

# BCA512 : ORGANISATION BEHAVIOUR

## Unit – 1

### INTRODUCTION:

The study of Organisational Behaviour (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organisational behaviour relates to the expected behaviour of an individual in the organisation.

No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual. There are no absolutes in human behaviour. It is the human factor that is contributory to the productivity hence the study of human behaviour is important.

Organisational behaviour is not a discipline in the usual sense of the term, but is rather an eclectic field of study involving the integration of the behavioural sciences (e.g., psychology, sociology, anthropology, etc.) into the study of people's behaviour within organisations. While those who conduct research in organisational behaviour often come from business schools, they may have their roots in diverse areas such as political science, sociology, psychology, or anthropology. It is the integration of relevant knowledge of these areas that has given us a new field of study-organisational behaviour.

Thus, Organisational Behaviour is combination of two words i.e., Organisation and Behaviour. **Organisation** is a group of people who are collected to work for a common goal with collective efforts and **Behaviour** is a verbal or physical

response shown by a person as a consequence of the impact of his/her surroundings.

OB is the study of individual behaviour in isolation, when in group and as a part of an organisation. The study of individual behaviour only, would be incomplete because behaviour is affected by the people surrounding us as well as by the organisation, in which we work. Studying only individuals or only organisations would be of no use. It is essential to study both simultaneously.

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

According to **L. M. Prasad**, “Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems.”

According to **Davis and Newstrom**, “Organisational behaviour is the study and application of knowledge about how people act within organisations.”

According to these definitions, the basic ingredients of OB are the same, that is. understanding, predicting, and controlling human behaviour though both treat OB as a field of study in different forms a branch of the social science or a subset of management activities.

Thus, OB is primarily concerned with that aspect of human behaviour which is relevant for organisational performance. It studies human behaviour at individual

level, group level, and organisational level. It applies the knowledge gained about individuals, groups, and the effect of organisation structure on behaviour towards the end of making organisations work more effectively.

### **NEED AND IMPORTANCE OF ORGANISATIONAL BEHAVIOUR:**

- Skill Development - Abilities and Knowledge of employees.
- Understanding level of motivation and satisfaction of employees.
- Helps in increasing efficiency of the organisation.
- To create healthy and ethical environment in the organisation.
- OB helps in utilizing the resources to the optimum level.
- It helps in predicting behaviour of group and individuals.
- Helps in tackling the human problems.

### **FUNDAMENTAL ELEMENTS OF ORGANISATIONAL BEHAVIOUR:**

The key elements in organizational behaviour are people, structure, technology and the external elements in which the organization operates. When people join together in an organization to accomplish an objective, some kind of infrastructure is required. People also use technology to help get the job done, so there is an interaction of people, structure and technology. In addition, these elements are influenced by the external environment, and they influence it. Each of the four elements of organizational behaviour will be considered briefly.

- 1. People:** People make up the internal social system of the organization. They consist of individuals and groups, and large groups as well as small ones. People are the living, thinking, feelings beings who created the

organizations. It exists to achieve their objectives. Organizations exist to serve people. People do not exist to serve organizations. The work force is one of the critical resources that need to be managed. In managing human resources, managers have to deal with:

- Individual employee who are expected to perform the tasks allotted to them
- Dyadic relationships such as superior-subordinate interactions
- Groups who work as teams and have the responsibility for getting the job done
- People outside the organization system such as customers and government officials

**2. Structure:** Structure defines the official relationships of people in organizations. Different jobs are required to accomplish all of an organization's activities. There are managers and employees, accountants and assemblers. These people have to be related in some structural way so that their work can be effective. The main structure relates to power and to duties. For example, one person has authority to make decisions that affect the work of other people. Organizations can be structured as relatively rigid, formalized systems or as relatively loose, flexible systems. Thus the structure of the organizations can range on a continuum of high rigidity to high flexibility. Some of the key concepts of organization structure are listed as below:

- **Hierarchy of Authority:** This refers to the distribution of authority among organizational positions and authority grants the position holder certain rights including right to give direction to others and the right to punish and reward.

- **Division of Labour:** This refers to the distribution of responsibilities and the way in which activities are divided up and assigned to different members of the organization is considered to be an element of the social structure.
- **Span of Control:** This refers to the total number of subordinates over whom a manager has authority.
- **Specialization:** This refers to the number of specialities performed within the organization.
- **Standardization:** It refers to the existence of procedures for regularly recurring events or activities.
- **Formalization:** This refers to the extent to which rules, procedures, and communications are written down.
- **Centralization:** This refers to the concentration of authority to make decision.
- **Complexity:** This refers to both vertical differentiation and horizontal differentiation. Vertical differentiation: outlines number of hierarchical levels; horizontal differentiation highlights the number of units within the organization (e.g departments, divisions)

**3. Technology:** Organizations have technologies for transforming inputs and outputs. These technologies consist of physical objects, activities and process, knowledge, all of which are brought to bear on raw materials labor and capital inputs during a transformation process. The core technology is that set of productive components most directly associated with the transformation process, for example, production or assembly line in manufacturing firm. Technology provides the physical and economic resources with which people work. They cannot accomplish much with their bare hands, so they build buildings, design machines, create work

processes and assemble resources. The technology that results has a significant influence on working relationships. An assembly line is not the same as a research laboratory, and a steel mill does not have the same working conditions as a hospital. The great benefit of technology is that it allows people to do more and better work, but it also restricts people in various ways. It has costs as well as benefits.

**4. Environment:** All organizations operate within an external environment. A single organization does not exist alone. It is part of a larger system that contains thousands of other elements. All these mutually influence each other in a complex system that becomes the life style of the people. Individual organization, such as a factory or school cannot escape from being influenced by this external environment. It influences the attitudes of people, affects working conditions, and provides competition for resources and power. Every organization interacts with other members of its environment. The interactions allow the organization to acquire raw material, hire employees, secure capital, obtain knowledge, and build, lease or buy facilities and equipment. Since the organization process a product or service for consumption by the environment, it will also interact with its customers. Other environmental actions, who regulate or over see these exchanges, interact with the organization as well (distributors, advertising agencies, trade associations, government of the countries in which business is conducted). Two Distinct Sets of Environment are :

- **Specific Environment:** This includes the suppliers, customers, competitors, governments' agencies, employees, unions, political parties etc.
- **General Environment:** It includes the economic, political, cultural, technological and social factors in which the organization embedded. Organizations are embedded in an environment within

which they operate. Some of the external factors may be completely beyond the control of the organization to change, such as the cultural, social or economic, or governmental aspects. However, many of the other factors such as sizing up the market, being in tune with the technological changes takes place, being a step ahead of competition, or stocking up and buffering supplies when certain materials are likely to be in short supply, are all within the control of the organization. Effectively managing these situations, however, requires constant and close vigilance, adaptability to changes, and being able to manage problematical situations through good decisions making. Those organizations which are proactive (that is, watchful and take action before crisis situations occur) and can manage their external environment are more effective than those that are reactive (that is, caught off guard and wake up after facing the crises situation) and are unable to cope effectively.

## **NATURE AND SCOPE OF ORGANISATIONA BEHAVIOUR:**

Organisational behaviour is emerging as a separate field of study. Therefore, its nature is likely to change over the period of time. However, its present nature can be identified as follows:

- 1. A Field of Study and not a Discipline:** Organisational behaviour can be treated as a distinct field of study and not a discipline or even emerging discipline. A discipline is an accepted science with a theoretical foundation that serves as the basis for research and analysis. Organisational behaviour, because of its broad base, recent emergence, and interdisciplinary orientation, is not accepted as science. We have just begun to synthesise principles, concepts, and processes in this field of enquiry. Therefore, it is reasonable to call it a field of study rather than a discipline.

- 2. Interdisciplinary Approach:** OB is basically an interdisciplinary approach. An interdisciplinary approach integrates the relevant knowledge drawn from different disciplines for some specific purpose. As discussed later, OB draws heavily from psychology, sociology and anthropology. Besides, it also takes relevant things from economics, political science, law, and history. These disciplines exist separately, but OB integrates the relevant contents of these disciplines to make them applicable for organisational analysis. Thus, OB is nothing apart from the integration of knowledge from different disciplines.
- 3. Normative Science:** OB is a normative science. A normative science, unlike the positive science which suggests only cause-effect relationships, prescribes how the various findings of the researches can be applied to get organisational results which are acceptable to the society. Thus, what is acceptable by the society or individuals engaged in an organisation is a matter of value to the people concerned. This aspect cannot be explained by positive science. The normative nature of OB is underscored by the proliferation of theories about management styles, ranging from 'how to prescriptions to polemics about change in basic practices.
- 4. Humanistic and Optimistic:** OB focuses the attention on people from humanistic point of view. It is based on the belief that needs and motivation of people are of high concern. There is an acceptance of the value of the individual as a thinking, feeling organism, and without these considerations, the organisation may not be fully operational as a social entity. Further there is optimism about the innate potential of man to be independent, creative productive, and capable of contributing positively to the objectives of the organisation. The man will actualise this potential if proper conditions and environments are given to him.



- 5. Oriented towards Organisational Objective:** OB, being an applied science and emphasising human aspect of the organisation, is oriented towards organisational objectives. Though an organisation may have several objectives and sometimes conflicting with individual objectives, it should not be understood that OB only emphasises the achievement of individual objectives at the cost of organisational objectives. In fact, OB tries to integrate both types of objectives so that these are achieved simultaneously. For this purpose, it suggests behavioural approaches.
- 6. Science as well art:** Ob is both science and art. The systematic knowledge about human behaviour is a science. The application of behavioural knowledge and skills are about art. It cannot provide specific answers to all organisational problems.

### **OBJECTIVES OF ORGANISATIONAL BEHAVIOUR:**

The main objective of Organizational Behaviour is to understand the human interactions in an organization, find what is driving it and influence it for getting better results in attaining business goals. The organizations in which people work affect their thoughts, feelings, and actions. These thoughts, feelings, and actions, in turn, affect the organization itself. Organizational behaviour studies the mechanisms governing these interactions, seeking to identify and foster behaviours conducive to the survival and effectiveness of the organization. Organizational behaviour's objective is to set up an organizational culture, hiring the best people and creating meaningful connections among them, resolving the conflicts, developing the qualities of the employees, and establish a firm and clear leadership chain.

The objectives of OB are:

- 1. Job Satisfaction:** Understanding organizational behaviour can shed light on the factors that can foster or hamper job satisfaction, such as physical settings, organizational rewards and punishments or work-group characteristics. Job satisfaction, in turn, can foster higher productivity and reduced turnover, while providing more leverage for the recruitment of top talent.
- 2. Finding the Right People:** organizational behaviour can help find the right mix of talents and working styles required for the achievement of the task at hand. This can assist in deciding who to include in a team or task force, as well as in deciding who to promote to a leadership position or even the ideal profile for new hires.
- 3. Leadership and Conflict Resolution:** Organizational behaviour can assist in fostering leadership, pro-activity and creative problem-solving. When creativity is allowed, the divergence of opinions is unavoidable, but organizational behaviour can provide the leadership and the arbitrage dynamics required for turning conflicts into constructive idea exchanges.
- 4. Understanding the Employees Better:** Organizational behaviour studies help us understand why employees behave the way they do, and also thereby predict how they are going to behave in the future.
- 5. Understand how to Develop Good Leaders:** Organizational behaviour patterns help in predicting who among the employees have the potential to become leaders. They also teach us how to mould these employees so that their leadership potential is utilized to its fullest.

**6. Develop a Good Team:** An organization is only as good as the weakest member of its team. All members of the team work in coordination and must be motivated to work together to achieve the best results. The teamwork theories of organizational behaviour are an essential tool in the hands of any manager.

**7. Higher Productivity:** All of this leads us to the most important goal of achieving the highest productivity in realizing the visions and goals of any organization. If implemented well, the organizational behaviour principles help in motivating all the members to do their best. The levels of motivation can be the difference between a good and a bad result.

### **CONTRIBUTORY DISCIPLINES TO OB:**

OB is not a discipline in itself but it uses knowledge developed in the relevant disciplines. OB basically draws concepts and principles of behavioural sciences and the core disciplines of behavioural sciences are psychology, sociology, social psychology and anthropology. Since these disciplines themselves are part of social sciences, it can be said that OB draws something from social sciences like economics, history, and political science.

OB draws knowledge from all these disciplines but it does not draw the whole knowledge of these disciplines but only the relevant knowledge which helps in predicting and directing human behaviour in the organisation. The contributions of core disciplines of behavioural sciences to organisational behaviour are as follows:

**1. Psychology:** The term psychology comes from the Greek word 'psyche' meaning soul or spirit. Modern psychology is almost universally defined as the science of behaviour which is nearly identical with behavioural science, in general. Though there are two other disciplines which make

behavioural science, psychology is more closely identified with overall behavioural science. Psychology is a science of behaviour, the term behaviour being interpreted literally, for it comprehends not only objective and subjective form of human behaviour but also the behaviour of the animals, Psychology studies behaviour in various conditions-normal, abnormal, social, industrial, legal; childhood, adolescence, old age, etc. It also studies processes of human behaviour, such as learning, thinking, memory, sensation. perception, emotion, feeling, and personality. Its contributions to behavioural science, as applied to managerial practices, are in the field of learning. perception, motivation, individual and group decision making, pattern of influence, and change in organisations, group process, vocational choice and satisfaction, communication, and personnel selection and training In fact, there is a separate branch of industrial psychology which deals with the application of psychological facts and principles to the problems concerning human relations in organisations. Human relations is the integration of human factor into work situation which motivates it to work together effectively providing it social, psychological, and economic satisfaction. From this point of view, the contribution of psychology is quite significant.

- 2. Sociology:** Sociology can be described as an academic discipline that utilises the scientific method in accumulating knowledge about man's social behaviour. It studies the patterned, shared human behaviour: the way in which people act toward one another. It specifically studies social groups, social behaviour, society, customs, institutions, social class, status, social mobility, and prestige. It has also developed sub-fields of political sociology, industrial sociology, sociology of law, family sociology, educational sociology, and sociology of religion. To the managerial practice, its contribution is mainly in the field of bureaucracy, role

structures, social system theory, group dynamics, effect of industrialisation on the social behaviour, etc. Sociological concepts, theories, models, and techniques help significantly to understand better the group dynamics, organizational culture, formal organization theory and structure, corporate technology, bureaucracy, communications, power, conflict, and intergroup behaviour.

**3. Social Psychology:** It has been defined as the scientific investigation of how the thoughts, feelings, and behaviour of individuals are influenced by the actual, imagined or implied the presence of others. It deals with how people are affected by other individuals who are physically present or who are imagined to be present or even whose presence is implied. In general, sociology focuses on how groups, organizations, social categories, and societies are organized, how they function, how they change. The unit of analysis is the group as a whole rather than the individuals who compose the group. Social Psychology deals with many of the same phenomena but seeks to explain whole individual human interaction and human cognition influences culture and is influenced by culture. Social Psychologists study an enormous range of topics including conformity, persuasion, power, influence, obedience, prejudice, discrimination, stereotyping, sexism and racism, small groups, social categories, inter-group behaviour, crowd behaviour, social conflict, social change, decision making, etc. Among them, the most important topics relevant to the organizational behaviour field are behavioural change, attitude change, communication, group process, and group decision making.

**4. Anthropology:** The term anthropology combines the Greek stem 'anthropo' meaning man and the noun ending 'logy' meaning science. Thus; anthropology can be defined as the science of man. It particularly

studies forms of cultures and their impact on individuals and groups. The main aim of anthropology is to acquire a better understanding of the relationship between the human being and the environment. Adaptations to surroundings constitute culture. The manner in which people view their surroundings is a part of the culture. Culture includes those ideas shared by groups of individuals and languages by which these ideas are communicated. In essence, culture is a system of learned behaviour. Their work on culture and environment has helped us to understand differences in fundamental values, attitudes, and behaviour among people in different countries and within different organizations. Anthropologists contribute to study some aspects of organizational settings – similar values, comparative attitudes, cross-cultural analysis between or among the employees.