

# **ORGANISATIONAL BEHAVIOUR**

# Topics

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- ~~Introduction~~
- Definition
- Nature & Scope
- Basic Concepts of OB. including, Behaviour – Individual & organizational, and Self Image [includes discussion on self esteem & self efficacy]
- Introduction to the theoretical constructs and models of Organisational Behaviour.

# Organisational Behaviour

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“OB is directly concerned with the understanding, prediction, and control of human behaviour in organisations.”  
- **Luthans**

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

# Objectives of OB

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## OBJECTIVES OF ORGANISATIONAL BEHAVIOUR

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graph TD; A[OBJECTIVES OF ORGANISATIONAL BEHAVIOUR] --> B[To Describe Behaviour]; A --> C[To Understand Behaviour]; A --> D[To Predict Behaviour]; A --> E[To Influence Behaviour];
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**To Describe Behaviour**

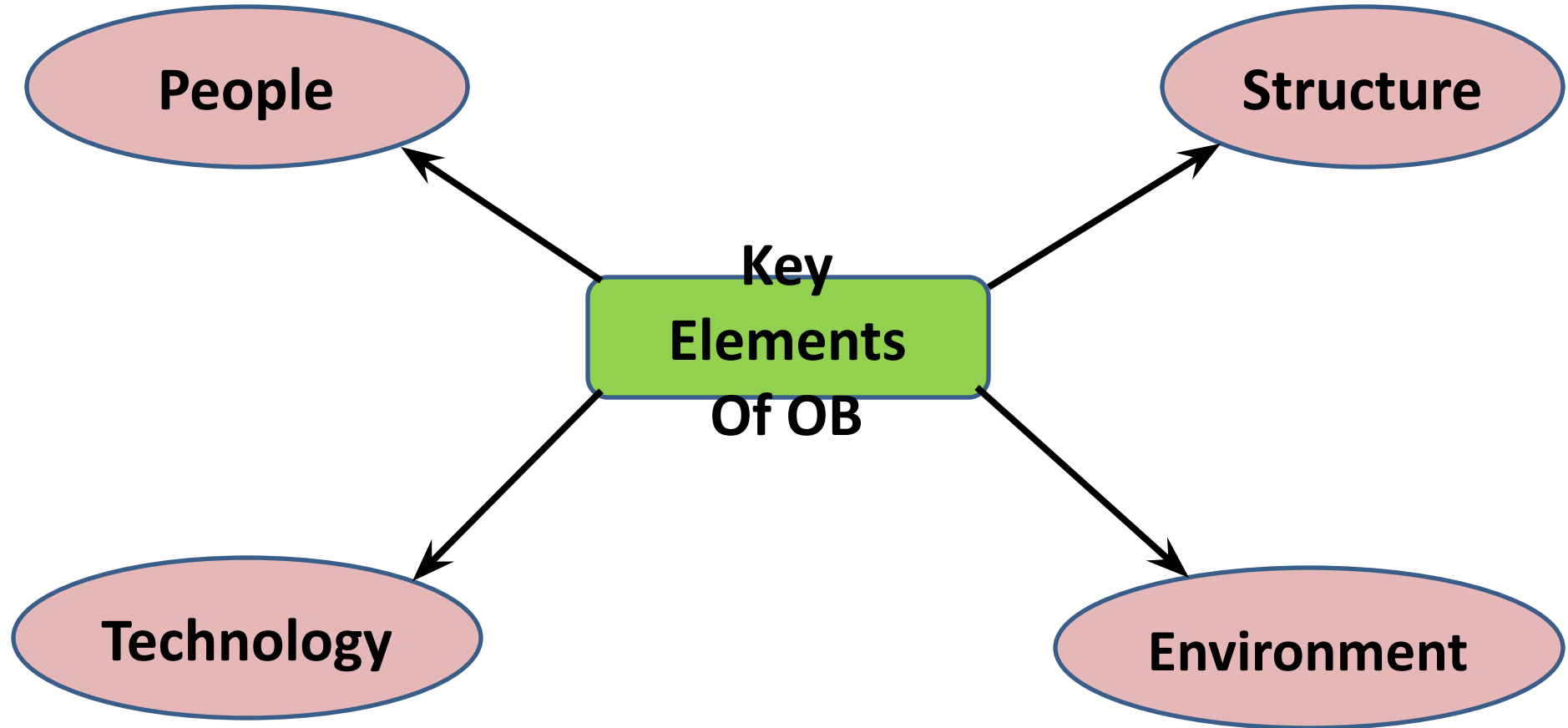
**To Understand  
Behaviour**

**To Predict Behaviour**

**To Influence Behaviour**

# Key Elements of OB

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# Nature of OB

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1. It focuses on the behaviour of individuals
2. It is inter-disciplinary
3. It is an applied science
4. It is an art as well
5. It adopts a humanistic approach
6. Its ultimate aim is to attain the organisational objective

# Scope of OB

**INDIVIDUALS**

Personality  
Perception  
Attitudes  
Motivation  
Job Satisfaction  
Learning  
Values

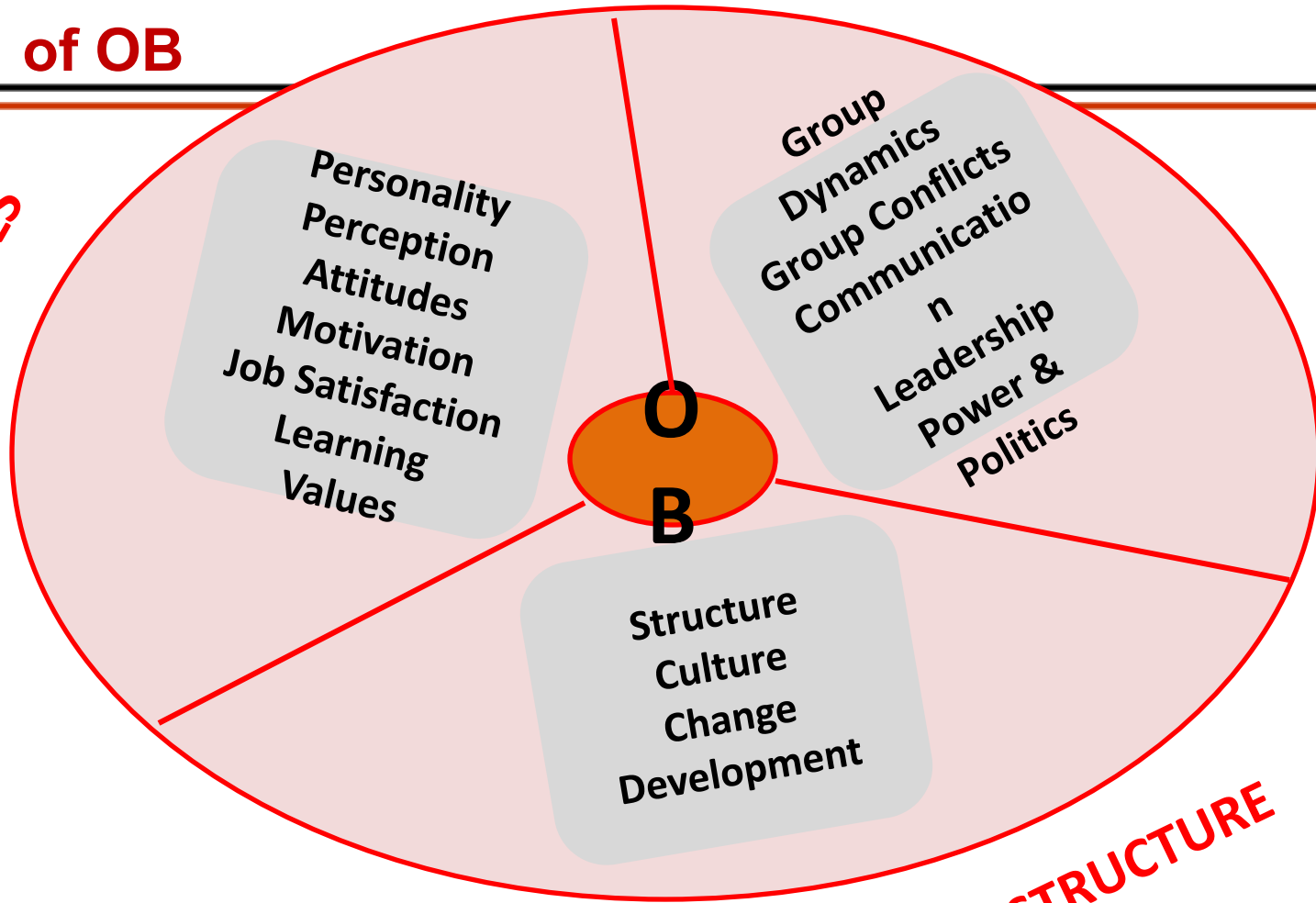
**O  
B**

Group  
Dynamics  
Group Conflicts  
Communication  
Leadership  
Power &  
Politics

**GROUPS**

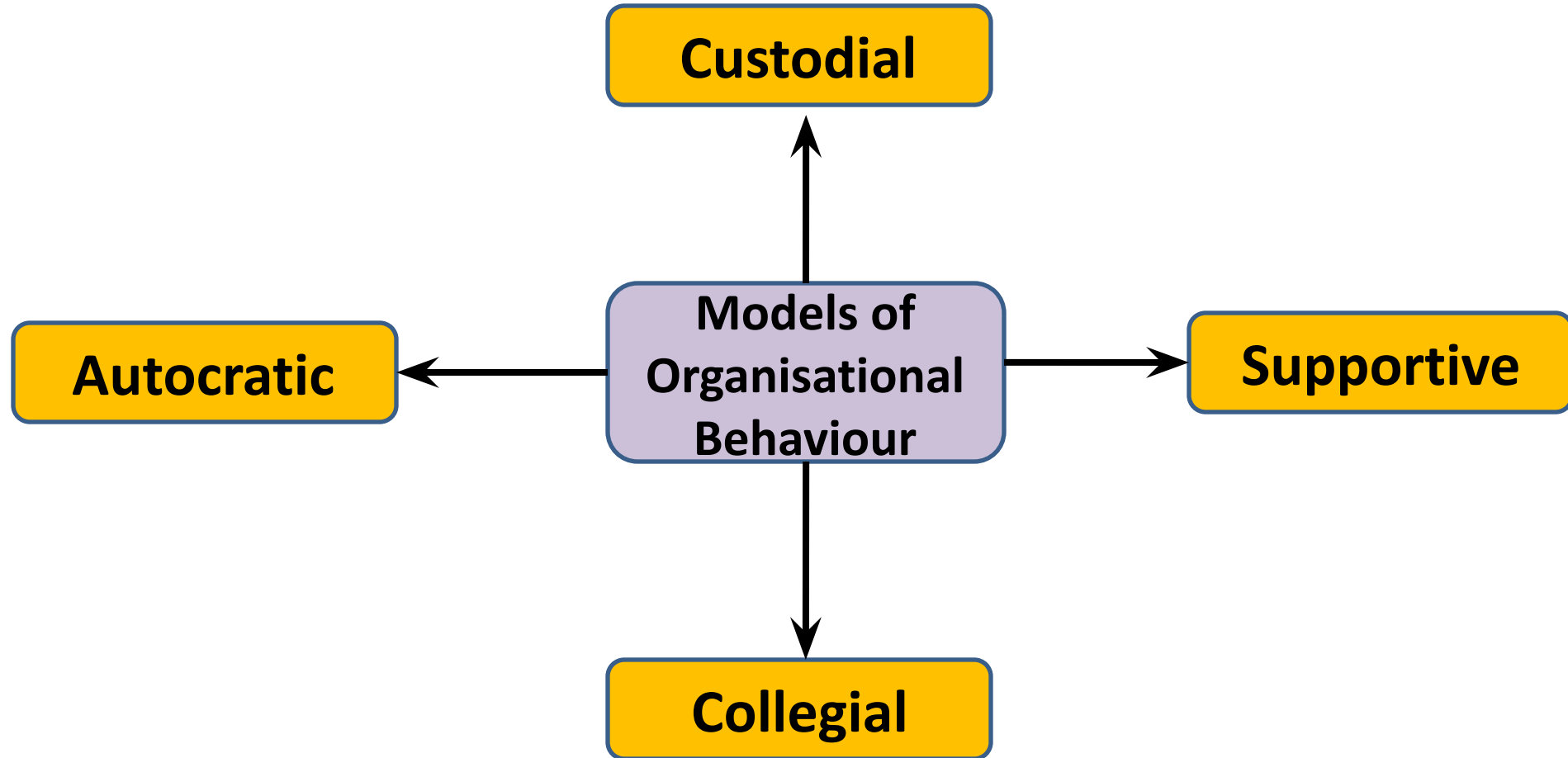
Structure  
Culture  
Change  
Development

**STRUCTURE**



# Organisational Behaviour Models

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# The Autocratic Model

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Under the autocratic model, the manager uses his authority and directs the subordinates to do the work as per his specifications. The subordinates are not given the freedom to act. They have to carry out the task faithfully as per their boss's instructions.

Thus under the autocratic model, the employees are made to work like machines. The use of such an approach may not always give the manager the desired results. In the long run, the employees may develop frustration and may be prone to stress conditions. Their physical or mental health may get affected. The organisation may also begin to face such behavioural problems as a high rate of absenteeism, low morale, high rate of labour turnover and so on.

# Custodial Model

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If under the autocratic model the employee has to depend on his boss all the time, under the custodial model he has to depend on the organisation. The organisation takes care of all the needs of the employees. This is done by the introduction of a number of welfare measures like *rent free accommodation, subsidised food, free education for the children of employees and so on*. Such welfare measures make the employees dependent on the organisation that becomes their custodian.

Under the custodial approach the employee is happy as the organisation satisfies his needs. But there is no guarantee that his performance level will be high. 'A happy and satisfied employee need not be a productive employee'.

# Supportive Model

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In this case the manager supports his subordinates in the performance of their tasks. The focus here is on managerial leadership rather than on the exercise of authority or fulfillment of subordinates' needs. The manager does not make unilateral decisions but involves his subordinates in the decision-making process.

The supportive model is suitable in those workplaces where the employees are self-motivated. It has greater relevance for managerial personnel rather than the operative level workers.

# Collegial Model

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In the collegial model the manager participates in the process of task performance by the subordinates. In other words, the manager and the subordinates work as a team. There is better interaction among the team members. Such an approach is suitable where every subordinate is able to be self-disciplined.

The basic foundation of the collegial model lies on management's building a feeling of partnership with employees. Under collegial approach, employees feel needed and useful. They consider managers as joint contributors to organisational success rather than as bosses.

	Autocratic	Custodial	Supportive	Collegial
Basis of model	Power	Economic Sources	Leadership	Partnership
Managerial Orientation	Authority	Money	Support	Teamwork
Employee Orientation	Obedience	Security & Benefits	Job Performance	Responsible behaviour
Employee psychological result	Dependence on boss	Dependence on organisation	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualization
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

# ORGANISING

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Organising is the process of identifying and grouping of activities required to attain the objectives, delegating authority, creating responsibility and establishing relationships for the people to work effectively.

# **NATURE OF ORGANIZATION**

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1. Common Objectives
2. Specialization or Division of Labour
3. Authority of Structure
4. Group of Persons
5. Co-ordination
6. Communication
7. Environment
8. Rule and Regulations

# SPAN OF CONTROL or SPAN OF MANAGEMENT

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- ▶ Span of management means the number of people managed effectively by a single superior in an organization.
- ▶ The term “*Span of management*” is also known as “*Span of supervision*”, “*Span of authority*” and “*Span of responsibility*”.
- ▶ If the number of members is too large, it will be very difficult to manage the persons and perform the work effectively.



# FORMAL ORGANISATION

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- A formal organisation typically consists of a classical hierarchical structure in which positions, responsibility, authority, accountability and the line of command are clearly defined and established.
- Each and every person is assigned the duties and given the required amount of authority and responsibility to carryout the job.
- The inter relationship of staff members can be shown in the organisation chart and manuals

# INFORMAL ORANISATION

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- Informal organisation is an organisation which establishes the relationship on the basis of member's interaction, communication, personal likings and disliking, and social contacts within as well as outside the organisation.
- It arises naturally on the basis of friendship or some common interest which may or may not be related with work.

# ORGANISATIONAL CHARTS

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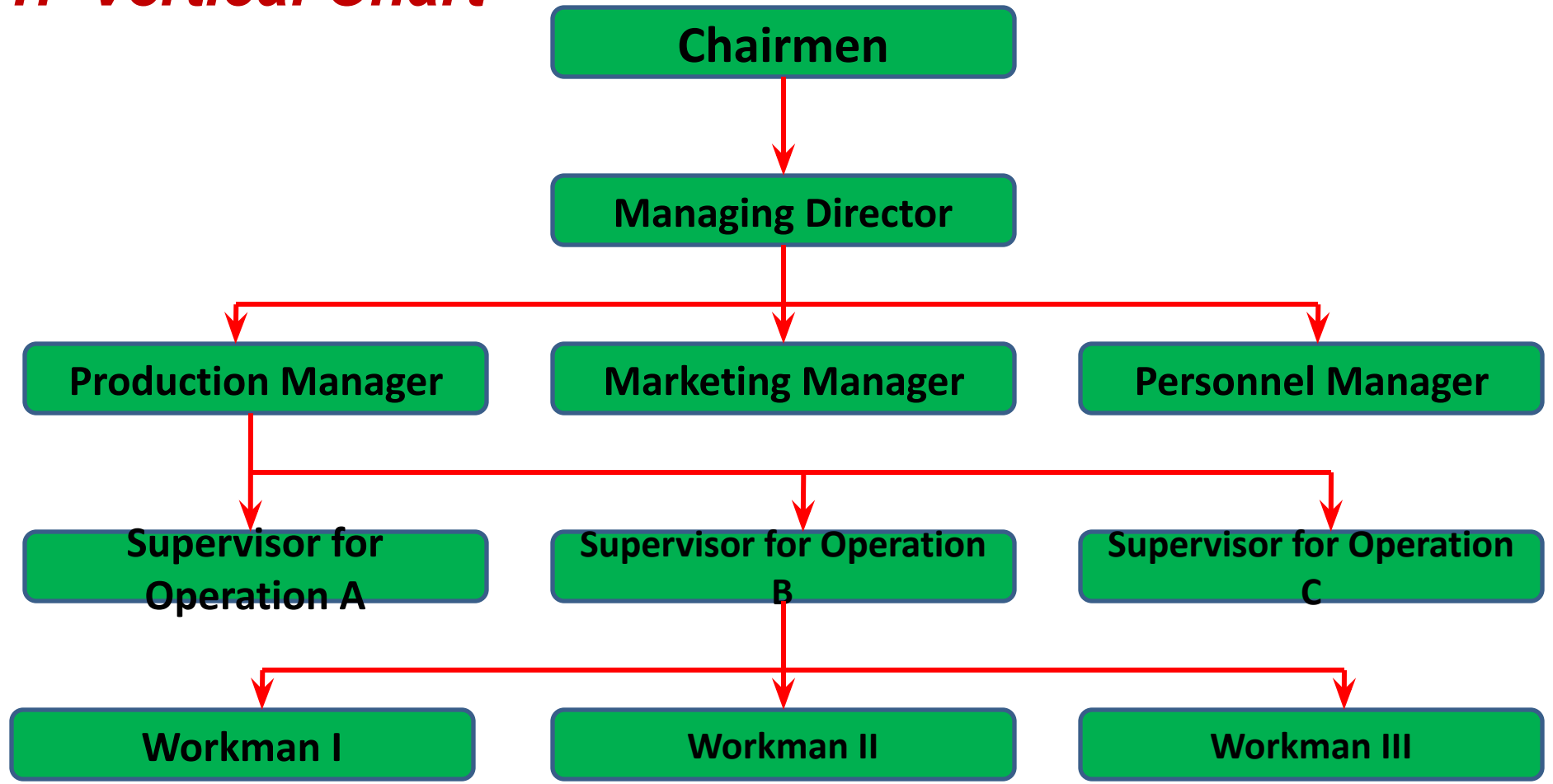
- Organisational charts are prepared for the purpose of describing the organisational structure clearly.
- An organisation chart is a graphical portrayal of the various positions in the enterprise and the formal relationships among them.
- It shows the organisational relationships and activities within an organisation.

# KINDS OF ORGANISATION CHARTS

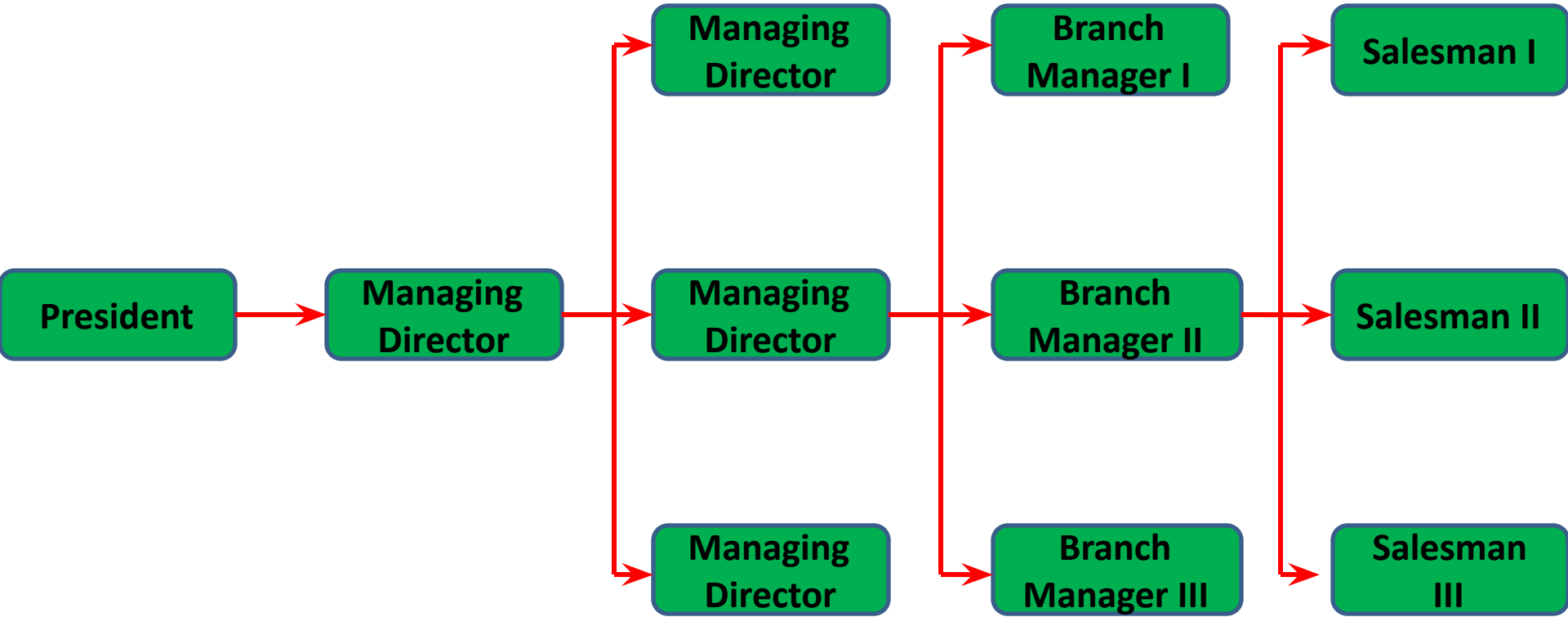
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1. Vertical Chart
2. Horizontal Chart or Left to Right Chart
3. Circular Chart or Concentric Chart

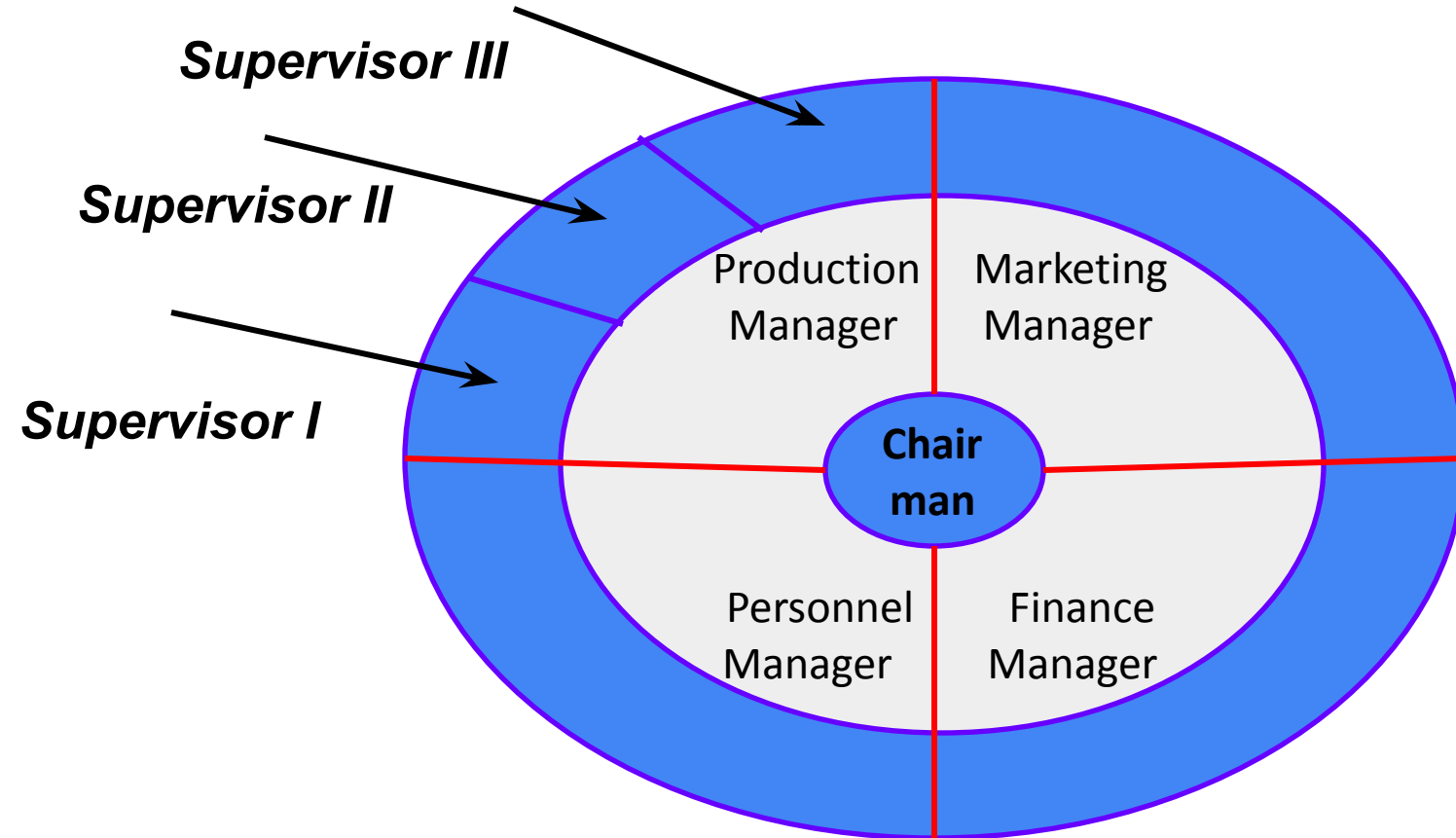
**1. Vertical Chart**



## 2. Horizontal chart or Left to right chart



### 3. Circular Chart or Concentric Chart



# STEPS IN ORGANISING PROCESS

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1. Determination of Activities
2. Grouping of Activities
3. Assignment of Duties
4. Delegation of Authority
5. Establishment of Structural Relationship
6. Co-ordination of Activities



# DEPARTMENTATION / FUNCTIONAL DEPARTMENTATION

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- Departmentation means the process of grouping of similar activities of the business into department, division or other homogeneous units. It is used for the purpose of facilitating smooth administration at all levels.
- Departmentation involves grouping of people or activities with similar characteristics into a single department or unit.

# DEPARTMENTATION BY DIFFERENT STRATEGIES

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1. Departmentation by Numbers
2. Departmentation by Time
3. Departmentation by Enterprise Function
4. Departmentation by Territory or Geography
5. Departmentation by Customers
6. Departmentation by Process or Equipment

# 1. Departmentation by Numbers

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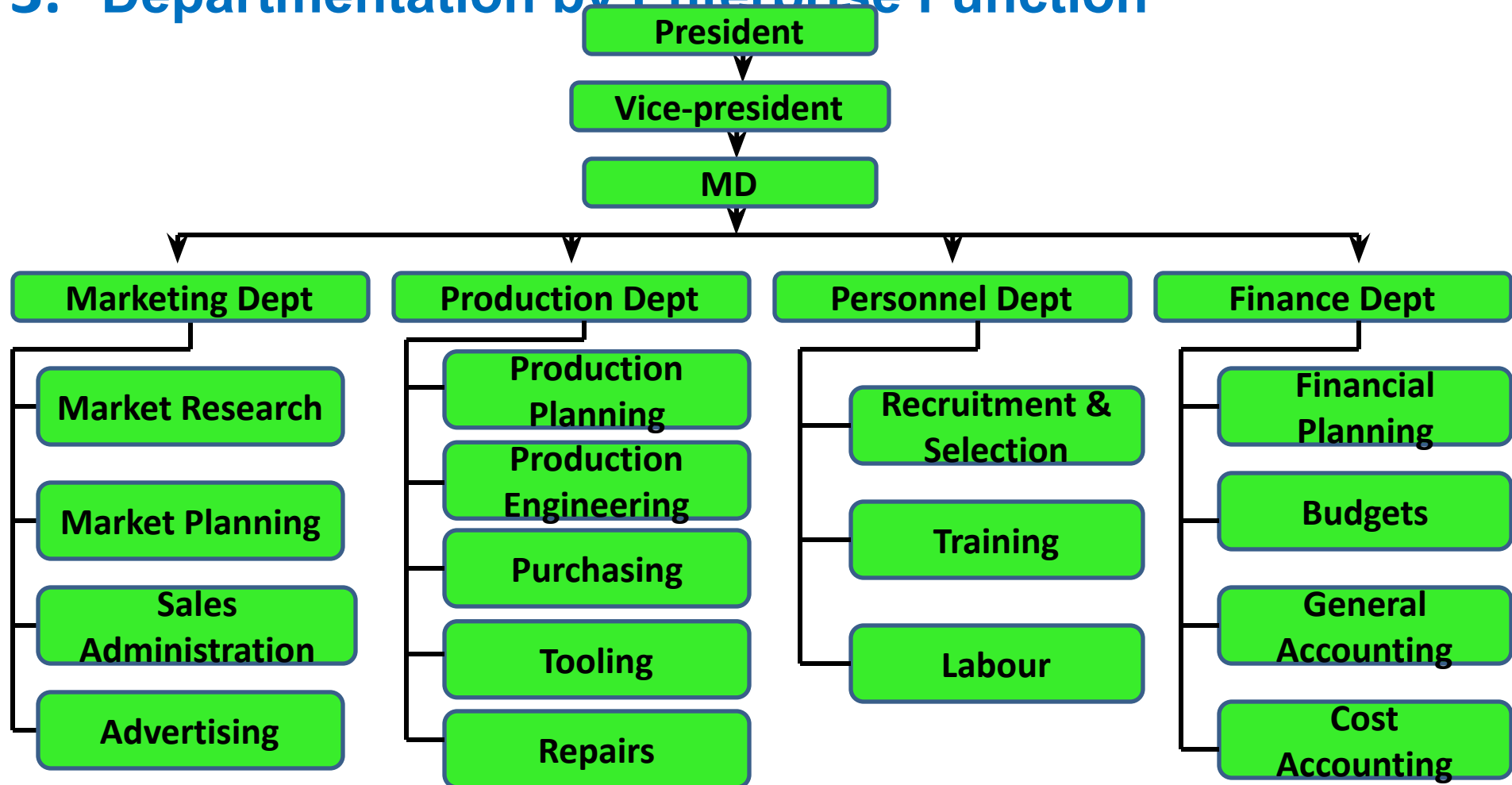
- In this case, departments are created on the basis of number of persons forming the department. Similar types of activities are performed by small groups.
- In such case, the each group is controlled by a supervisor or an executive.
- For example, in the army soldiers are grouped into squads on the basis of the number prescribed for each unit.

## 2. Departmentation by Time:

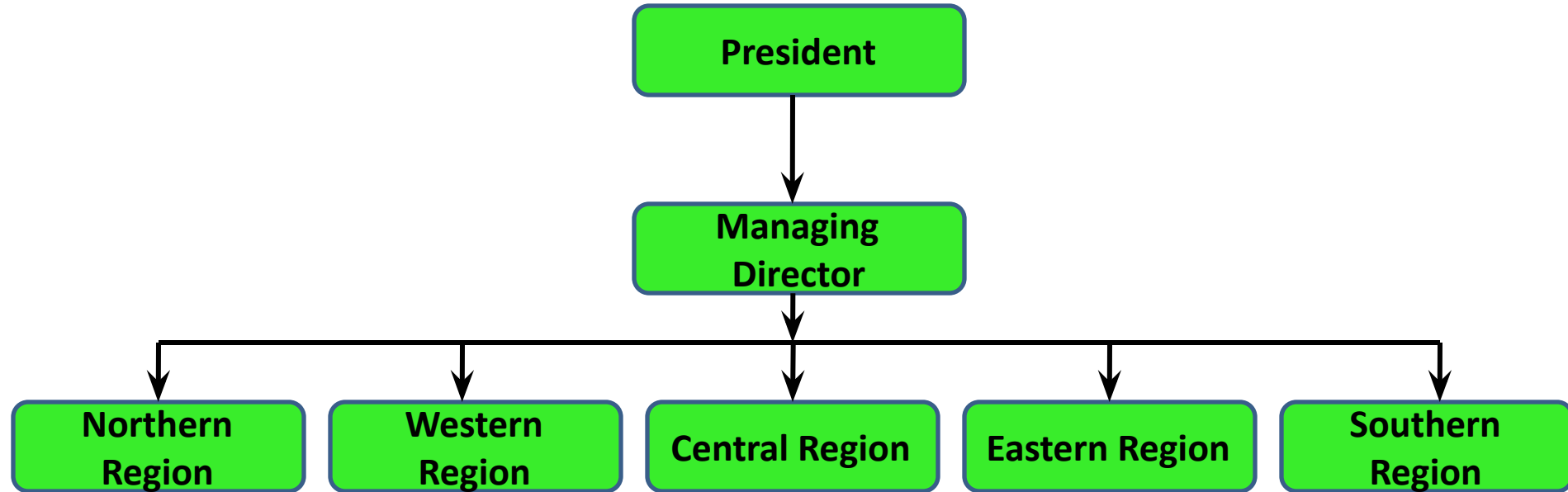
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- Under this base, the business activities are grouped together on the basis of the time of performance.
- For example, a manufacturing unit working in three shifts of eight hours each per day may group the activities shift wise and thus having separate department for each shift.
- The basic idea is to get the advantages of people specialized to work in a particular shift.

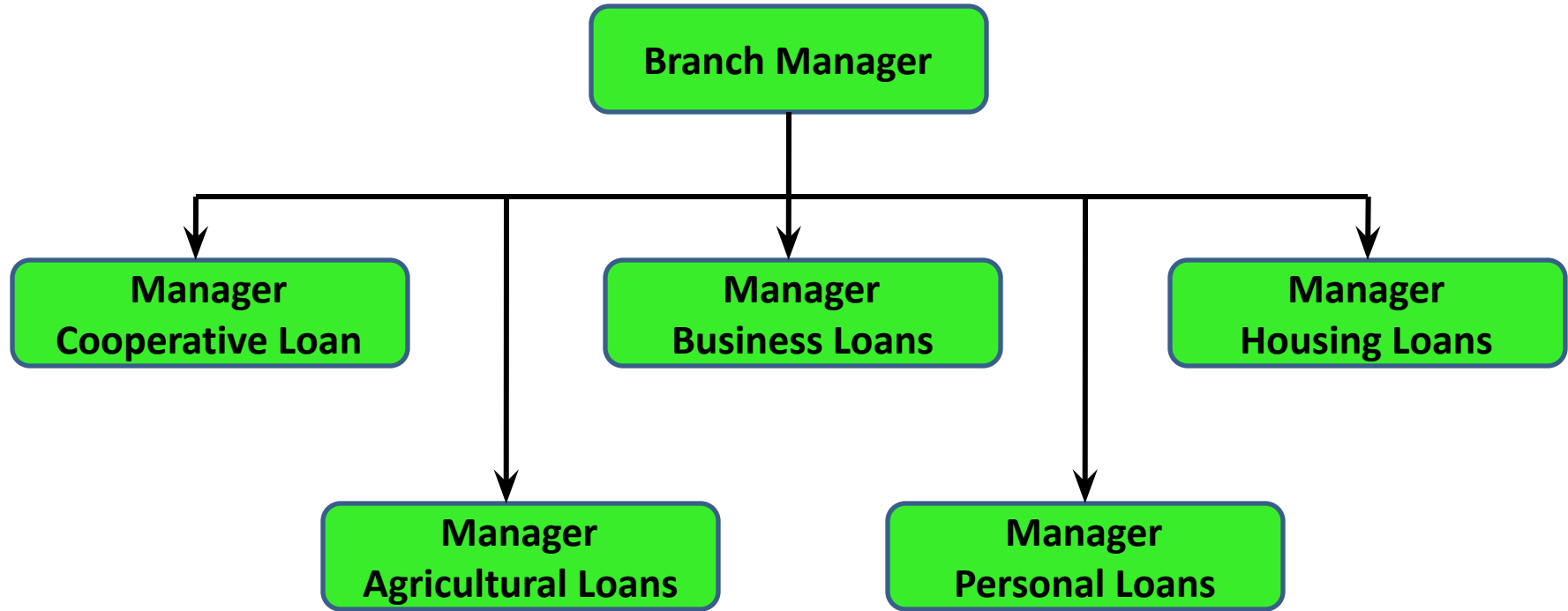
### 3. Departmentation by Enterprise Function



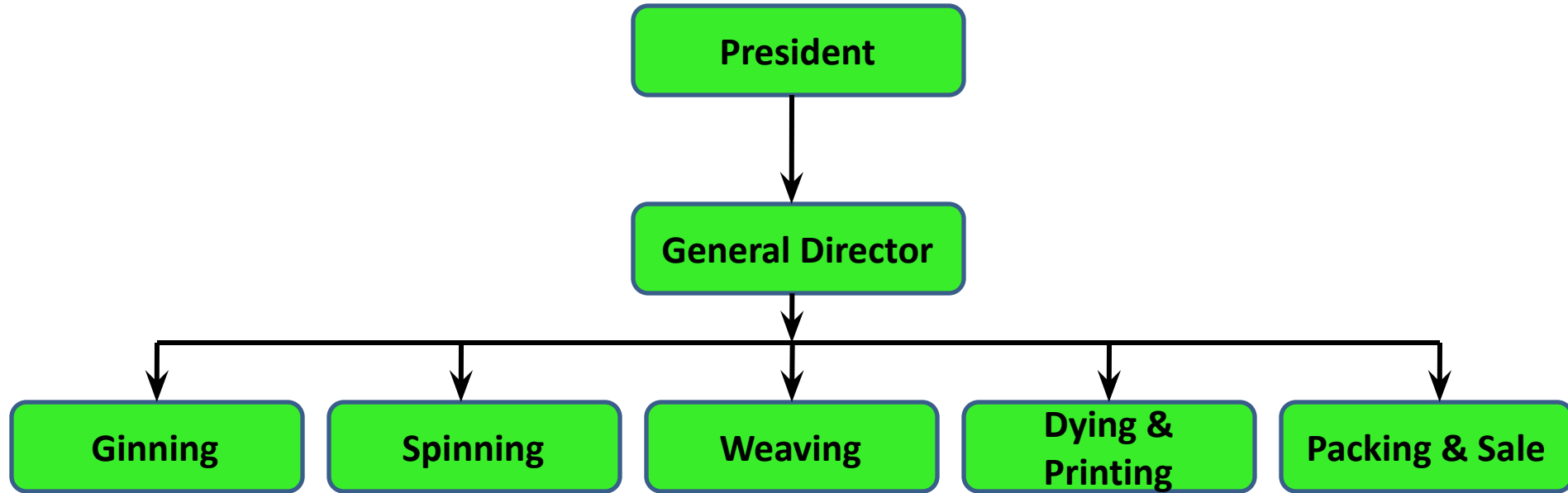
## 4. Departmentation by Territory or Geography



## 5. Departmentation by Customers

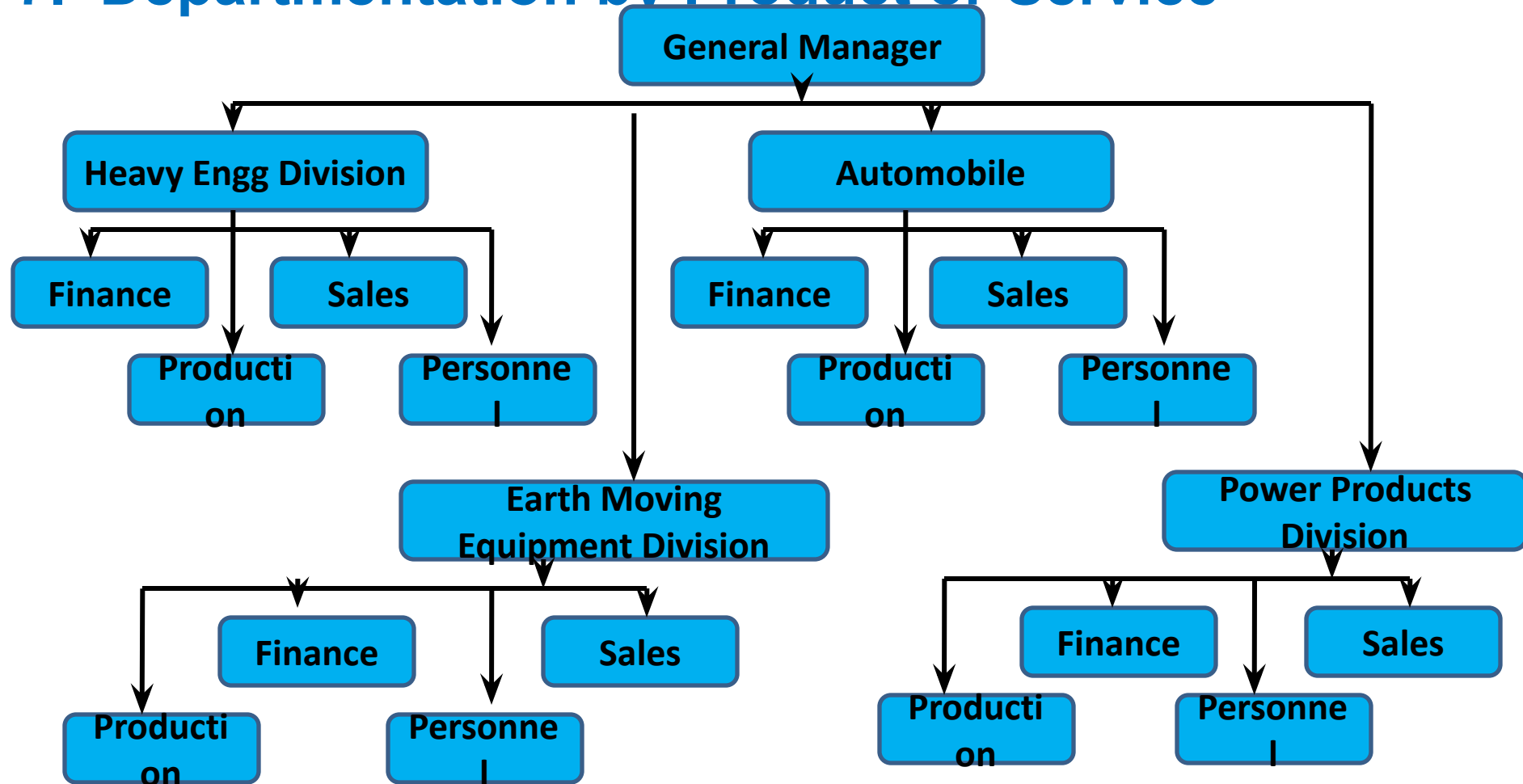


## 6. Departmentation by Process or Equipment





# 7. Departmentation by Product or Service



# AUTHORITY

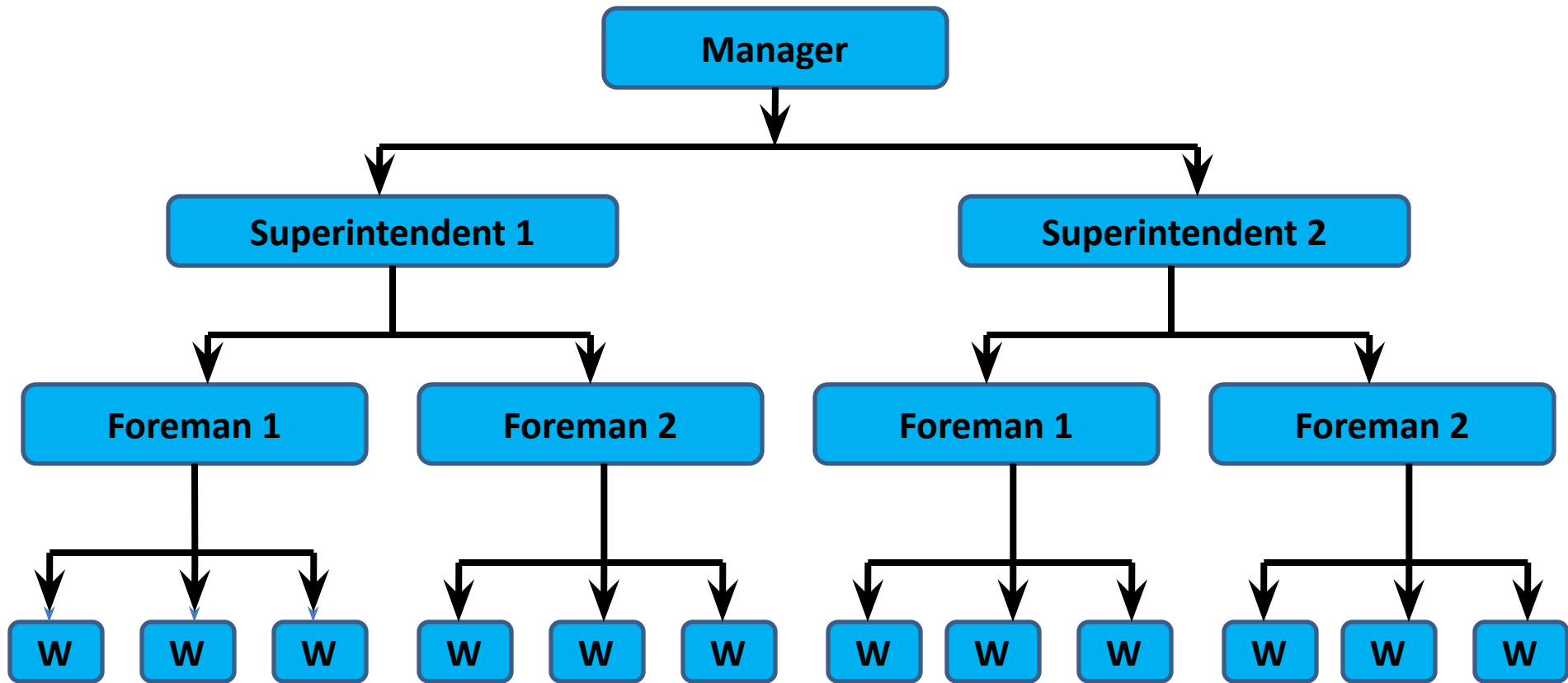
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- According to **Hendry Fayol**, “Authority is the right to give orders and the power to exact obedience”.
- **Koontz and O'Donnell** have defined authority as, “Authority is the power to command other to act or not to act in a manner deemed by the possessor of the authority to further enterprise or departmental purposes”.

# LINE AUTHORITY or LINE ORGANISATION

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- Line authority exists between superior and his subordinate.
- Line authority is the direct authority which a superior exercises over a number of subordinates to carry out orders and instructions.
- In organisation process, authority is delegated to the individuals to perform the activities.



# STAFF AUTHORITY

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- Staff authority is exercised by a man over line personnel.
- The relationship between a staff manager and the line manager with whom he works depends in part on the staff duties.
- In a management, staff refers to those elements of the organisation which help the line to work most effectively in accomplishing the primary objectives of the enterprise, the nature of the staff relationship is advisory.

# DECENTRALISATION OF AUTHORITY

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- Centralization and decentralization refer to the location of decision-making authority in an organisation.
- “Centralization” means that the authority for most decisions is concentrated at the top of the managerial hierarchy whereas ‘decentralisation’ requires such authority to be dispersed by extension and delegation through all levels of management.

# DELEGATION OF AUTHORITY

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- ❑ *Delegation of authority* is a process which enables a person to assign works to others and delegate them with adequate authority to do it.
- ❑ *Delegation* consists of granting authority or the right to decision-making in certain defined areas and charging the subordinate with responsibility for carrying through an assigned task

# MANAGING BY OBJECTIVES (MBO)

“MBO is a process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals; define each individual’s major areas of responsibility in terms of results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members”.

- ***George Odiorne***



# Conti....

MBO is a process whereby superiors and subordinates sit together to identify the common objectives and set the results which are to be achieved



# THE PROCESS OF MBO

- 1. Setting Preliminary objectives*
- 2. Fixing Key result areas*
- 3. Setting subordinate's objectives*
- 4. Recycling objectives*
- 5. Matching resources with objectives*
- 6. Periodic performance reviews*
- 7. Appraisal*

# **WEAKNESS OF MBO**

- 1. Failure to teach the philosophy of MBO***
- 2. Failure to give guidelines to goals setters***
- 3. Difficulty of setting goals***
- 4. Emphasis on short-term***
- 5. Danger of Inflexibility***
- 6. Time consuming***
- 7. Increased paper work***



# REASONS WHY MBO FAIL

- Lack of top management involvement and support.
- Lack of understanding of the philosophy behind MBO.
- Difficulty in setting realistic and meaningful objectives.
- Increased time pressure.
- Lack of relevant skills.
- Lack of individual motivation.
- Poor integration with other systems

# Case Study:

As a part of the company's management development programme, a group of managers from various functional areas have devoted several class sessions to a study of motivation theory and the relevance of such knowledge to the manager's responsibility for directing and controlling the operations of his organizational units. One of the participants in the programme is Ashok Seth, who has been a Supervisor in the Production department for about a year. During the discussion session, Ashok Seth, made the observation:

# Case Study:

‘Motivation theory makes sense in general, but there is really no opportunity for me to apply these concepts in my job situation. After all, our shop employees are unionized and have job security and wage scales that are negotiated and are not under my control. The study of motivation concepts has given me some ideas about how to get my sons to do their home work, but it has not given me anything I can use on the job. Further more, in a working situation, we are all dealing with adults, and it seems to me this reward and punishment thing smacks of personal manipulation that just won't go over with people

# Case Study:

## Questions:

- a) What is the problem in this case?
- b) In what respects Ashok Seth is correct in his comment about not having any opportunity to apply motivational concepts in his job situations?
- c) Offer practical suggestions to apply motivational concepts in job situations.