees to a work environment free of sexual harassment.

Organizational Design and Culture: Impact on Organizational Behavior

Culture

Every organization has a culture. Culture is the behavior exhibited by members of an organization. The culture is shaped by values (ideas, which are presently actively promoted in the organization) and beliefs (presently not actively promoted - but are in the memory of the members of the organization).

Defined this way, an organization may not have a uniform culture. There can be subcultures. An organization's culture is strong when more people display similar behavior.

Six important characteristics of Culture:

1. Observed behavioral regularities.
2. Norms
3. Dominant values
4. Philosophy
5. Rules
6. Organizational climate

Organizational culture is the outcome of a system of shared meaning held by members that distinguishes the organization from other organizations. The system of shared meaning is a set of characteristics.

Essence of an organization's culture:

1. Innovation and risk taking: The degree to which employees are encouraged to be innovative and take risks.
2. Attention to detail: The degree to which employees are expected to exhibit precision, analysis, and attention to detail.
3. Outcome orientation: The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes.

4. People orientation: The degree to which management decisions take into consideration the effect of outcomes on people within the organization.
5. Team orientation: The degree to which work activities are organized around teams rather than individuals.
6. Aggressiveness: The degree to which people are aggressive and competitive rather than easygoing.
7. Stability: The degree to which organizational activities emphasize maintaining status quo in contrast to growth.

Organizational culture is conceptualized to have three components. One is the behavior ie., the cognitive aspects (Perception and attribution, personality and attitudes, Motivational needs and activities, positive psychology related aspects), dynamic aspects (communication, decision making processes, conflict management, use of power and political activities, and group behavior) and management practices (job design, goal setting, supervision and control). The culture perspective advocates that values and belief lead to behavior in a more stable way.

Values are explicitly stated by organizations. But, members of an organization assess the organization's value by the behavior exhibited by leaders of the organization. Organization members have an understanding of the organization's values and this can be captured by talking to members. Then the organization members have an aspirational value which they feel their organization must espouse. Beliefs are formed in people due to long period of living, education and experience. They also have an effect on behavior. Managers of an organization try to communicate new value system that is required to attain the goals of the organization and then try to demonstrate appropriate behavior so that many in the organization accept the values as relevant and also being practiced by the top leaders. As more members of the organization accept the relevance as well as adherence to new values by the top leaders, the values become shared values and influence the organization's behavior. Then the climate in the organization changes. Organizational climate is the perception of outsiders regarding their encounters with the organization and its members. Change in values, change in behavior and its results are likely to change beliefs over a period of time.

Reward Systems and its impact on the Organizational Behavior:

One way to the importance of organizational rewards as simply as possible is to remember: "YOU GET WHAT YOUR REWARD!"

The rewards are discussed under pay, recognition and benefits topics.

Money as a Reward

Money is a prime factor in the foundation of commerce, that is, people organize and start business to make money. Then do employees need money to continue working in an organization or not? We are not talking of participation in charity or social welfare organizations. For majority of people, the primary organization that they work for is an organization that provides them money for their living. Only after

their primary need is satisfied through certain hours of working, that they choose other organization which do not provide them money, but provide satisfaction to them in other ways.

Money is also associated with four of the important symbolic attributes for which humans strive: achievement and recognition, status and respect, freedom and control, and power.

In order for money to be effective in the organizational reward system, the system must be as objective and fair as possible and be administered contingently on the employee's exhibiting critical performance behaviors. This has been made particularly clear by Kerr, who notes that an effective pay system for rewarding people has to address three considerations. First, the organization must ask itself what outcomes it is seeking. Examples include higher profits, increased sales, and greater market share. Second, the enterprise must be able to measure these results. Third, the organization must tie its rewards to these outcomes.

Traditional Methods of Administering Pay

Traditionally, organization have used two methods of administering pay: **base pay and merit pay.**

These methods were supplemented by some with pay-for-performance plans and 'new pay' programs.

Base pay is paid for various categories or ranks of jobs and it is based on market conditions and the pay policy of the company.

Merit pay is tied to some predetermined criteria that judges meritoriousness of people. The annual salary increases are based on merit pay systems only. In a way, merit pay is supposed to be a form of "pay for performance." However, there are problems in linking merit pay that is given throughout the career to performance in a single period.

Therefore, many organizations have created specific pay-for-performance plans.

Group Incentives

Team working is being emphasized now a day by many companies and group incentives are being used to motivate teams for higher performance. One of the most common forms of group pay is gain sharing plan. In these plans, cost savings due to productivity improvements is shared with the group.

Another common group incentive plan is profit sharing. In a typical plan, some portion of the profit is paid into a profit-sharing pool, and this then distributed to all employees immediately or after retirement.

Employee Stock Ownership Plan (ESOP) is another group incentive plan.

New Pay Techniques

The following approaches were indicated as new techniques:

1. Commissions beyond sales to customers.

2. Rewarding leadership effectiveness
3. Rewarding new goals.
4. Pay for knowledge workers in teams.
5. Skill pay
6. Competency pay
7. Broadbanding.

Therefore, new pay techniques have a role and organizations have to utilize them to be effective in the areas of customer satisfaction, leadership, satisfied employees, quality, teamwork, knowledge sharing, skill development, new competencies (e.g., technical, cross-cultural, and social), and employee growth without promotions.

Recognition as an Organizational Reward

Genuine social recognition can be given at any time by anybody in the organization. Unlike many financial forms of reward, there is no limit to the number of people who can receive recognition reward and also how many times it is given.

Research shows that there are many types of recognition that can lead to enhanced performance and loyalty. Helping employees in the discharge of their family responsibilities (recognition of their family responsibilities) increases employee loyalty.

Employees would like their companies to focus on being fair to employees, caring about them, and exhibiting trust in them.

Some Steps that help in increasing the effectiveness of recognition reward systems and practices:

1. Use all available communication channels to make all employees aware of the system or scheme.
2. Educate managers in using recognition reward as a part of the total compensation package.
3. Make recognition part of the performance management process.
4. Have site-specific recognition programs that are covered in company newsletters and websites.
5. Publicize the best practices and achievements of recognized employees so that everyone knows some of the things they can do in order to earn recognition.
6. Also make all managers and supervisors know what best managers are doing to use recognition effectively.
7. Continually review the recognition process and procedures to improve them, to introduce new procedures and scrap those which are not delivering results.
8. Solicit ideas from all to know what is working and interesting.

Benefits as Organizational Rewards:

Commonly offered benefits are categorized into those that are required by law and those that are offered by companies.

Companies are offering health insurance, life insurance, and pension benefits. Companies have vacation benefit, sick leave benefit and leave for some contingencies.

New Types of Benefits

Wellness programs, Life cycle benefits, Flexible-Cafeteria style benefit plans are some of the new developments in benefits provided to employees.

Cognitive Process - I

Perception

Perception can be understood as the process through which information or stimulus is received from the environment, then selected, organised and interpreted in order to assign some meaning to it. The meaning is derived out of the information received from the environment so that the information can be used for taking important decisions and actions. The process of perception can be better explained through the definitions given below:

- According to *Joseph Reitz*, “Perception includes all those processes by which an individual receives information about his environment- seeing, hearing, feeling, tasting and smelling. The study of these perceptual processes shows that their functioning is affected by three classes of variables-the objects or events being perceived, the environment in which perception occurs and the individual doing the perceiving.”
- “Perception can be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment.”

Therefore, in simple words, perception can be described as the process of seeing what is available to be seen. But this process is influenced by perceiver, the object being perceived and

the situation in which perception is being formed.

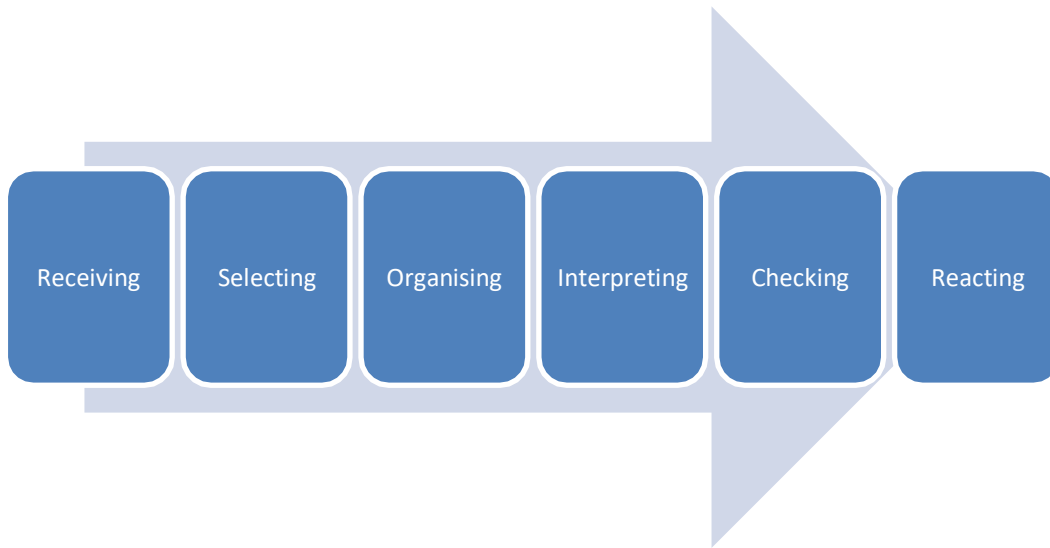
2. Nature and Importance of Perception

Perception is basically interpretation of the sensory data which involves understanding the stimulus received from the environment. It is determined by physiological as well as psychological characteristics of an individual because perception not just involves receiving the stimulus from the sensory organs-eyes, ears, skin, nose, tongue but, it is much more than that. Perception is formed when the stimulus received is organised in a particular fashion and then interpreted to have an idea about what is happening in the environment. In addition to that, perception is a subjective process because different individuals may perceive the same environment differently on the basis of what stimulus they select from the environment, the manner they organise and interpret the information in order to understand the situation. Importance of perception can be understood from the following points:

- a) Perception is important in understanding variations in individual behaviour. As discussed above, every individual perceives the surroundings differently and therefore, understanding the perception help us find out why every individual behaves in a particular manner. This is one of the major reasons why one individual finds a job interesting and satisfying while another finds the same job boring and dissatisfying.
- b) As perception strongly influences behaviour of an individual, we can very easily predict the behaviour of an individual in the changed circumstances by understanding his perception about the present environment.
- c) Perception can also help in assessing various needs of the people, because their perception is largely influenced by their needs.

3. Perceptual Process

From the definitions of perception discussed above it is very clear that perception is composed of various sub-processes: receiving, selecting, organising, interpreting, checking and reacting to stimuli. The process is influenced by perceiver, object and situation. The process of perception is explained in the following figure:



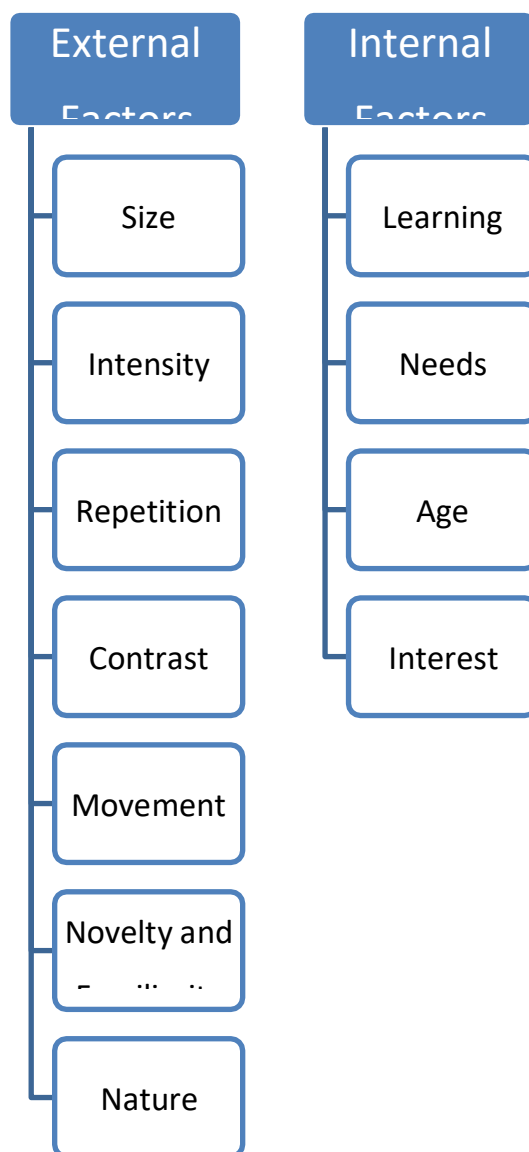
Receiving

Human body is comprised of five sensory organs viz. eyes, ears, nose, tongue and skin. These sensory organs help in sensing the environment in the form of vision, hearing, smell, touch and taste. The sensory organs receive the stimuli form the outer environment. Anything which we

notice in the environment is stimulus e.g. noise of vehicles, smell of food, sound of rain, sense of heat or cold etc. The stimuli which we receive serve as inputs for the process of perception.

Selecting

Many things happen in the environment simultaneously but, human mind cannot pay equal attention to all events or things equally. Therefore, individuals filter or screen out the irrelevant things and select the things which are relevant with their existing beliefs, values and needs. This process of selecting relevant things from the environment for paying the attention is called perceptual selectivity. The following factors influence the process of selecting stimuli from the environment:

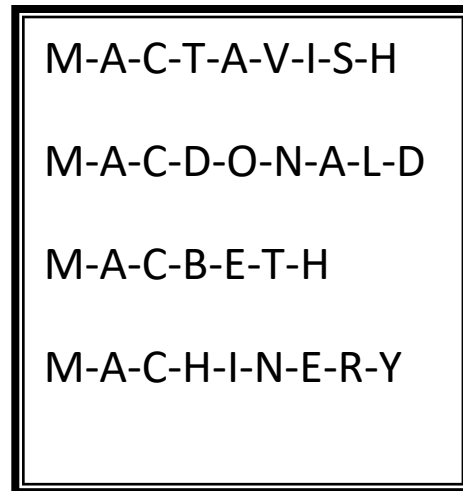


External Factors: External factors influencing selection are following:

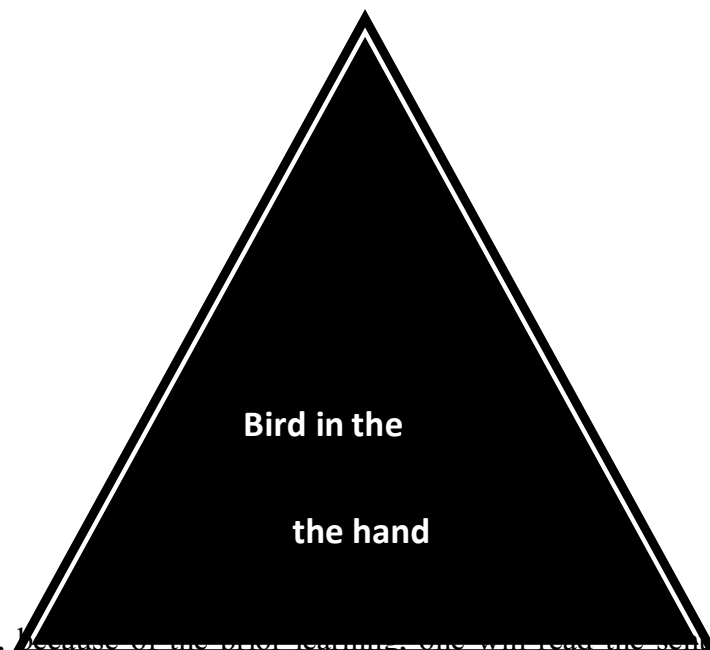
- a) **Size:** Size always catches the attention of an individual. Generally bigger objects are more likely to catch attention than the smaller objects. For example: A very big animal in a zoo will always catch more attention of the visitors than the smaller one. In addition to this, a full-page advertisement in a newspaper always stands out than a small column advertisement.
- b) **Intensity:** The stimuli with high intensity are more likely to be perceived than the stimuli with low intensity. Very bright colours, very bright lights, loud noise, strong odour are noticed faster than light colours, dim lights, soft sound, weak odour etc.
- c) **Repetition:** Repeated stimuli draw more attention than those which are not repeated. Instructions which are repeated by a plant supervisor are retained in the memory of employees for a longer period of time than those instructions which are conveyed only once. An advertisement which is repeated more on a T.V channel or radio station catches attention and is remembered by the viewers than the advertisement which shown just once a day.
- d) **Contrast:** Principle of contrast states that stimuli which stand out against the background or objects which contrast with their surroundings will receive more attention. An exit signboard in a movie hall, a danger signboard on a road under construction are made with a colour scheme which contrasts with each other like red and black, yellow and black or white and black.
- e) **Movement:** The principle of motion states that a moving object or thing draws more attention than a still one. A moving vehicle among the parked vehicles will catch the attention immediately.
- f) **Novelty and Familiarity:** Novel objects or familiar objects always gain more attention of perceiver. In a crowded trade fair, a friend or a familiar face and a new face in a family get together will be immediately noticed.
- g) **Nature:** It refers to whether the object is visual in nature or auditory. It is a common fact that pictures receive better attention than words, videos attract more attention than still pictures and a rhyming phrase attracts more attention than a phrase which is presented as a narration. Animated cartoons catch more attention of children than comic books.

Internal Factors: Internal factors influencing the process of perception are:

- a) **Learning:** Learning is a cognitive factor which strongly influences the process of perception. Learning creates expectancy in the individuals and then they tend to perceive what they want to perceive. Take the following example:



Read the text given in the above figure, the individual will most likely read the last word as ‘Mac-Hinery’ instead of ‘machinery’. This is because individual tends to be caught in verbal response set. Now take another example:



In the above figure, the individual will most likely perceive the sentence as “bird in the hand”. But it will take few seconds to realise that there is an extra ‘the’ in the sentence.

- b) **Needs:** Needs also play a significant role in the process of perceptual selectivity. A thirsty person will always be sensitive towards the sources of water and a hungry person will always tend to see eating points everywhere. A person who has high need for affiliation will always join the group of his friends in the leisure time and the person with high need for achievement will tend to work hard even in the leisure time to accomplish his goals.
- c) **Age:** The people of different age group always hold different perceptions about the environment. For example: older senior executives always feel that young executives are not competitive enough to take important decisions of the organisations and on the other hand young staff always complaint that older staff members are resistant to change and tend to follow conventional methods of working in the organisation. These differences in the perceptions of old and young employees are due to difference in their age.
- d) **Interest:** Perception is also influenced by the interest of the person though unconsciously. A fashion designer will notice so many details in an outfit which is hanged on a statue of a shop in just a casual look, but a routine visitor will not be able to observe the same details in the same outfit even if he looks at it ten times more.

Organising

After receiving and selecting the stimuli from the environment, the data received must be organised in a particular fashion so that we can extract some meaning out of it. This aspect of organising the information into a meaningful whole is called perceptual organisation. Perceptual organisation is completely a cognitive process and is based on the following principles:

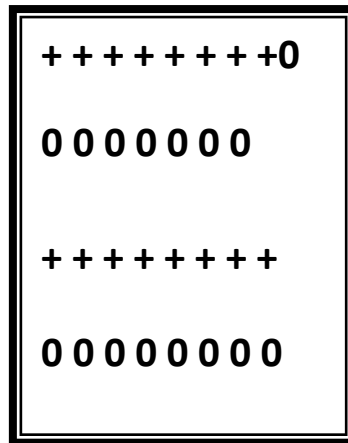
- a) **Figure and Ground:** This principle is considered as the basic form of organising the perceptual set. This principle simply states that the object or event or person which is being perceived stands out from its background. See the figure given below:



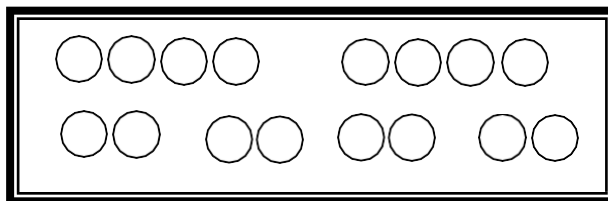
In the first sight, it looks like a white vase but, if you take white as a background then you will see two faces which are in black colour.

b) **Perceptual grouping:** Grouping is defined as the tendency to group the stimuli into some meaningful patterns. Grouping includes similarity, proximity, closure and continuity.

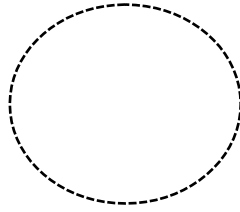
- **Similarity:** The principle of similarity states that objects of similar shape or colour or size tend to be grouped together. In an organisation all white collared employees are seen as one group. See the following figure, the signs are perceived as four rows rather than eight columns.



- **Proximity:** The principle of proximity states that individuals tend to perceive the objects placed together as one group. The employees who are working in the same department are perceived as one group because of geographical proximity. See the following figure, eight circles are perceived as two groups of four in first row and four groups of two in the second row because of nearness of circles to each other.



- **Closure:** The principle of closure states the tendency to perceive the object as a whole even when some parts of it are missing. Individual's perceptual process will fill the gaps that are unfilled from the sensory input. The following figure demonstrates the principle of closure. The object given below will be perceived as a circle even if some parts are missing. In an organisation also a sincere, hard working and honest worker will be perceived as a good performer by the managers even if he behaves in a contradictory manner sometimes.



- **Continuity:** Principle of continuity assumes that an individual tends to perceive continuous lines or pattern. People tend to perceive the obvious ways of performing the tasks and fail to think creatively. Continuity leads to inflexibility and non creative thinking on the part of employees.
- c) **Perceptual Constancy:** The principle of constancy states the tendency to perceive certain characteristics of an object as remaining constant, despite of the variations in the stimuli. This principle provides a sense of stability in this dynamic world. There are several aspects of constancy:
- **Shape Constancy:** When an object appears to maintain its shape despite of marked changes.
 - **Size Constancy:** When we tend to see the object unchanged in the size even if it moves farther away from us. A player who is standing on the other side of the football ground will not perceive football smaller as compared to when he looks at the same football from a closer location.
 - **Colour constancy:** familiar objects tend to be perceived of the same colour even if they are exposed to some changed conditions. The owner of a red car will see his car as red in the bright sunlight as well as in the dim twilight.
- d) **Perceptual defence:** This principle states that individuals tend to build a defence against the stimuli which are conflicting, threatening or unacceptable. Defence may assume the four possible forms: (a) outright denial, (b) modification of data received, (c) change in the perception but refusal to change and (d) change in the perception itself.

Interpreting

Perceptual interpretation is the essential part of the perceptual process. After the selection and organisation of the information, perceiver interprets the information in order to assign meaning to it. Actually, perception is said to be formed only when the information is interpreted. Several factors contribute in the interpretation of the information. Most common of them are discussed as follows:

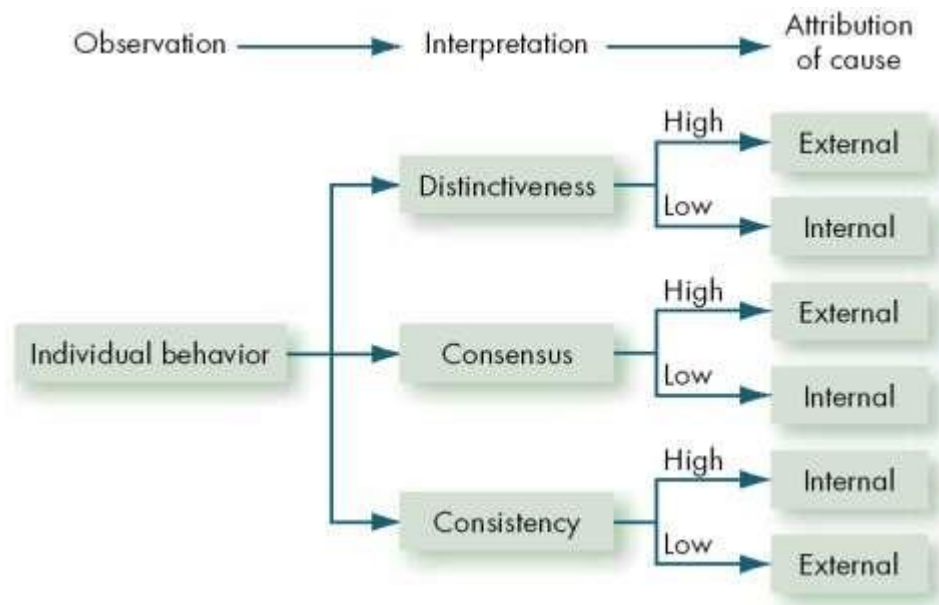
- a) **Perceptual set:** Previously held beliefs or experiences about an object influence the individual's perception about similar objects. This phenomenon is called perceptual set. For

example, an old manager may have developed a general belief that young executives tend to be frequently absent from the job and they are not committed to the organisations. This previously held belief will always influence his perception whenever he will meet a new young worker.

- b) **Stereotyping:** Stereotyping is the tendency of judging someone on the basis of the group to which he belongs. An individual's perception about one person will always be influenced by his experiences with the other members of the group to which that person belongs. Some common examples of stereotyping are: Americans are materialistic, Japanese are nationalistic, workers are anti-management etc.
- c) **Halo Effect:** It is the tendency of perceiving others on the basis of a single trait which may be good or bad, favourable or unfavourable. Sometimes, we judge the person on the basis of one first impression. For example, a person who is just kind may also be perceived as good, able, helpful etc. and the person who is rude may also be perceived as awful, aggressive, unkind, harmful etc. Halo effect is a common error committed by the managers while evaluating their subordinates.
- d) **Projection:** Projection is the tendency of assigning own attributes to the others. It is easy to judge others if we assume that they are like us. It refers to projecting own feelings, abilities, motives and tendencies into judgement of others. A manager who himself is punctual assumes that all staff members of his office are punctual.
- e) **Implicit personality theory:** When we make judgement about others, our perception is influenced by the belief that certain human traits are associated with others. For example, honesty is associated with hard working.
- f) **Selective perception:** As discussed in the starting of the process that, individuals have the tendency to select certain objects from the environment which they find relevant to their existing beliefs and values. This is because, human mind cannot assimilate everything which it observes and hence, we select certain stimuli and screen out the other. But we don't choose the stimuli randomly; we choose them according to our interests and experiences. Therefore, selective perception offers the risk of drawing inaccurate picture of the ambiguous situation.
- g) **Attribution:** Attribution refers to the process of assigning causes to the behaviour. People are interested not only in observing the behaviour but also in determining its causes. Their evaluations of and reactions to other's behaviour may be heavily influenced by their perception that the others are responsible for their behaviour. When we observe an individual's behaviour, we attempt to determine whether it is internally caused or externally caused. Internally caused behaviours are those which we believe that they are under the control of the individual and externally caused behaviours are those which are believed to be beyond the control of the

individual. The determination that whether the behaviour is internally caused or externally caused depends upon three factors viz. *distinctiveness*, *consensus* and *consistency*.

- **Distinctiveness** refers to whether the individual displays different behaviour in different situations. If the individual usually behaves differently in different situations, his behaviour is externally caused. But if he behaves in the similar manner in the different situations his behaviour is internally caused.
- **Consensus** is when everyone behaves in a same way whenever they face the similar situation. If there is a consensus in everyone's behaviour, it means the behaviour is externally caused otherwise it is internally caused.
- **Consistency** in a person's action refers to when an individual behaves in a same way over a period of time. If the behaviour of a person is consistent, it is internally caused otherwise it is externally caused. The following figure explains the process of attributing one's behaviour to external factors or internal factors.



Source: Robbins, S., Judge and Vohra, "Organisational Behaviour", Pearson, pg. 163.

Take a look at an example, if a manager believes that faulty performance of his subordinate is due to external factors such as faulty equipment or electricity crisis, his perception of his subordinate's performance will be different than if he attributes the faulty performance to subordinate's own ignorance and negligence. The most interesting finding from the **attribution theory** of perception is that the errors or biases distort perception. There are two possible errors in attribution:

- **Fundamental attribution error:** When we judge behaviour of others, we tend to underestimate the influence of external factors and overestimate the influence of internal

factors.

- ***Self serving bias:*** When we make judgements about own behaviour, we tend to attribute our success to internal factors such as skills and abilities and putting blame of failures on external factors such as faulty equipments, material shortage etc.

Checking

After the information is received, organised and interpreted, the perceiver checks whether his interpretation of the information is right or wrong.

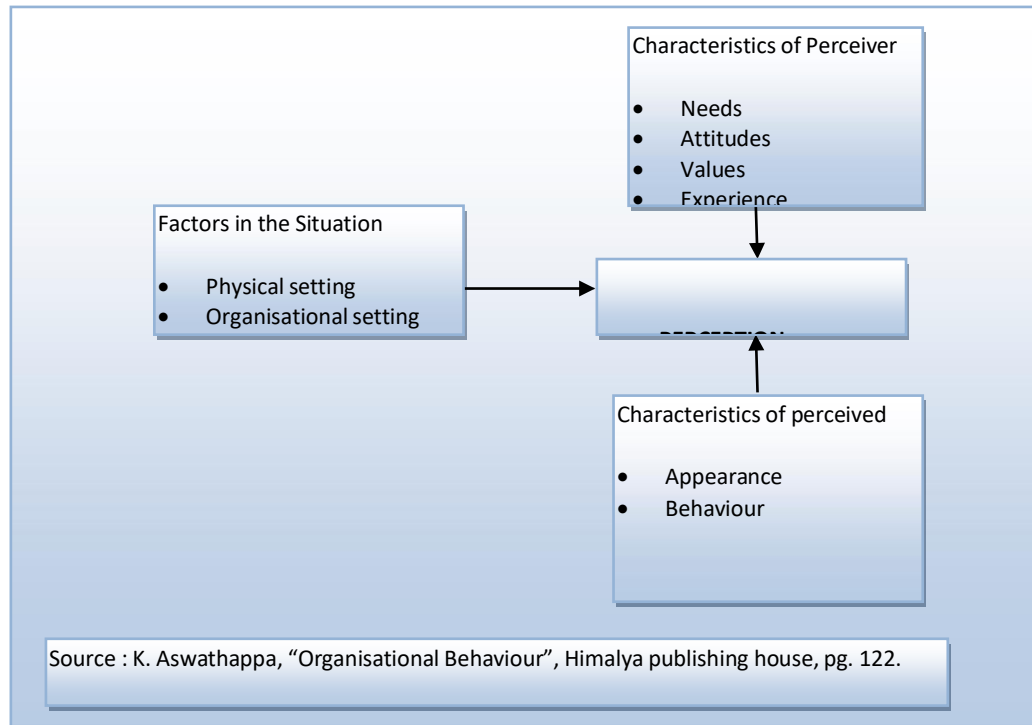
Reacting

Reacting is the last stage of the perceptual process. The process ends up when perceiver is indulged into some action in relation to the perception. The action of perception is also called perceptual output. The outcome of the perceptual process is attitude, opinion, beliefs and feelings of perceiver regarding the perceived object or event or person. The action will be based on whether the perception is favourable or unfavourable. If perception is positive, action will be favourable but, if the perception is negative, action will be unfavourable.

Factors Influencing Perception

The definitions of perception clearly stated that perception is influenced by the factors of perceiver, perceived and the situational factors. These factors are briefly explained as below:

- Characteristics of perceiver:** An individual's past experiences, needs, habits, personality, values and attitudes influence the perceptual process. For example, if a manager holds negative beliefs and attitudes towards employee union, he will dislike and express his resentment for even a routine visit of union official in the plant.
- Characteristics of perceived:** Physical attributes, appearance and behaviour of the target also influence how they are being perceived. Physical attributes such as age, gender, height and weight affect the way the person is being perceived. Perceivers tend to notice physical appearance characteristics that contrast with the norm, that are intense, or that are new or unusual. Physical attractiveness often catches the attention quickly. Interviewers rate attractive candidates more favourably and attractive candidates are awarded higher starting salaries.
- Characteristics of the situation:** The physical, social and organisational settings of the situation also influence the process of perception. For example, a conversation with the boss held in the reception area of a dance club will be perceived differently than the conversation held in the office with the door closed.



4. Perception and Organisational behaviour

In the above discussion, several examples of relevance of perception in an organisational setting have been discussed. Perception is actually a cognitive process through which an individual uniquely interpret the situation based on his needs, experiences and interest. Perception is the judgement about the reality not exact recording of reality. It reveals the picture of the world which may or may not different from the reality. Recognising the difference between perception and reality is very important in an organisational context. Let us understand the applications of perception in organisational behaviour more briefly through following points:

- ***Perception in employment interview:*** In an employment interview, selection or rejection of the candidate depends upon the interviewer's perception about behaviour of the candidate. Sometimes, a rejected applicant may deserve the selection but is rejected because he is wrongly perceived by the interviewer. The real fact is that the interviewers usually make judgement about the candidates on the basis of early impressions and form inaccurate perceptions.

- **Performance appraisal:** It is another area where perception plays a very significant role. Performance evaluation of employees depends upon the perception of the evaluator about the employees. Some jobs involve the performance which can be measured in quantifiable terms such as job of salesman, production worker etc. Evaluation of such jobs can be done in objective terms and hence do not provide the managers with greater discretion. On the other hand, some jobs involve the performance which cannot be measured in quantifiable terms. Evaluation of such jobs is done in subjective terms and subjective measures of performance provide relatively wider scope for managers to use their own discretion. Therefore, appraisal of such jobs is largely influenced by perception of the evaluator about who is good or who is bad.

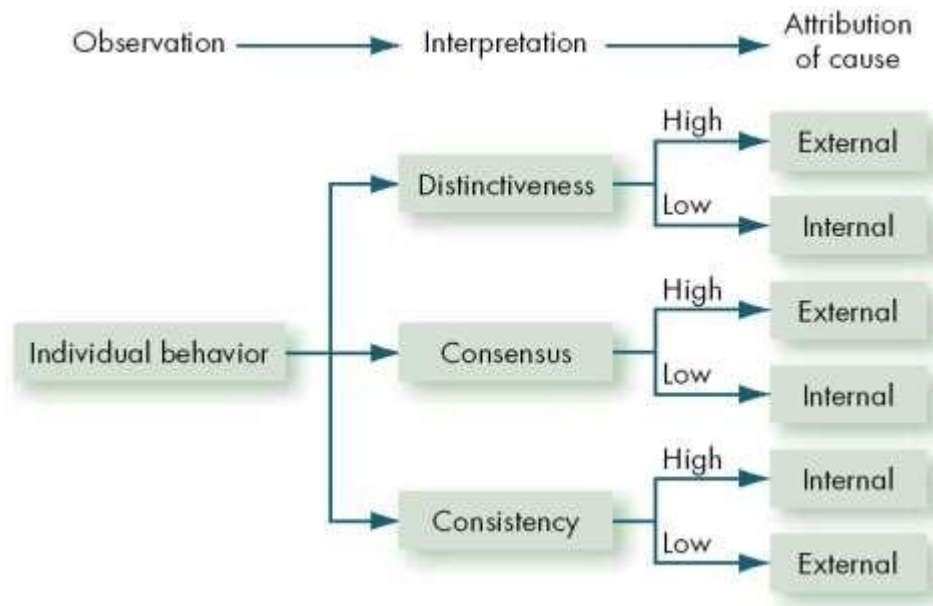
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of failures on external factors such as faulty equipments, material shortage etc.

Locus of Control:

Using locus of control, work behavior may be explained by whether employees perceive their outcomes as controlled internally or externally. Employees who perceive internal control feel that they personally can influence their outcomes through their own ability, skills, or effort. Employees who perceive external control feel that their outcomes are beyond their own control; they feel that external forces such as luck or task difficulty control their outcomes. This perceived locus of control may have a differential impact on their motivation to perform.

5. Summary

Perception can be understood as the process through which information or stimulus is received from the environment, then selected, organised and interpreted in order to assign some meaning to it. Perception is formed when the stimulus received is organised in a particular fashion and then interpreted to have an idea about what is happening in the environment. In addition to that, perception is a subjective process because different individuals may perceive the same environment differently on the basis of what stimulus they select from the environment, the manner they organise and interpret the information in order to understand the situation. The process of perception is composed of various sub-processes: receiving, selecting, organising, interpreting, checking and reacting to stimuli. The process is influenced by perceiver, object and situation.

References:

Material is Prepared from the following Sources:

- (i) Organisational Behaviour - Fred Luthans, Mc Graw –Hill Publishers
- (ii) e-patashala.com
- (iii) OBHRM- Nelson & Sarkar, Cengage Learning