

UNIT – 1

ORGANIZATIONAL BEHAVIOR

MEANING & DEFINITION :

Organizational Behavior is concerned with the understanding, prediction and control of human behavior in organizations. It focuses on the individuals, the groups and the organization and also on their interaction 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 behavior of people in all types of organizations. Wherever organizations are, there is a need to understand organizational behavior.

According to Fred Luthans, “Organizational behavior is directly concerned with the understanding, prediction and control of human behavior in organizations.”

Need for OB

1. **Understanding Human Behavior**
 - Helps managers understand employees' attitudes, emotions, and motivations.
2. **Improving Employee Performance**
 - OB identifies factors affecting productivity, efficiency, and creativity.
3. **Managing Diversity**
 - Modern organizations have employees from different cultures, ages, and backgrounds.
4. **Handling Change**
 - Helps employees adapt to technological changes and organizational restructuring.
5. **Reducing Conflicts**
 - Understanding behavior helps in resolving interpersonal and group conflicts.
6. **Enhancing Job Satisfaction**
 - OB helps create a positive work environment.

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 performances.

NATURE :

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 behavioral 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 behavior in work organizations.
3. OB is a human tool for human benefit. It helps in predicting the behavior of individuals.
4. OB is inter-disciplinary field of study. It tries to synthesize knowledge drawn from various behavioral and social sciences such as Psychology, Sociology, Anthropology, Political-science, Economics, etc. In fact, OB is an applied behavioral sciences.
5. OB involves three levels of analysis of behavior-individual behavior, group behavior and behavior 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 behavior is a science. The application of behavioral knowledge and skills clearly leans towards being an art.
8. OB seeks to fulfil 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 behavior within organizations, for the purpose of applying such knowledge towards improving an organization’s effectiveness”.

The scope of OB involves three levels of behavior in organizations: individuals, groups and structure.

1. Individual Behavior

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

2. Group Behavior

- (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

Organizational Behaviour Framework

The **Organizational Behaviour (OB) Framework** explains how behaviour within an organization is influenced by various factors operating at the **individual, group, and organizational levels**. It helps in understanding how people think, feel, and act in the workplace, and how these actions affect outcomes such as **performance, job satisfaction, and organizational effectiveness**.

The framework is commonly explained using the **Input–Process–Output (IPO) model**. According to this model, inputs represent the factors that influence behaviour, processes describe how these factors interact, and outcomes represent the final results of behaviour. This model provides a systematic and logical way to analyze organizational behaviour.

1. Inputs

Inputs are the **factors that exist before behaviour occurs**. They create the foundation upon which employee behaviour is shaped.

a) Individual-Level Inputs

Individual-level inputs are personal characteristics that employees bring with them to the workplace.

- **Personality** refers to the stable patterns of behaviour, thoughts, and emotions of an individual. It influences how a person responds to work situations, handles stress, and interacts with others.
- **Values** represent an individual's beliefs about what is right or wrong. Values guide ethical behaviour and influence decisions at the workplace.
- **Attitudes** indicate how employees feel about their job, organization, and colleagues. Positive attitudes generally lead to higher satisfaction and commitment.
- **Perception** is the way individuals interpret and understand their work environment. Differences in perception may lead to different reactions to the same situation.
- **Skills and abilities** refer to the technical, interpersonal, and problem-solving capabilities of an employee. These determine how effectively a person can perform assigned tasks.

b) Group-Level Inputs

Group-level inputs arise when individuals work together in teams or groups.

- **Leadership** influences group behaviour by guiding, motivating, and directing team members toward goals.
- **Group structure and roles** define responsibilities, authority, and expectations of each member within the group.
- **Team dynamics** refer to the patterns of interaction, cooperation, and trust among group members, which affect group performance.
- **Communication patterns** determine how information flows within the group and how effectively members share ideas and feedback.

c) Organizational-Level Inputs

Organizational-level inputs are factors related to the organization as a whole.

- **Organizational culture** consists of shared values, beliefs, and norms that guide employee behaviour.
- **Organizational structure** defines reporting relationships, hierarchy, and division of work within the organization.
- **Human Resource (HR) policies** include recruitment, training, performance appraisal, and reward systems, which strongly influence employee behaviour.
- **Technology and work environment** affect efficiency, comfort, and the way work is performed in the organization.

2. Processes

Processes are the **mechanisms through which inputs are transformed into actual behaviour**.

- **Motivation** determines the level of effort employees are willing to put into their work.
- **Leadership** influences employees by providing direction, support, and inspiration.
- **Communication** ensures effective exchange of information and reduces misunderstandings.
- **Decision-making** involves choosing the best course of action from available alternatives.
- **Conflict management** deals with resolving disagreements among individuals or groups in a constructive manner.
- **Learning and development** help employees improve skills and adapt to organizational changes.

3. Outcomes

Outcomes are the **results produced by organizational behaviour** and can be observed at different levels.

a) Individual Outcomes

- **Job satisfaction** reflects the extent to which employees are happy with their job.
- **Stress** indicates the level of physical and mental pressure experienced at work.
- **Engagement** shows the level of involvement, enthusiasm, and commitment to work.
- **Performance** measures how well an employee accomplishes assigned tasks.

b) Group Outcomes

- **Team performance** refers to how effectively a group achieves its objectives.
- **Cohesion** represents the level of unity and cooperation among group members.
- **Quality of decisions** indicates how effective and appropriate group decisions are.

c) Organizational Outcomes

- **Productivity** measures the efficiency of converting inputs into outputs.
- **Effectiveness** reflects the extent to which organizational goals are achieved.
- **Employee retention** shows the organization's ability to retain talented employees.
- **Innovation** represents the organization's capacity to develop new ideas, products, or processes.

4. Feedback

Feedback is an essential part of the Organizational Behaviour framework.

- Outcomes provide **feedback to inputs and processes**, helping managers understand what is working and what is not.

- Feedback supports **continuous improvement** by allowing corrective actions to be taken.
- The presence of feedback makes the OB framework **dynamic and flexible**, enabling organizations to adapt to change.

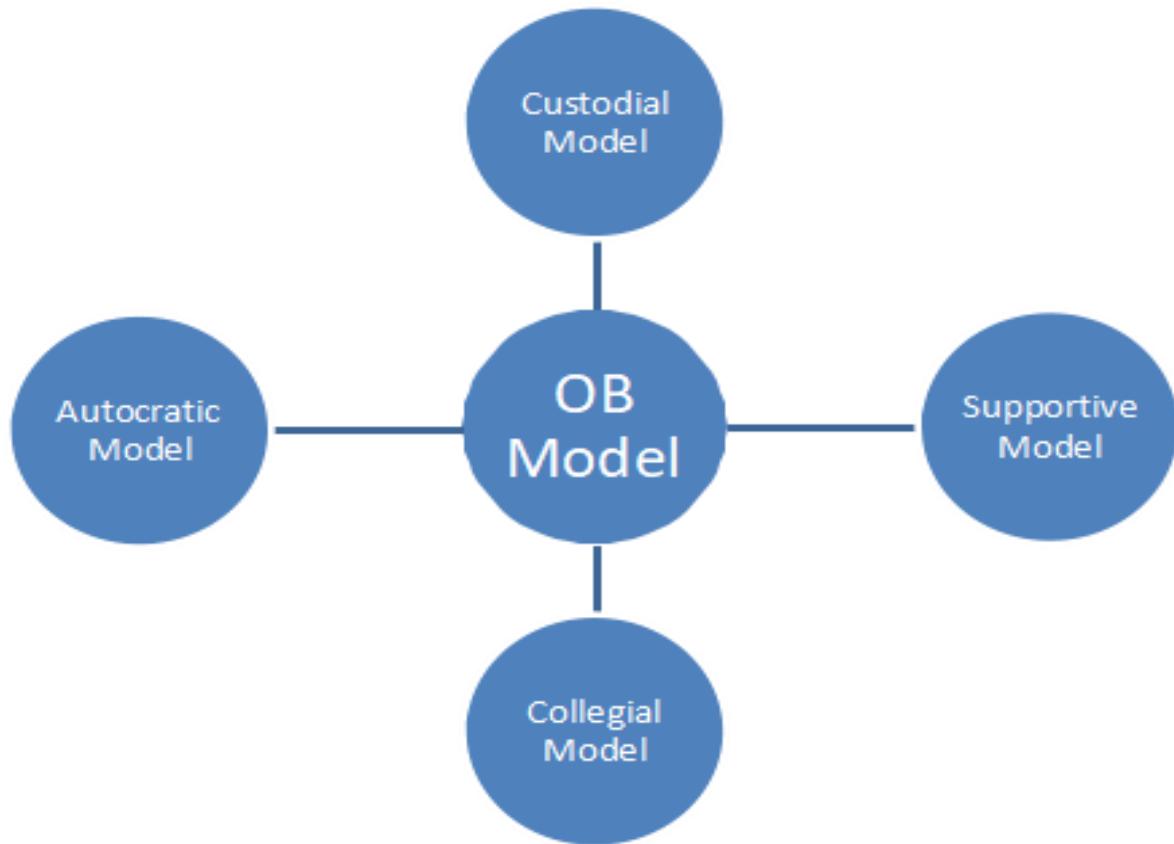
MODELS OF ORGANISATIONAL BEHAVIOUR

Every organization develops a particular type of culture or value system or a model according to which people of an organization are supposed to behave. And the system is developed by taking into account the assumptions of the management regarding people, mission and management vision. The assumptions on which an organization's culture is based vary greatly from one organization to another, and so do the **ORGANIZATIONAL BEHAVIOUR MODELS**.

In the starting of civilized human society, there were two forms of strategies for the people in action, one says "trust anyone unless there is proof to the contrary" and an additional says "trust no one unless there is evidence to the contrary." Obviously, in such organizations the interactions between people take place differently according to these two approaches.

"McGregor" specified "theories X and Y and each theory makes assumptions which are quite contrary to each other"; Argyris specified "the concept of immaturity and maturity of people which also provides two opposite views about the people". Ergo, Models of Organizational behavior built on the basis of different decisions or assumptions represent Beat variations. OB models that are in practice, however, show some sort of continuum between these two opposite poles, although they tend to lean towards a specific pole. "Davis" has described four OB models which are as follows:

- 1. Autocratic**
- 2. Custodial**
- 3. Supportive**
- 4. Collegial.**



Autocratic Model

In the autocratic model there is managerial orientation toward power. Managers see power as the only way to get the job done, and employees are forced to obey orders which lead to high boss dependence. The Organizational mechanism is largely formalized; power is delegated by the right of command to the individuals to whom it refers. The model is largely based on the “Theory of X assumptions of Mc Gregor where the human beings are taken inherently distasteful to work and try to avoid responsibility”. In this model employees are closely and strictly supervised in order to attain desired performance. Employees are supposed to obey the order of the managers and there is no place for employee's suggestion in this model which sometimes results in minimal performance.

Custodial Model

Under this model, the key goal relating to management is to use money or resources to support workers. Employee works towards security attainment and in return organization uses the organization's economic resources to benefit the organization's employees which lead to high employee dependence on organization. Employee Organizational reliance reduces personal dependence on boss. Employees in this model feel satisfied when working and their performance level is a little higher than the autocratic Organizational model but overall performance is not that good. This model Is similar to the more satisfying and dissatisfying Herzberg theory. Employees get sufficient respect and Organizational protection according to this model, they feel satisfied but they are not given any kind of authority to determine what benefits or incentives they will receive. This model is quite common in many Indian business Organizations.

Supportive Model

In this supportive model managers are very supportive towards employees. Here Managerial leadership is the key criterion of Organizational behavior, rather than using money or influence or authority. The main goal is to assist employees in achieving results with the aid of employee involvement and participation in managerial decision making process. The model is based on "Likert's supporting partnership values, which is the fundamental component of his program 4(participatory)." "Likert" notes that full manager-employee interactions will occur. The job of the manager is to support and inspire the subordinates to carry out their mission, rather than closely supervise them. In this model, employee output is much higher than the autocratic and custodial model, because employees have a sense of belonging due to managers' positive attitude towards them.

Collegial Model

This model is an extension of the positive model. Within this model all employees work for a common target. Collegial meaning implies a community of shared-intentioned individuals. Therefore, the collegial model, suggests the concept of a partnership in which a high degree of understanding is established between the two in order to accomplish common objectives. This model requires less guidance and control from the side of management. And the organization's environment is so favorable that Regulation is essentially carried out by team

members by self-discipline. Collegial model is more useful where there is flexibility in behaviour, an intellectual environment and considerable freedom of employment.

FOUR MODELS OF ORGANIZATIONAL BEHAVIOR

	<u>AUTOCRATIC</u>	<u>CUSTODIAL</u>	<u>SUPPORTIVE</u>	<u>COLLEGIAL</u>
Basis of Model	Power	Economic resources	Leadership	Partnership
Managerial Orientation	Authority	Money	Support	Teamwork
Employee Orientation	Obedience	Security and benefits	Job performance	Responsible behavior
Employee Psychological Result	Dependence on boss	Dependence on organization	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualization
Performance Results	Minimum	Passive co-operation	Awakened drives	Moderate enthusiasm