

# Organizational Behavior



# Content

- Elements and goals of OB,
- Importance and approaches to OB,
- contributing disciplines of OB,
- OB model,
- emerging challenges
- opportunities of OB

# Learning Outcome

- Demonstrate the importance of interpersonal skills in the workplace.
- Define organizational behaviour (OB).
- Show the value to OB of systematic study.
- Identify the major behavioural science disciplines that contribute to OB.
- Demonstrate why few absolutes apply to OB.
- Identify the challenges and opportunities managers have in applying OB
- concepts.
- Compare the three levels of analysis in this book's OB model

# NEWS

- Coca-Cola, Vodafone, others kick-start the season with discounts and offers

A mobile gaming van, a Ganapati-on wheels travelling into small towns and villages across Maharashtra, campaigns espousing the spirit of harmony and celebration—the recently concluded 10-day long Ganapati festival saw brands get the annual festive show on the road. Many have announced special sales days, launched a new project or introduced a brand innovation, in anticipation of a burst of spending in the coming months.

# What is organizational Behaviour



# What is organizational Behaviour

- **Organization**- It is a group of people who are collected to work for a common goal with collective efforts.
- **Behaviour**- It is verbal or physical response shown by a person as a consequence of the impact of his/her surroundings.

**“Organizational Behaviour as a systematic study of the actions and attitudes that people exhibit within the organization”**

# Definition of OB

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

**By- Stephen P. Robbins**

**“OB is the study and application of knowledge about how people as individuals and groups act within organization. It strives to identify ways in which people can act more effectively”.**

**By- Keith Davis**

**“OB can be defined as the understanding; prediction and management of the human behaviour affect the performance of the organization”.**

**By- Luthans**

# Goals of Organizational Behaviour





# Goals of Organizational Behaviour

- Applying leadership skills and knowledge to understand people's behaviour, demarcating those which are not conducive to the organization and appreciating rudiment of behaviour which positively impact the organization. Aspect of good behaviour can also be set as norms or standards to be followed by other employees within the organization.
- Goals of OB strongly accentuate the responsibility of a leader in relation to behavioural aspects and a proper reporting structure of the organization.

# Goals of Organizational Behaviour

- They should be able to describe people's behaviour, attitude and nature and identify team member's reaction so that appropriate measure can be taken for productive workers and punitive measures for disruptive workers.
- They should be able to carefully identify an employee's behaviour, which will help the leaders to channelize employees' action to higher productivity level.

# Elements of Organizational Behaviour

## ❑ **People**

- Groups may be small, large, formal, or informal and work together to achieve organizational objectives.
- Effective collaboration with team members and healthy relationships with superiors and subordinates to accomplish long- and short- term goals.

## ❑ **Structure**

- There are two types of organizations:
  - Formal Organization
  - Informal Organization

## ❑ **Technology**

- Technology enables people to do increased amount of work, that too in an effective manner. Procuring the latest technology, installing, operating, and maintaining it is very crucial for organizational effectiveness.

# ELEMENTS OF ORGANIZATIONAL BEHAVIOUR

## ❑ Environment

- Every organization has its own internal environment and operates within an external environment.
- There is always an interaction of the organization with the bigger system comprising of other organizations and the government, which mutually affects each other in a multidimensional manner across economic, cultural, social, legal, political, government policies and procedures, and demographics.

# ORGANIZATIONAL BEHAVIOR AND ITS CONTRIBUTING DISCIPLINES

## ❑ Psychology

- It is the study of behaviour and mental process of a human being that are affected by the physical, mental, and environmental conditions.

## ❑ Political Science

- It is the study of behavioural sciences in political environment and focuses on disputes within the group and intra-organizational politics and authority issues.

## ❑ Sociology

- This discipline contributes significantly through the study of group behaviour in complex and recognized organizations.

## ❑ Social Psychology

- This integrates sociology and psychology and discusses barriers and acceptances across groups or individuals within and across organizations.

## ❑ Anthropology

- This focuses on comparative attitudes, values, and cross-cultural analysis which has a lasting impact on organizational culture and surroundings.

## **Behavioral Science**

## **Contribution**

**Psychology**

**Learning  
Motivation  
Perception  
Training  
Leadership effectiveness  
Job satisfaction  
Individual decision making  
Performance appraisal  
Attitude measurement  
Employee selection  
Work design  
Work stress**

**Sociology**

**Group dynamics  
Work teams  
Communication  
Power  
Conflict  
Intergroup behaviour**

**Formal organization theory  
Organizational technology  
Organizational change  
Organizational culture**

**Social Psychology**

**Behavioural change  
Attitude change  
Communication  
Group processes  
Group decision making**

**Anthropology**

**Comparative values  
Comparative attitudes  
Cross – cultural analysis**

**Organizational culture  
Organizational environment**

**Political Science**

**Conflict  
Intraorganizational politics  
Power**

# Importance of Organizational Behaviour

- Provides guidelines to the management about the way in which human element should be emphasized.
- Provides an outlook to the management to analyse behaviour of individuals and suggests an effective direction.
- Answers to the questions like why and how human beings behave in a particular manner, which in turn helps in building cordial relations in the organization.
- Gives an insight to the managers to understand the behaviour of their subordinates.
- Helps managers to select the most effective style of leadership.
- Helps in effective conflict management, better decision making, commitment to ideas, teamwork, and so on.

# Approaches to Organizational Behaviour

- The four major approaches to organizational behavior are as follows:

## ❑ **HR Approach**

- This approach recognizes the fact that human resources are the greatest assets of any organization and are concerned with the growth and development of people towards higher levels of competency, certainty, and fulfillment.

## ❑ **Contingency Approach**

- According to this approach, the methods or behavior that work in one situation will not necessarily work in all situations. Therefore, the identification of the variables that are effective and efficient is necessary.



# Approaches to Organizational Behaviour

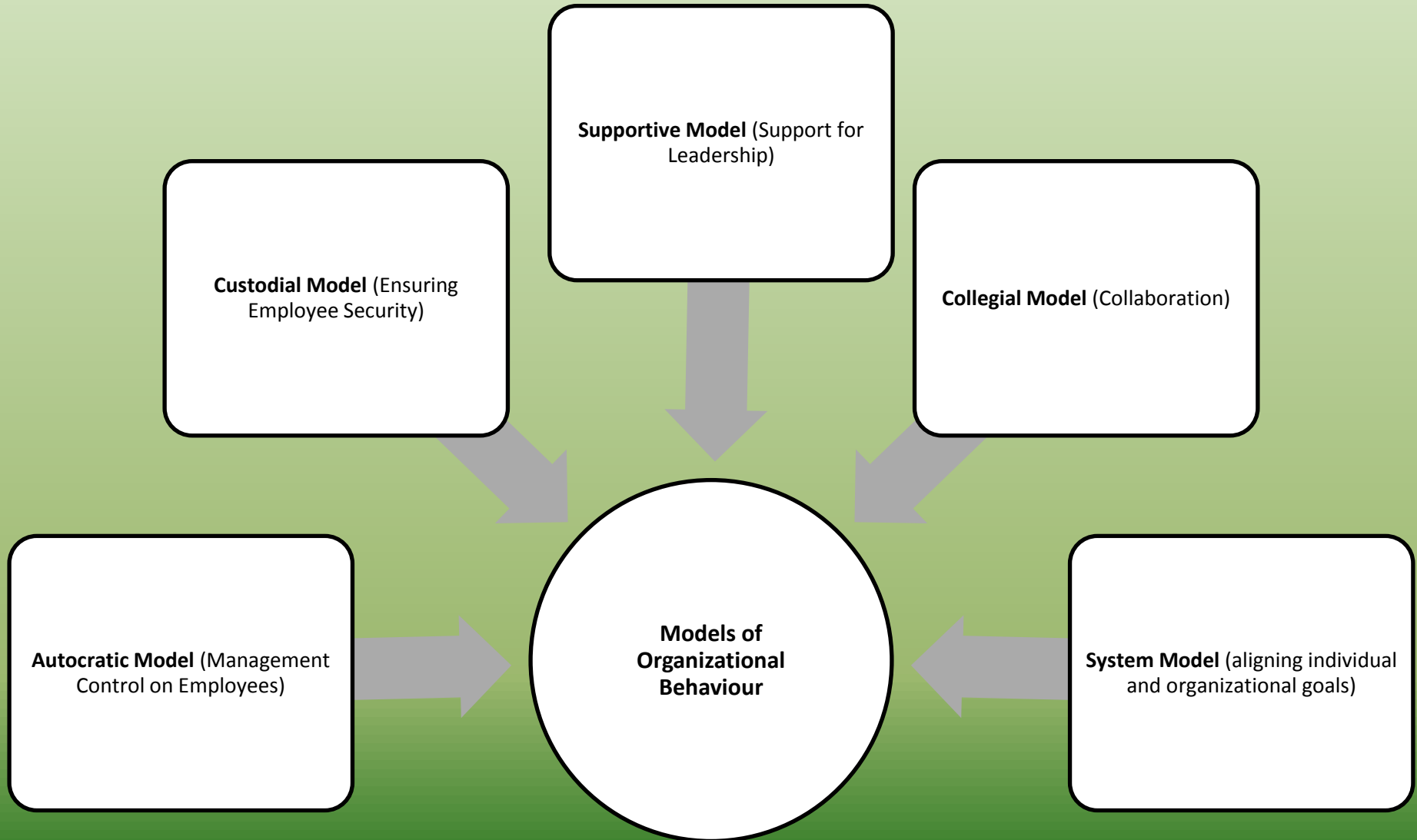
## ❑ Systems Approach

- This approach considers the organization as a system that consists of various interrelated parts. Any activity performed by any of the interconnected parts affects the whole system. Hence, it is necessary to make sure that every part of the system is working in coordination.

## ❑ Productivity Approach

- Productivity is the ratio of the unit of output to the unit of input. Generally, it is calculated in economic terms. The higher the value of the ratio, the higher will be the efficiency

# Models of Organizational Behaviour



# MODELS OF ORGANIZATIONAL BEHAVIOUR

## ❑ Autocratic Model

- The control of the organization lies with the management, which can direct and exude authority over the employees of the organization.
- Key decisions lie with the top management of the organization.
- Lower-level employees have little expertise/control over the work function.

## ❑ Custodial Model

- This model promotes financial security for the employees by incorporating rewards and benefits programme for keeping the employee motivation high.
- Other benefit programmes include health insurance benefits, accommodation allowances, company vehicles, stock options, and so on to retain worthy staff.
- Using this model, organizations want to keep intact skilled resources with good knowledge and expertise.

# MODELS OF ORGANIZATIONAL BEHAVIOUR

## ❑ Supportive Model

- This model is focused on promoting leadership traits amongst individuals.
- It works in opposition to the autocratic model, as it enforces that employees are self-motivated, have sufficient knowledge and decision-making power, and, apart from being in an operational role, can create, innovate, and implement ideas.

## ❑ Collaborative Model

- It is a collaborative model where every employee is a colleague of the other.
- It does not consider status and designation of the employees, though hierarchy is maintained and every individual is encouraged to contribute to build a better organization.
- Role of the manager is to encourage teamwork, create a positive work environment, and make all the members of the team perform well.

# MODELS OF ORGANIZATIONAL BEHAVIOUR

## ❑ System Model

- This model ensures alignment of an individual's goal to an organization's goal, and every individual partners with the organization or team and works towards common goal.
- It considers that individuals have varied potential, skills, and talent.
- Positive factors of this model which impact the individuals are good remuneration, job security, positive work culture, where the organization provides value-added services to its customers.

# CURRENT TRENDS IN ORGANIZATIONAL BEHAVIOR

- ☐ Upgrading Employees' Skills
- ☐ Enhancing Value and Output
- ☐ Total Quality Management
- ☐ Managing Workforce Diversity
- ☐ Impact of Globalization
- ☐ Empowering People
- ☐ Coping with Temporariness
- ☐ Stimulating Innovation and Change

# Emerging Challenges in the Field of OB

## **1. Workforce Diversity:**

Organizations are becoming increasingly cosmopolitan. Organization specialist must learn to live with diverse behaviours. Managers must learn to respect diversity. Diversity if managed positively enhances creativity and innovation in organization as well as ensures better decision—making by providing different perspectives on problems. When not managed, diversity leads to increased turnover, heightened inter-personal conflict and more strained communication.

# Emerging Challenges in the Field of OB

## **2. Changed Employee Expectation:**

Traditional allurements such as job security, attractive remuneration housing does not attract, retain and motivate today's workforce. Employees demand empowerment and expect equality of status with the management. Empowerment results in redefining jobs, both from the shop floor as well as the boardrooms. Expectations of equality break up the traditional relationship between employer and employee – top to bottom.



# Emerging Challenges in the Field of OB

## **3. Globalization:**

Growing internationalization of business has its impact on people management. Managements are required to cope with the problems of unfamiliar laws, languages, practices, competitors, attitudes and management styles, work ethics and more. To face this challenge the management must be flexible and pro-active. Being flexible and pro-active the management can make significant contribution to the company's growth.

1. Internationalization makes managers to increase their competencies.
2. Globalization increases the number of managers and professions.

# Emerging Challenges in the Field of OB

## **4. Improving Productivity and Quality:**

As organizations are exposed to competition, managers are seriously thinking of improving quality and productivity. In this context managers are implementing programmes like TQM (Total Quality Management) and Re-engineering programmes that requires employee involvement. TQM is a philosophy of management that is inspired by constant attainment of customer satisfaction of all organizational process.

Re-engineering means radically re-building and redesigning those processes by which we create value for customers.

# Emerging Challenges in the Field of OB

## **5. Changing Demographics Of Workforce:**

Major challenges from changing demographics of workforce relate to dual-career couples. Couples where both partners are actively pursuing professional careers. The increase in number of dual career profession limits individual flexibility and may hinder organization flexibility in acquiring and developing talent. Another change in the workforce demographics relates to the growing number of employees who are young.

# NEWS ROOM

- Flipkart acquires Upstream Commerce to optimise pricing of products
- Walmart-backed e-commerce marketplace Flipkart has acquired Israeli-based Upstream Commerce for an undisclosed amount as it looks to further optimise the pricing of products on its platform to better compete with rival Amazon.
- Upstream Commerce is a retail price optimisation platform that tracks prices and availability of products across several retailers including Walmart, Amazon, Barnes&Noble and Costco to give its customers real time insights that help them be more competitive.



- They've been around for years and serve multiple e-commerce customers around the world. Their focus will shift a lot towards Flipkart, but will continue to serve their other customers as well," said Anil Goteti, Vice President and Head of the Flipkart Marketplace and 2GUD.
- Using the technology, sellers on Flipkart will be offered suggestions to drive their goals, whether it be to drive their top line, bottom line or ship more units. For customers on Flipkart, the company says with this acquisition they can be assured they're getting the best pricing from sellers and also a more wide selection as Upstream Commerce begins delivering sellers insights on what products customers are looking for.