

INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

What are Organizations?

Groups of people who work interdependently considering the following:

- Structured patterns of interaction
- Coordinated tasks
- Working towards some purpose

What is Organizational Behaviour?

Organizational behaviour (OB): The study of factors that have an impact on how people and groups act, think, feel, and respond to work in organizations, and how organizations respond to their environments.

NATURE OF ORGANIZATIONS

Organization is a social system: All employees of the organization are social beings. The organizational environment is not static. All parts of the organizational system are independent and are subject to influence by other parts of the organization

Mutuality of interests: Organizations have a human purpose. Organizations help people achieve their own personal objectives at the same time people help organizations achieve its objectives.

Basic Assumptions of Study of Organizational Behaviour

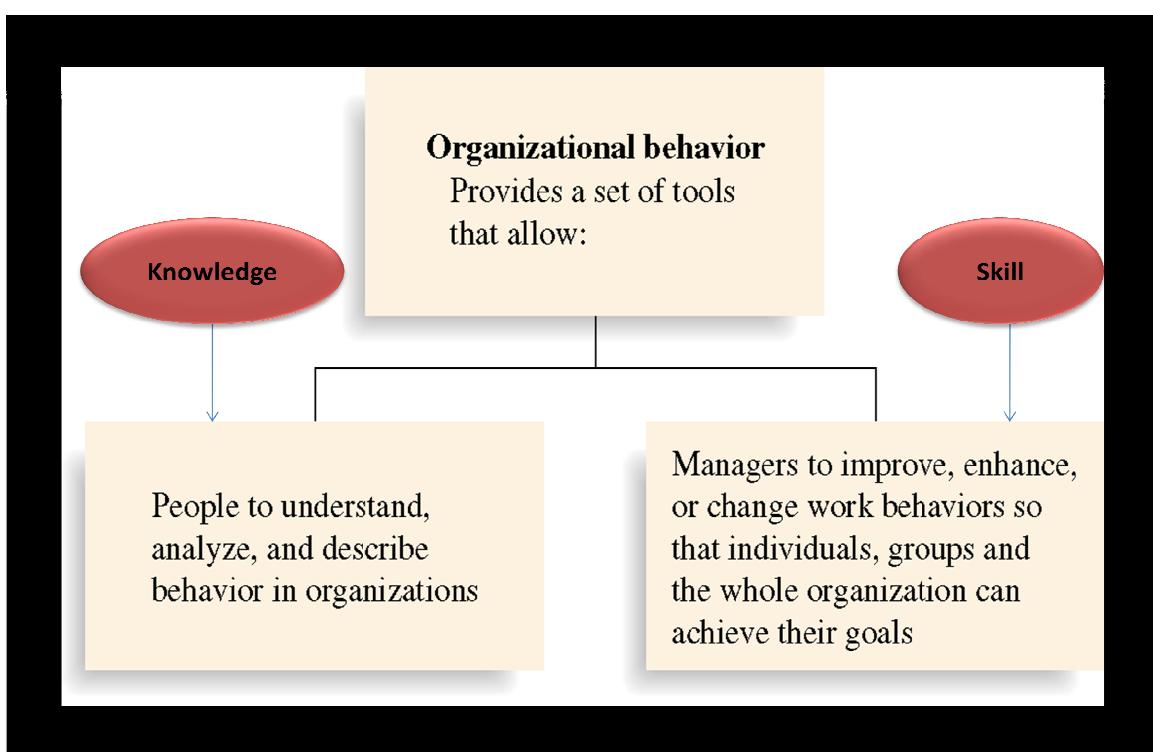
- An industrial enterprise is an organization of people
- These people must be motivated to work effectively
- The goals of the employee and the employer may not necessarily coincide
- The policies & procedures adopted in an enterprise may influence people in the directions not always foreseen by the policy makers

WHY STUDY OB?

Field of study that investigates the impact that individuals, groups, and structure have on behaviour in organizations for the purpose of applying such knowledge towards improving an organization's effectiveness (Stephen Robbins)

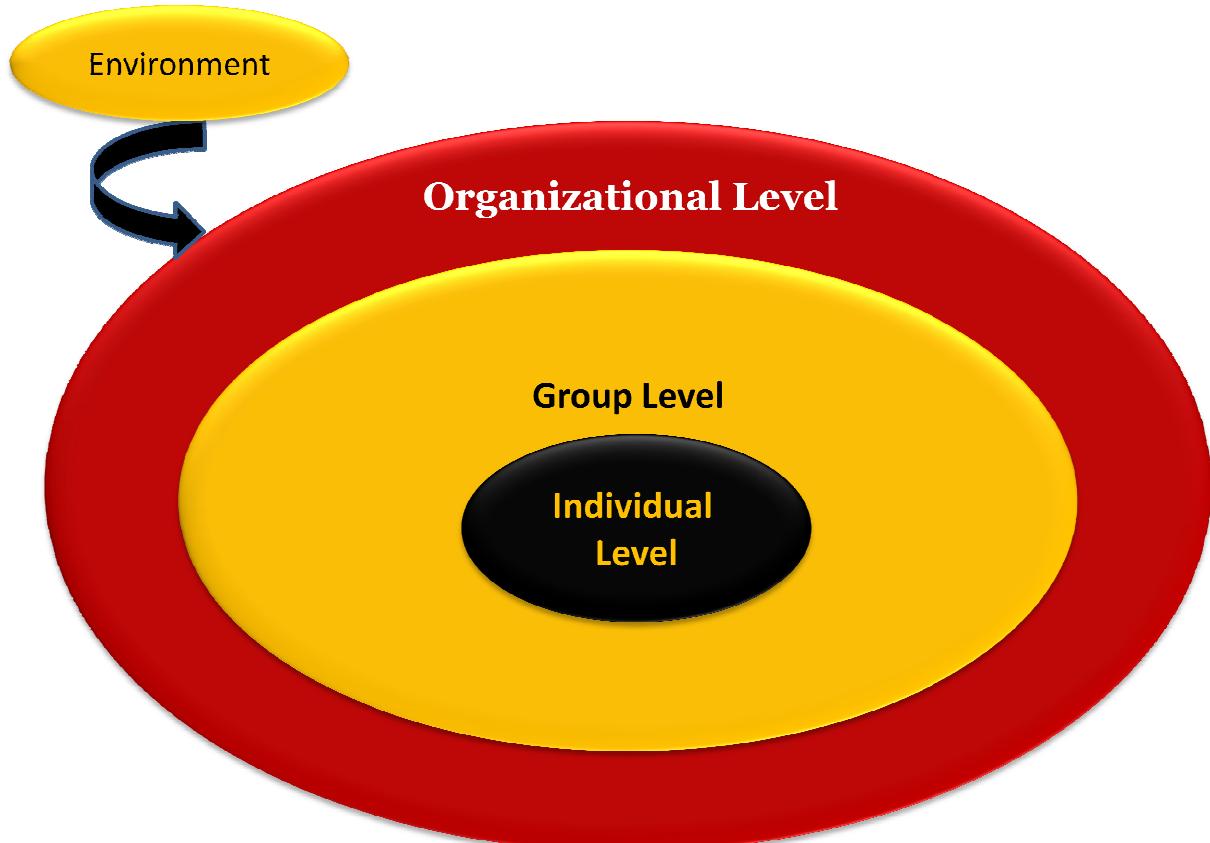
Skills you learn from OB

- Understanding and management of Human resource
- Analyzing and interpreting human behaviour related information
- People skills
- Crisis management
- Understanding and handling power and politics
- Effective application of skills and knowledge

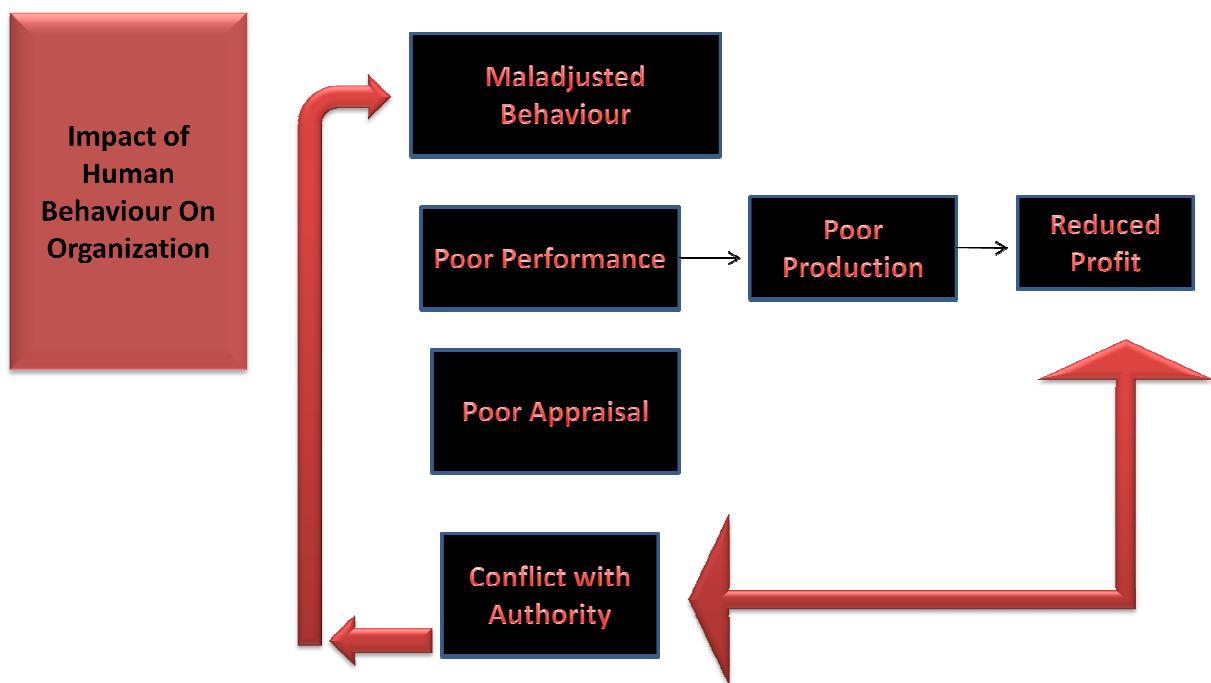


This Figure illustrates how organizational behaviour concepts and theories allow people to correctly understand, describe, and analyze the characteristics of individuals, groups, work situations, and the organization itself.

The Figures in the next page illustrate the relationship among individual level, group level and organizational level and the environment and impact of human behaviour on organization respectively.



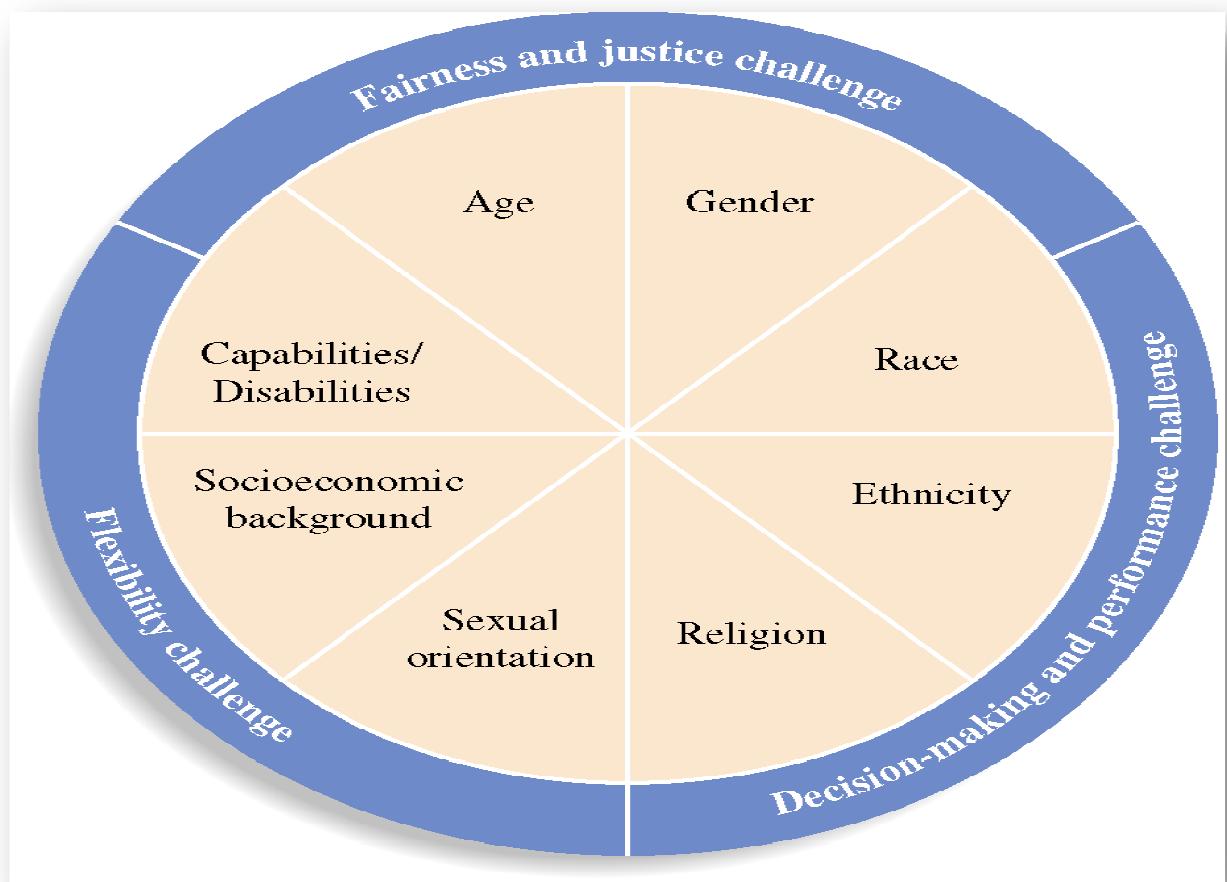
Relationship among individual level, group level and organizational level and the environment



Challenges of OB

- 1: Changing Social/ Demographic/ Cultural Environment
- 2: Evolving Global Environment
- 3: Advancing Information Technology
- 4: Shifting Work/ Employment Relationships

Work force diversity



The first challenge is the changing social and cultural environment. Forces in the social and cultural environment are those that are due to changes in the way people live and work – changes in values, attitudes, and beliefs brought about by changes in a nation's culture and the characteristics of its people.

National culture is the set of values or beliefs that a society considers important and the norms of behaviour that are approved or sanctioned in that society. Over time, national cultures change and this affects the values and beliefs of each nation's members.

Ethics scandals have hit many companies recently including Tyco, Adelphia, Enron, and Arthur Andersen. An organization's ethics are the values, beliefs, and moral rules its managers and employees should use to analyze or interpret a situation and then decide what is the most appropriate way to behave. Ethical organizational behaviour affects the well-being (happiness, health, and prosperity) of a nation, an organization, citizens, and employees.

Ethics also define an organization's social responsibility – its obligations toward people or groups outside the organization that are directly affected by its actions.

Diversity is differences resulting from age, gender, race, ethnicity, religion, sexual orientation, and socioeconomic background, and capabilities/ disabilities. The increasing diversity of the work force presents three challenges for organizations and their managers: a fairness and justice challenge, a decision-making and performance challenge, and a flexibility challenge.

A goal to increase diversity can strain an organization's ability to satisfy the aspirations of at least part of its work force. Actively recruiting and promoting minorities can lead to difficult equity issues.

How can organizations benefit from the attitudes and perspectives of people with diverse backgrounds?

The third diversity challenge is to be sensitive to the needs of different kinds of employees and to try to develop flexible employment approaches that increase their well-being. Examples include new benefits packages customized to needs of different groups of employees (e.g., domestic partner benefits), flex-time, job sharing and mentoring.

Managers in Organization

Managerial Roles

Interpersonal Role:

- Figurehead role
- Leadership role
- Liaison Role

Informational Role:

- Monitoring role
- Information Disseminator Role

Decision Role:

- Resource Allocator
Ex: IBM under Louis Vincent Gerstner Jr.
- Entrepreneur Role
Ex: Dhirubhai Ambani
- Conflict Handler

Managerial Functions

- Planning
- Organizing
- Staffing
- Leading
- Controlling

Planning

- Establishing Goals and Standards
- Developing Rules and Procedures
- Developing Plans and forecasting

Organizing

- Establishing internal organizational structure of business
- Giving each subordinate a specific task
- Establishing Departments
- Delegating authority to subordinates
- Establishing channels of authority and communication
- Coordinating the work of subordinates

Staffing

- Hiring: Determining what type of people should be hired
- Recruiting prospective employees
- Selecting employees
- Setting Performance standards
- Compensation of employees
- Evaluating performance
- Counselling employees
- Training and development of employees

Leading/Directing

- Getting the job done - towards organizational goals
- Maintaining Morale
- Motivation: motivating subordinates

Controlling

- Setting standards such as sales quotas, quality standards, or production levels
- Checking to see how actual performance compares with these standards
- Taking corrective action as needed

Managerial Skills

- Technical Skill: Hands-on skill
- Interpersonal Skill: Ability to get along with people
- Conceptual Skill : Ability to see the big Picture

The most valuable organ of an organization is the human resource