**Organisational Behaviour**

*Everything you need to know about organisational behaviour. The field of organisational behaviour deals with human behaviour in organisation.*

*It is the multidisciplinary field that seeks knowledge of behaviour in organisational settings by objective based on studying individual, group and oganisational processes.*

*The role and field of organisation behaviour is not only concerned with a particular organisation. The concepts and approaches of organisation behaviour are also more concerned with the society.*

*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.”*

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**Organisational Behaviour – Introduction**

The study of Organizational Behavior (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 organizational behavior relates to the expected behavior of an individual in the organization.

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 behavior of an individual. There are no absolutes in human behavior. It is the human factor that is contributory to the productivity hence the study of human behavior is important. Great importance therefore must be attached to the study.

Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behavior.

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behavior that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Preemptive actions need to be taken for human behavior forecasting.

The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behavior. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity.

An appropriate organizational culture can modify individual behavior. Recent trends exist in laying greater stress on organizational development and imbibing a favorable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved.

There is a need for commitment on the part of the management that should be continuous and incremental in nature.

**Organisational Behaviour – Meaning and Definitions: According to K Aswathappa, Stephen P. Robbins, L. M. Prasad, Newstram and a Few Others**

In words of K Aswathappa, “OB is the study of human behaviour in organisational setting, of the interface between human behaviour and organisation and of the organisation itself.”

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 Newstram, “Organisational behaviour is the study and application of knowledge about how people act within organisations.”

According to Fred Luthans, “Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organisations.”

In words of John Newstram and Keith Devis, “Organisational behaviour is the study and application of knowledge about how people as individuals and as groups act within organisations. It strives to identify ways in which people can act more effectively.”

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.

Personality, perception, learning, attitude, family background, training, motivation, job satisfaction, performance appraisal, leadership effectiveness, norms, values and ethics are the factors which affect the individual behaviour. Group dynamics, communication, organisational environment, individual and organisational culture affect group behaviour. Organisational structure, power & politics, status, relation with juniors & seniors, conflicts and culture affect the individual behaviour in the organisation.

These various factors relate to different disciplines including psychology, sociology, social psychology, political science, anthropology, etc.

Study about individual behaviour, group behaviour and organisations give the inferences about how different people react to different situations. It guides regarding the motivation styles and the leadership styles to be adopted for different persons. Due to the individual differences, diverse leadership styles, incentive schemes, motivators, communication styles should be applied.

**Study of organisational behaviour helps in studying:**

i. Why people behave in a particular way?

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ii. Why one person is more effective than the other?

iii. Why one group is more effective than the other?

iv. Why one person is more effective in one organisation as compared to the other organisations?

The study of above things gives sound knowledge about human behaviour and this knowledge can be applied in shaping the behaviour and taking various decisions related to policy making in human resource management.

**Organisational Behaviour – Scope**

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**The scope of the organizational behavior is as under:**

Impact of personality on performance

Employee motivation

Leadership

How to create effective teams and groups

Study of different organizational structures

Individual behavior, attitude and learning

Perception

Design and development of effective organization

Job design

Impact of culture on organizational behavior

Management of change

Management of conflict and stress

Organizational development

Organizational culture

Transactional analysis

Group behavior, power and politics

Job design

Study of emotions

The field of the organizational behavior does not depend upon deductions based on gut feelings but attempts to gather information regarding an issue in a scientific manner under controlled conditions. It uses information and interprets the findings so that the behavior of an individual and group can be canalized as desired.

Large number of psychologists, social scientists and academicians has carried out research on various issues related to organization behavior. Employee performance and job satisfaction are determinants of accomplishment of individual and organizational goals.

Organizations have been set up to fulfill needs of the people. In today’s competitive world, the organizations have to be growth-oriented. This is possible when productivity is ensured with respect to quantity of product to be produced with zero error quality. Employee absenteeism and turnover has a negative impact on productivity.

Employee who absents frequently cannot contribute towards productivity and growth of the organization. In the same manner, employee turnover causes increased cost of production. Job satisfaction is a major factor to analyze performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization.

Organizations are composed of number of individuals working independently or collectively in teams, and number of such teams makes a department and number of such departments makes an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective.

It is therefore important for all employees to possess a positive attitude towards work. They need to function in congenial atmosphere and accomplish assigned goals. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labor, efficient communication.

Benchmarking, re-engineering, job re-design and empowerment are some of the important factors so that an organization can function as well-oiled machine. This is not only applicable to manufacturing organizations but also to service and social organizations.

**Organisational Behaviour – Nature: A Separate Field of Study and Not a Discipline Only, An Interdisciplinary Approach, An Applied Science and a Few Others**

Organizational behaviour has emerged as a separate field of study.

**The nature it has acquired is identified as follows:**

**1. A Separate Field of Study and Not a Discipline Only:**

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi- interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

**2. An Interdisciplinary Approach:**

Organizational behaviour is essentially an interdisci­plinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from re­lated disciplines like psychology, sociology and anthro­pology to make them applicable for studying and analysing organizational behaviour.

**3. An Applied Science:**

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates of fundamental researches, the latter concentrates on applied researches. O.B. involves both applied research and its application in organizational analysis. Hence, O.B. can be called both science as well as art.

**4. A Normative Science:**

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

**5. A Humanistic and Optimistic Approach:**

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualise these potentials if they are given proper conditions and environment. Environment affects performance or workers working in an organization.

**6 A Total System Approach:**

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man’s socio- psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

**Organisational Behaviour – 6 Important Characteristics**

According the Keith Davis, ‘Organisational behaviour is an academic discipline concerned with understanding and describing human behaviour in an organisational environment’. It seeks to shed light on the whole complex human factor in organisations by identifying causes and effects of that behaviour.

Another definition provided by Joe Kelly states, ‘Organisational behaviour is the systematic study of the nature of organisations, how they begin, grow, develop, and their effect on individual members, constituent groups, other organisations and larger institutions’.

Modern organisational behaviour is characterised by the acceptance of a human resource model. It takes a more positive view of human beings. People are accepted as they are and not prejudged using stereotypes.

**Some of the important characteristics of organisational behaviour are discussed as follows:**

1. Organisational behaviour is a rational thinking, not an emotional feeling about people. The major goals of organisational behaviour are to explain and predict human behavioural in organisations. It is action-oriented and goal-directed.

2. Organisational behavioural seeks to balanced human and technical values at work. It seeks to achieve productivity by building and maintaining employee’s dignity, growth and satisfaction, rather than at the expense of these values.

3. Organisational behaviour integrates behavioural sciences. Many of its core concepts are borrowed from others fields and discipline like social psychology, sociology, and anthropology, etc.

4. Organisational behaviour is both a science and an art, the knowledge about human behaviour in organisations leans towards being science. Modern organisational behaviour is, at once, empirical, interpretative, and critical. It is an interpretative science in the pursuit of knowledge and meaning.

The basic purpose is to make meaningful the facts of organisational life. Modern OB is an optic perspective; a process for looking at events, a way of life. It has empirical facts, and interesting interpretations and powerful paradigms.

However it is an inaccurate science to provide specific answers to specific organisational problems. As such very little can be prescribed to consistently predict relationships between a variable on broad scale. The skills in applying the knowledge clearly lean towards being art.

5. Organisational behaviour exists at multiple like levels. Behaviour occurs at the individual, the group, and the organisational systems levels. Behaviour that is attributable to each of these levels can be both identified and isolated but at the same time these three levels interact with each other and OB-being affected by the behaviour of individuals, group level behaviour is affected by the organisational level phenomena and so on.

6. Organisational behaviour does not exist in vacuum. Organisations are made up of both social and technical components and therefore characterized as social-technical systems. The operational implication of this is that any approach of looking at behaviour must also take into account the technical component of organisation especially such issues as the nature of work and the technology. Organisations at the same time, must take into account the constructs of the working environment, for example, the extent to which the market and the product is changing.

**Organisational Behaviour – 3 Levels: Individual, Group and Organisational Level**

OB can be defined as actions and behaviors of individuals and groups towards and their impact on the organization’s overall functioning and performance. OB can be studied at various levels within an organization, and each level has a unique set of roles, responsibilities, and goals.

**Following points discuss the three levels briefly:**

1. Individual Level – Deals with the concepts at the individual level. Examples of individual-level concepts are perception, personality, learning, motivation, and attitude.

2. Group Level – Deals with the concepts at the group level. Examples of group-level concepts are team, conflict, leadership, power, and politics. Group-level concepts may include how groups are formed, how to make effective teams, how individually and collectively the group activities can be improved, how to motivate employees, and which type of group would be suitable for a particular assignment.

3. Organizational Level – Deals with the concepts at the organizational level. Examples of organizational-level concepts are change management and organizational culture. Other topics discussed at organizational level include the concept of organization, different organizational models, and organizational change along with its impact and implementation. The working conditions and stress management are also discussed at the organizational level.

**Organisational Behaviour – Four Major Models: Autocratic, Custodial, Supportive and Collegial**

There are four major models or frameworks that organizations operate out of-

1. Autocratic,

2. Custodial,

3. Supportive, and

4. Collegial.

**1. Autocratic:**

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

**2. Custodial:**

The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.

**3. Supportive:**

The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.

**4. Collegial:**

The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline. The employee need that is met is self-actualization. The performance result is moderate enthusiasm.

Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models.

The first model, autocratic, has its roots in the industrial revolution. The managers of this type of organization operate mostly out of McGregor’s Theory X. The next three models begin to build on McGregor’s Theory Y. They have each evolved over a period of time and there is no one best model. In addition, the collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

**Organisational Behaviour – Ethical Perspective on Organisational Behaviour (OB)**

**Emergence and Ethical Perspective:**

Organisational behaviour has emerged gradually, right from inception of social organisation. The main factor which promoted the growth of OB was understanding the needs and motives of the people engaged in organisational activities. Individual’s desires and wants were focused on the activities devoted to obtain material means of satisfaction of his wants.

In this context, one can observe that it has direct link between labour, capital and management. The fact that needs of the labour force have not been given adequate importance by the management. The discontent at the work places becomes severe due to bad working conditions, occupational diseases and the unhealthy atmosphere.

Poor workers had to work just for survival. There was no consideration to improve human relation to create behavioural satisfaction of the working class. The discontent at the work places becomes uncontrollable and resulted in industrial revolution in England in the latter half of the 18th century.

This action of the labour force brought them some relief in wages and relief measures in work places. In this regard, Robert Owen, a factory owner in Wales was the first person, who realised the needs of workers in his factory. He is sometimes referred to as the forerunner of Personnel Management.

The actual development of OB started from 1900 AD. The period witnessed scientific management of F.W. Taylor. He could inspire through his scientific management to a certain extent, workers to motivate their interest in work. Taylor advocated that improved working conditions can increase productivity. His approach made the initial momentum for OB. He believed in technical efficiency so much that this efforts could bring awakening among the workers.

It was during the First World War that ‘Human relation movement’ really got a significant support from the American Management Association, which took keen interest in the human factor in industry. This paved the way for the organisation for well-known conference in New York in 1918.

During this period Whiting Williams was conducting a research study on workers. Later on, he published his work entitled, “What is in the workers’ mind?” In the year 1920, The book of Williams had awakened thinking among the entrepreneurs and the intellectuals all over the world about importance of human relations in industry.

Elton Mayo and Roithlesberger of Harvard University stressed the importance of “Human behaviour at work places.” Their famous experiment of Hawthrone Electric Company helped in understanding the basic idea of social System within the working environment and the human problems to be solved by understanding in human factor at work.

During the Second World War and thereafter, this concept of human behaviour and an integrated relationship between management and workers gained much weightage amongst the industrialists and academicians. The contemporary organisational behaviour, by and large, became a full-fledged subject (Social Discipline) by the end of 1950 in the management field.

OB has contributed to management through its principles like setting of the goal in organisations, measures for assessing performance like MBO in performance appraisal, etc. In these fields, the contributions of Peter Drucker and Mc Gregor are worth mentioning.

The ethical or human conduct in organisation improved remarkably after the Hawthrone experiment. Milgrams Obedience to Authority Study and the Management Trust (MBT) by R.S. Dwivedi are of immense value to Human Behaviour Studies.

**The salient features of ethical perspective are given below:**

i. Higher performance criteria.

ii. Subordinates have been given the freedom to control and execute the work with proper accountability.

iii. Understanding and providing job security to workers and also recognising them as human beings.

iv. Workers’ sense of belongingness to the organisation.

v. Acknowledging that in an organisation the informal group has a great role over the ethical aspects of workers and their performance

vi. To achieve objectives, the leadership has a responsibility to suitably change the behaviour pattern of the workers.

vii. A shift from the unions’ collective relations, OB has led to individualisation of collective relations.

viii. Employees’ commitment is achieved by giving more power to them by cooperative decision making.

ix. Human relations to promote “Neo-unitarianism” (a new type of relation based on consensus and belief between the workers and management).

x. OB directs the employees to Quality of Work Life (QWL).

**Organisational Behaviour – 10 Important Objectives**

**There are several objectives of organisational behaviour and some of them are briefly stated here:**

(i) To analyse different perspective and potentialities to create and develop the ethical values in an organisation,

(ii) To analyse the potentialities towards the ways and means to conduct and organise the systems, methods and approaches for organisation development in an organisation,

(iii) To analyse the potentialities to develop process, methods and approaches of formal and informal patterns of organisation and society,

(iv) To analyse how to make perspective methods and process of effective communication to formulate ethical norms in an organisation,

(v) To analyse various aspects and factors affecting the group cohesiveness,

(vi) To analyse the ways and means to develop different ethical aspects for group dynamism,

(vii)To analyse the mutual interest of individual and group. Mutual interest is represented by the statement ‘Organisation needs people, and people also need organisation’,

(viii)To analyse and evaluate the role of different key elements like people, structure, technology interactive behaviour and environment etc.

(ix) To analyse and evaluate the behavioural approaches in organisation. In context of that all of them are based on ‘Art’ and ‘Science’,

(x) To analyse different aspects of work environment which duly affects the behavioural patterns and attitudes of persons.

**Organisational Behaviour – 4 Basic Aspects**

In any organisation the area of behavioural and interactive aspects are much concerned with human behaviours. It is a dynamic and multidisciplinary field that seeks knowledge of behaviour in organisational structure by properly studying individual, group and organisational processes.

(i)Organisation behaviour focuses on three levels of analysis- individuals, groups and organisations. In any organisation, people frequently work together in groups and teams. The individual and group both influence the organisation and are influenced by the environment in overall society,

(ii)Organisation behaviour is multidisciplinary in nature. The field of OB is likely to consider a wide variety of approaches. These approaches are based on individual and group oriented,

(iii)Organisation behaviour and its aspects are more relevant to different disciplines. The learning areas are relevant to different disciplines like psychology, groups’ dynamics, sociology, organisational culture, anthropology, interpersonal conflicts, political science, management science, etc.,

(iv)Organisational behaviour are applicable in behavioural science. OB refers to seek knowledge and behavioural patterns in organisation. It develops the process and methods of behavioural approaches.

**Organisational Behaviour – 5 Key Elements: People, Structure, Technology, Interactive Behaviour and Environment**

Organisation behaviour is an integrated process by which the role and behaviour of people are incurred. Indian ethical norms emphasised for better work environment with behavioural aspects. In order to perform interactive and mutual tasks and to develop some behavioural aspects, certain key elements or constitutes are to be included. These element may develop the interactive aspects for the well-being of persons.

**As such, the key elements of organisational behaviour are stated here:**

**Element #****1. People:**

People makes the interactive and behavioural platform in any organisation and people consists in the form of individuals and group. The role and behaviour of people identifies, recognise and develop the interactive relations towards behavioural attitudes in society.

**Element #****2. Structure:**

The formal relationship of people makes the structural design in organisation. The managerial and organisational levels are decorated by specific job as well as level to be incurred in structural design. The rights and responsibilities are also being determined in a particular group or structure.

**Element #****3. Technology:**

The technology represent all the resources with which people work and affects the task that they perform. The role and utilisation of technology has a significant influence on the performance of people and thereby to achieve perfections in the betterment of interactive behaviour.

**Element #****4. Interactive Behaviour:**

In any organisation, the interactive relations and behaviour between individual and groups as well as the relations by formal and informal ways also have an important role to make perspectives in organisational behaviour. The mutual behaviour among people may be developed by the identification, existence and interactive role in any organisation and society.

**Element #****5. Environment:**

All organisations operates within internal and external environment. The existence, structural design, work performance, mutual relations and behavioural patterns are duly influenced by the internal and external environmental factors.

**Organisational Behaviour – Roles: Understanding Human Behaviour, Controlling and Directing Behaviour and Organisational Adaptation**

**1. Understanding Human Behaviour:**

Organisational Behaviour provides a way for understanding human behaviour in the organisation.

Organisational Behaviour can be understood at the individual level, interpersonal level, group level and intergroup level.

**(a) Individual Level:**

It provides for analysing why and how an individual behaves in a particular way.

**Human behaviour is a complex phenom­enon and is affected by a large number of factors:**

1. Psychological

2. Social

3. Cultural

Organisational Behaviour integrates these factors to provide simplicity in understanding human behaviour.

**(b) Interpersonal Level:**

Interpersonal interaction is normally in peer relationship which represents mans most natural attempt at socialisation. Two person relationship is inevitable in the organization. Analysis of-

i. Reciprocal relationship

ii. Role analysis and

iii. Transitional Analysis

Are some of the common methods which provide such un­derstanding.

**(c) Group Level:**

Group pressures become a force in shaping human behav­iour.

**Research in group dynamics has contributed vitally to organisational behaviour and shows how a group behaves in its:**

i. Norms

ii. Cohesion

iii. Goals

iv. Procedures

v. Communication pattern

vi. Leadership and

vii. Membership

Understanding group relationships is very important for organisational morale and productivity.

**(d) Intergroup Level:**

The organisation is made up of many groups that develop a complex of relationships to build its process and substance.

Intergroup relationship may be in the form of cooperation or competition.

**Organisational Behaviour helps in understanding and achieving cooperative group relationships through:**

i. Interaction

ii. Rotation of members among groups

iii. Avoidance of win-lose situation

iv. Focus on total group objectives

**2. Controlling and Directing Behaviour:**

After understanding the mechanism of human behaviour, managers are required to control and direct the behaviour so that it conforms to standards required for achieving organisational objectives.

**Organisational Behaviour helps managers in the following areas:**

**(a) Use of Power and Sanction:**

i. Organisational Behaviour can be controlled and directed by the use of power and sanctions which are formally prescribed by the organisation.

ii. Power is referred to as capacity of an individual to take certain action and may be utilised in many ways.

iii. Organisational Behaviour explains how various means of power and sanction can be utilised so that both organisational and individual objectives are achieved simultaneously.

**(b) Leadership:**

Organisational Behaviour brings new insights and under­standing to the theory of leadership.

It identifies various leadership styles available to a manager and analyses which style is more appropriate in a given situ­ation.

**(c) Communication:**

i. It is communication through which people come in con­tact with others.

ii. To achieve organisational effectiveness the communi­cation must be effective.

iii. The communication process and how it works in inter­personal dynamics has been evaluated by Organisational Behaviour.

**(d) Organisational Climate:**

i. Organisational climate refers to the total organisational situations affecting human behaviour.

ii. Organisational Behaviour suggests the approach to create organisational climate in totality rather than merely improving the physiological conditions or in­creasing employees satisfaction by changing isolated work process.

iii. Organisational Behaviour states that it is very impor­tant to create an atmosphere of effective supervision, the opportunity for the realisation of personal goals, con­genial relations with others at the work place and a sense of accomplishment.

**3. Organisational Adaptation:**

i. Organisations, as dynamic entities, are characterised by pervasive change.

ii. Organisations have to adapt themselves to the envi­ronmental changes by making suitable internal arrange­ment.

iii. Managers have to face dual problems- Identifying need for change and then implementing the changes without adversely affecting the need for satisfaction of organisational people.

**Organisational Behaviour – 2 Main Principles: Nature of the People and Organisation**

Applying the knowledge of organisational behaviour in management is to make management more purposeful and practical. Management is managing the activities of people. When dealing with an individual, it is of vital importance to understand the individual and his behaviour.

Knowledge of OB for a manager in modern organisation enables him to be more effective. Therefore, the relation between management and OB should be understood by every manager.

**Organisational behaviour is based mainly on two main principles:**

1. Nature of the people, and

2. Nature of the organisation.

**1. Nature of the People:**

**In this, we have to know the:**

(i) Individual differences,

(ii) Whole person,

(iii) Caused behaviour, and

(iv) Human dignity.

**(i) Individual Differences:**

Every individual is different from the other in respect of intelligence, habit, nature, attitude, etc. This individual difference is the outcome of his psychological aspects. Organisational behaviour is a part of psychology.

An individual with psychological differences will show the same in his behavioural pattern in an organisation. Management (Manager) has to behave differently with different persons. This knowledge is provided to management by the study of OB.

**(ii) Whole Person:**

An individual is a whole person with physical and psychological aspects. Therefore, we cannot deal with a person by part. For example, an employee working in an organisation has a lot of personal problems worrying him. It is not possible for him to perform the work by keeping away these problems at home and work efficiently with his physical capability alone.

No one can separate the physical and psychological aspects and deal with the individual. Hence, the knowledge of OB and management has to be integrated and the problem of an individual probed to find out remedial action to solve it considering the individual as a whole person. Solving the problem will become quite easy, if the relation between OB and management is well-understood by the manager.

**(iii) Caused Behaviour:**

This is a reaction in an individual due to some needs and wants, which he has to satisfy. These may be financial or non-financial. This caused behaviour has to be regulated by proper motivation. Hence the management and OB have to work together to understand the exact nature of the need of an individual to be satisfied and the desired incentive to be provided to the individual so as to help satisfy his needs.

**(iv) Human Dignity:**

People in an organisation have some strong beliefs and possess certain value systems of their own. Let it be a manager or a worker; each possesses the dignity of his position and role in the organisation. An individual, who possesses a strong value system may not compromise it simply, as such he has to be given the deserving value and recognition. Related approach of OB and management will be of great help in such a situation.

**2. Nature of Organisation:**

**Nature of organisation has two aspects:**

(i) Social system.

(ii) Mutual interests.

**(i) Social System:**

Organisational activities are controlled by social and psychological norms. People have psychological needs and motives, at the same time, they are bound to shoulder social responsibility, according to their role in the organisation.

The behaviour of people in an organisation is normally governed by the group and by individual’s desire. One can find the above two types of norms operating. Due to proper interaction of these norms, organisational activities become cordial and efficient.

**(ii) Mutual Interests:**

These always bring cooperation and confidence among people. It is the source of sound organisational behaviour. People and organisation are interdependent like OB and management. People need organisation for livelihood on the other hand, the organisation needs people for achieving its goals. So the relation between OB and management can bring all round progress, if both have amiable relationship between them.

**Organisational Behaviour – 5 Key Factors Affecting Organisational Behaviour: Individual, Group, Organisational Structure, Technology and Business Environment**

OB is the study of individuals, groups and organisations for better understanding and production of desired results. The factors which affect the individuals, groups and organisations affect the organisational behaviour also. Along with that, the technology which is adopted in organisations and the environment surrounding, the organisation also affects the OB.

**These factors affect OB in the following manner:**

**Factor # 1. Individual:**

People are valuable resources of every organisation. Individual is the most important component of OB. In fact, the study of OB revolves around individual, intrapersonal forces, study of interpersonal forces and study of an individual in an organisational setting.

Every individual differs from other, everyone behaves differently; however, those who behave same may be placed in one category and study can be made for each category so as to describe, understand, predict and control their behaviour. The factors which affect the individual also affect OB. For example, personality, attitude, learning, perception, values, ethics, norms, motivation, culture, thought process, family background, etc.

**Factor # 2. Group:**

An organisation is a group of two or more persons, who collectively work for attainment of set objectives on a continuous basis. An individual behaves differently when he is in group, instead of that when he is alone. Even the behaviour is different when he is in different groups e.g., when supervisor is accompanied with subordinates and when he is in company of other supervisors.

Under the study of OB, efforts are made to study conduct of people, when they are in a group. Therefore, group factors such as communication, group processes, group decision making, comparative values, cross cultural attitudes, etc., affect OB.

**Factor # 3. Organisational Structure/Design:**

Organisational structure or design depends on division of work, departmentalisation, hierarchy and coordination. These factors vary in different organisations. Moreover, power relationships, extent of decentralisation, reporting methods and work procedures also differ in organisations.

These factors affect the individual and the OB. It becomes easier to get desired behaviour from employees when organisational design happens to be effective. If employees like the organisational structure, they are motivated and work happily in the organisation and vice-versa.

**Factor # 4. Technology:**

The most important thing to achieve organisational goals is performance of assigned jobs by the employees. If the employees perform their jobs in time, then only organisational goals can be achieved. The work is performed with the help of technology i.e. with technique and equipment.

If the technology and equipment matches the choice of employees, they will be satisfied and tasks will be performed efficiently on time and vice versa. Thus, technology and equipment affect the employees’ behaviour as well as OB.

**Factor # 5. Business Environment:**

The surroundings of a business in which it operates is called business environment. Business environment is composed of external and internal factors. External environment can also be classified as micro environment (which are controllable by firm and vary from industry to industry) and macro environment (which affects the whole economy).

Various environmental factors which affect organisation includes social, technological, political, economical and customers, suppliers, competitors, etc. Behaviour of employees is affected by these factors. Therefore, in OB, the effect of these factors on behaviour of people is also studied.

**Organisational Behaviour – Goals**

Organisations, for their success, give importance for the development of human factor. Researches reveal that human factor can do anything for the success or failure of an organisation. Consider our public sector undertakings (PSUs). Government of India established hundreds of business houses in manufacturing and service sectors. But after many years of operation majority of the undertakings turned sick.

It is mainly due to mismanagement. Government provided funds to operate. But the human factor at work in these organisations did not manage the units as per set methods and procedure. Because of this, economy could not grow at the expected rate. Only units identified as “Navaratnas” are functioning well and are competing with many leading companies. In these PSUS, human factor is playing a positive role and has developed organisational identity”. Red tapism” was the main reason for unsuccessful growth of many PSUs.

The experience derived out of the growth path of PSUs says that human factor is critical in organisations. Graduates rolled out from universities, will have specialised in their field of study. But, they learn very little during academic pursuits on interpersonal and intrapersonal skills which are very essential for their success in any walk of life and for the organisations they work. Practical aspects of human behaviour at work are not taught.

Only the behavioural aspects observed and retained in formative stages of the individual plays a key role in workplaces in which the person works in future. Therefore, importance is given for behaviour modeling in workplaces. Human Resources Development (HRD) in organisations have occupied the prime place compared to finance and other functional departments.

In this backdrop, what should be the goals of “Organisational Behaviour”? The main goal is to coordinate human and non-human factors for the success of the organisation. As human factors operates and controls non-human factor, further objective is to tune and fine-tune the human behaviour to suit the requirements of the organisation.

**Hence, the following activities may be considered as the goals of OB:**

i. Changing the traditional slow organisational practices to modern technology based fast workplaces.

ii. Empowering employees through training and development to improve their productivity and quality of work.

iii. The existing practices (traditional) cannot make workers to be dynamic and adopt new practices. The goal of OB is to make employees to behave rationally through behaviour modeling and be dynamic and visionaries. They should be prompted to analyse the changes taking place in the organisation and draw logical inferences through reasoning.

iv. Traditional managers are “command and control” type of people. The goal of OB is to convert these type of people. The goal of OB is to convert these managers into stable leaders who work as team members along with their subordinates. Although hierarchy of positions exist, it should not be exhibited.

v. Many decision-makers, many a time, work on their instructions. But instructions do not work always. Therefore, the goal of OB is to make these people to take decisions after studying the problems in a systematic way.

vi. As technology is ruling the business world today, it has made 24 x 7 global business environment more sophisticated. Hence, one of the OB goals is to design and develop fast work practices adopting technology to increase speed and efficiency of work. This leads to increased productivity of both the work force and the organisation. The digital divide (separation of tech-savvy and non tech- savvy people) has to be minimized or eradicated by investing on human capital.

vii. Today’s workforce comprises of more knowledge workers. Hence the organisations have to work on emotional aspects of workers which develops the creativity, innovation and enterprising spirit of each individual workers leading to better behaviour.

viii. The most important goal of OB is to induce workers to be ethical in their operations and in discharging assigned tasks.

Thus, the overall objective of OB is to improve the skills of the people working in an organisations in terms of changing individual behaviour and group behaviour so that organisation becomes successful. The main goal is to make the organisation a learning organisation.

**Organisational Behaviour – Processes to Modify and Integrate Organisational Behaviour**

**There are four major processes which can modify and integrate organisational** **behaviour, i.e., attitudes and behaviours of individuals and groups in an organisation:**

(1) Managerial Style.

(2) Positive Behaviour Reinforcement.

(3) Job Enrich­ment, and

(4) Organisational Development.

**Process # 1. Managerial Style:**

Under Theory X and Theory Y as pointed out by McGregor, we have almost diametrically oppo­site assumptions about organisational behaviour. Managerial leadership style indicates the overall pattern of manager’s be­haviour while trying to fulfil managerial responsibilities. It also suggests the manner in which the superior-subordinate relation­ship is carried out. Leadership style influences productivity and employee satisfaction.

It may give special emphasis either on production or on employee satisfaction. Occasionally, manage­rial style may give equal emphasis to both and try to achieve high production as well as high employee satisfaction. Produc­tion-centred approach increases productivity at the expense of the human organisation.

The employee-centred managerial style depends on the social motivation to- achieve organisational goals and in the long run can ensure continued high rate of productivity. At present democratic and participative leader­ship is employed to achieve higher productivity without sacri­ficing human values in industry.

**Process # 2. Positive Behaviour Reinforcement:**

Management re­wards constructive behaviour and tries to eliminate undesirable employee behaviour and activities. Rewards reinforce positive behaviour because people tend to repeat pleasurable (reward­ing) actions. Performance feedback itself can be a reward be­cause it satisfies a human need of knowing how one is doing and where one stands.

Employee behaviour which leads to failure will be corrected. Successful behaviours are rewarded. Thus organisational behaviour can be modified by a planned programme of positive behaviour reinforcement through re­ward systems.

**Process # 3. Job Enrichment:**

A better job can often create better attitudes and greater willingness to cooperate and perform du­ties with enthusiasm and zeal. A better job can also offer greater employee satisfaction and provide ample opportunity for growth.

A job must be challenging and meaningful, job en­largement and enrichment can create most favourable employee behaviour and action which can also integrate the objectives of individuals and the organisation. Job enrichment provides duties which are meaningful, enjoyable and satisfying.

Acute division of labour, extensive specialisation and routinisation of jobs and tasks created dehumanised and mechanical organi­sation structure. Modern trend is in favour of job enlargement, job rotation and job enrichment to motivate employee behaviour in order to attain the organisational goals without sacrificing employee satisfaction and welfare.

**Process # 4. Organisational Development:**

A fourth method for mo­difying and integrating organisational behaviour is organisa­tional development. In its complete sense organisational development (OD) allows for the humanisation of the formal organisation by minimising the obstacles to organisa­tional effectiveness, setting members work on the problems identified, and giving feedback on the development of skills found necessary or important- all under the guidance of a trained behavioural scientist.

The emphasis is on interperso­nal skills, conflict resolution and the creating of mutual trust and openness. OD develops a cooperative interpersonal climate and the development of a community of purpose or common interest.

Open communication and concentration on overall goals are the two main OD purposes. OD provides the ways and means by which members in an organisation may work together with trust and openness and’ without unhealthy competition and conflict.

**Organisational Behaviour – Significance: Attaining Organizational Effectiveness, Balancing Increase in Capitalism, Surviving Intense Competition and a Few Others**

OB is the study and application of knowledge about predicting, understanding, and controlling the behavior in the organizational setting. It is of great importance for any organization in today’s scenario. The vast changes in the organizational set up and the world economy, as well as the growing concern about the stakeholders have increased the scope of the study of OB.

**Therefore, the vital role played by OB can be discussed as follows:**

**1. Attaining Organizational Effectiveness:**

Refers to a process that acts as an indicator or a scorecard for an organization’s performance. The analysis of performance can be done from individual and organizational perspectives.

**2. Sustaining Changes in Business Environment:**

Refers to the need of an organization to accept the changes occurring in the business environment. The dynamic external environment increases the importance of OB as a field of study, because it affects the internal environment as well, thus, forcing an organization to accept changes as survival strategy.

**3. Balancing Increase in Capitalism:**

Refers to the economic system that is represented by private ownership of capital and means of production. The features of capitalism make the study of OB very important because of increasing monopolists and capital-intensive industries.

**4. Surviving Intense Competition:**

Requires great efforts on part of an organization. You should note that an organization can face fierce competition by adopting various policies, such as capturing market share and developing human resource. The study of OB helps the organization to develop the human resource by molding their behavior for the benefits of organization.

**5. Managing Global Influences:**

Refers to controlling the effects of privatization, liberalization, and globalization on organizations. Global influences make the workforce of an organization more diverse in nature, thus makes the study of OB more important.

**6. Fulfilling Human Needs:**

Refers to managing and enhancing the skills of employees.

**For developing these skills, a manager must be capable of:**

i. Understanding human aspirations

ii. Building coordination among employees

iii. Imparting timely training to employees

iv. Motivating them so that they willingly utilize their abilities towards attainment of organizational goals

v. Communicating the goals successfully to employees so that they would know what is expected of them

vi. Introducing new and innovative ideas

Employees also expect the organization to understand their needs and provide them with right impetus to grow both financially and professionally. Thus, knowledge of OB helps the management to understand and fulfill these needs of employees.

**7. Managing the Complexity in the Structure of Organizations:**

Refers to controlling the complexity that may arise in the organizational structure due to dynamic business environment. As an organization grows, its structure becomes complex because its command chain expands, the scope of authority becomes multifaceted, and the responsibilities of employees keep changing.

**8. Managing the Presence of Labor Unions:**

Refers to monitoring and controlling the activities of labor unions. These unions persuade the management of an organization to give importance to human relations. Therefore, organizations lay emphasis on the study of OB to take care of human aspects.

**Organisational Behaviour – Importance of Organisational Behaviour**

OB can touch every spectrum of business competitiveness by explaining, predicting, and influencing the behaviour of people.

**Let us look at some of them:**

**1. Creates Sustainable Competitive Advantage:**

Everyone knows that the voice of Lata Mangeshkar is very melodious. It is valuable, rare and difficult to imitate. Hence, she has been having little or no competition for long and no one could substitute her. This analogy explains sustainable competitive advantage. Resource-based view of firms asserts that competitive advantage is created through valuable, rare, inimitable, and non-substitutable resources.

OB converts people in an organisation into valuable, rare, inimitable, and non-substitutable through various OB practices aligned to achieve goals. For example, OB can create a culture of innovation, performance, knowledge sharing, and trust through a combination of individual development, team design, and leadership development.

Google would meet this bill and this is the reason why it is difficult to beat them. Though OB deals with developing people in the organisation, its reverberations can be felt by the customers too. If the employees are not happy or do not behave appropriately with the customers, the result can be disastrous.

**2. Individual Component:**

Rajiv is not able to get results in sales and finds the job very stressful. His boss suspects his introvert nature. If we had a psychometric test before selecting him for the job, this situation could have been avoided. If we erred in selection, we can still confirm his personality trait and shift him to another job profile where he can succeed. A third alternative is to train him to change his behaviour.

**This illustrates that OB is important to accomplish the following:**

i. Identify the underlying reasons for poor or non-performance and enable change.

ii. Help a person to modify his/her behaviour to achieve full potential by identifying what motivates a person, how the person can learn and be more creative, and manage stress. In other words, OB can facilitate tak­ing a whole gamut of actions required for the person to contribute to competitiveness.

**3. Group/Team Component:**

A company had created two teams simultaneously to develop a new product. The Vice-President, product development, had done so to create internal competition and speed up the product development to beat the competition.

After three months, Team A’ had made no progress, but Team ‘B’ was on the verge of testing the first pro­totype. Both teams were full of bright people. Hence, the Vice-President won­dered what had happened to Team A’. After some deliberation, one Ms Shami Jain was transferred from Team ‘B’ to Team A’.

She realised that Team A’ had far better ideas, but was unable to take a decision. She championed one of the ideas, and within a month, Team A’ came out with a prototype, which was later adopted by the company. What did the Vice-President do? She used her knowledge of Team Wheel from OB and transferred a person who could get Team A’ to decide. This illustrates the importance of OB in designing effec­tive teams.

**4. Organisational Component:**

OB helps in designing, structuring, and changing culture to create a learning and innovative organisation. It sug­gests ways to implant an organisational sub-culture within the overall cul­ture.

For instance, although employees and organisations in Kerala respond to frequent ‘hartals’ (enforced stoppage of work as a method of protest adopted by political parties in India), employees of various organisations working in the Technopark in Trivandrum, the capital of Kerala, where the IT industries are located, do not participate in such hartals. It shows the existence of a sub-culture in companies located in the Technopark.

**5. Leadership Component:**

Kasper Rorsted is known for transforming Henkel. Armed with the knowledge of OB, he reinvented the culture of Henkel into a ‘winning culture’. His leadership style, knowledge of the leadership style of his team, and understanding of the methods to change the behaviour of people helped him create the winning culture. Leading organisations through crisis and creating transformation are strong contributions of OB.

**6. External Forces Component:**

Southwest Airline, the pioneer of the low cost airlines in the US, is widely known for its innovative and fun loving working environment. In fact, having a fun loving nature was the first requirement to get a job in the company. The management actually sponsored its union and encouraged them negotiate even wages. Ludicrous! Don’t you think so?

But guess what the result was? The company recorded quarter after quarter profit, even though every other low cost airline was making a loss. Here, the management knew the external political forces that would intervene to cre­ate a union and pre-empted it with its own model of union.

Similarly, global economic slowdown could lead to benching (being on job roll with pay, but no job to do) in IT companies, which leads to loss of experience and develop­ing negative attitudes towards the organisation. OB could use tools of learn­ing, job rotation, intrinsic motivators, corporate social responsibility actions and innumerable other methods to counter the impact of a slowdown.

**Organisational Behaviour – Challenges Faced by Organizational Behavior: Globalization, Management of Workforce Diversity, Incorporation of Innovation and a Few Others**

The significance of studying OB is increasing day-by-day due to dynamic business environment. Now-a-days, numerous changes are taking place in the global, industrial, and organizational setups. These changes have brought numerous challenges for OB.

**Following points discuss these issues briefly:**

**1. Globalization:**

Implies that no organization can work effectively in isolation and has to comply with the global factors that have an impact on it. Globalization poses numerous challenges in front of an organization. At the individual level, an employee may require to work on foreign assignments or collaborate with people from different cultures.

At the group level, problems may arise in decision-making procedures and while working in teams that include people of different cultural backgrounds. At the organizational level, problems may arise in case of mergers or acquisitions due to vast cultural differences.

**2. Management of Workforce Diversity:**

Refers to the need of numerous conflict resolution techniques and problem- solving approaches to deal with diverse workforce. It is difficult to manage the employees belonging to different cultural backgrounds, due to differences in their values, beliefs, attitudes, and behaviors. A proper management of workforce diversity can have numerous positive results, such as the availability of fresh ideas and talents.

**3. Improvement in Quality and Productivity:**

Refers to matching the desired levels of quality and productivity with the ever-changing demands. Management guru Tom Peter says, “Almost all quality improvement comes via simplification of design, manufacturing, layout, processes, and procedures.” Now-a-days, a number of programs, such as process reengineering and quality management are being implemented to bring improvement in productivity.

**4. Improvement in People Skills:**

Implies that it is the necessity of time to improve and upgrade the skills of employees from time to time. The change in business, political, and technological environment makes it important to train and develop the employees according to new trends. The technical and interpersonal skills of employees need constant improvement.

**5. Incorporation of Innovation:**

Implies that it is necessary to incorporate change in rules, regulations, processes and procedures of an organization to suit the current standards. It is easy to formulate the strategies for change in an organization, but difficult to implement it due to the employee resistance. If the resistance of employees is overcome then the positive changes can be brought in the organization to enhance the productivity level.

**6. Incorporation of Work-Life Balance:**

Indicates that the demanding work schedules and challenging jobs tend to upset the personal and social life of employees at times. Work-life balance can be achieved by implementing the concepts, such as work from home and flexible work-timings.

**Organisational Behaviour – Limitations**

OB is a subject or a behavioural discussion in organisations. The behavioural aspects are mainly concerned with, cognitive, behaviouristic and social cognitive frameworks. In the process of making people to adapt themselves to organisational situations and work as per the set rules and procedure, many problems crop up. Particularly cognitive aspects (mental processes is terms of perception attitude, emotion, values, etc.) put an individual in a dilemma while taking decision and performing the right task. Many a time, sound decisions are not taken resulting in low productivity.

Cognitive approach provides only conceptual aspects to study the human behaviour at work, Behaviouristic aspects direct the individual or the group to work according to observed behaviours. The experiments conducted by Pavlov, Watson and others provide a base to work on observations rather than cognitive approach which is based on elusive mental analysis. The experiments of Ivan Pavlov and Jhon. B. Watson provided the observed behaviour model, which is very prominent in behavioural analysis, viz., “Stimulus-Response” model, popularly known as S-R model.

Based on this basic model, B. F. Skinner further analysed the S-R model through his “operant conditioning” experiments and said that “consequence” of a response will exhibit an improved behaviour over S-R approach and the model of Skinner is popularly called “R-S Model”. According to this model, behaviour is influenced by its contingent environmental consequences.

In spite of these two approaches, viz., cognitive and behavioural approaches, which are mechanistic and deterministic respectively, the recent thinkers and researchers such as Albert Bandura said these two approaches independently provide one dimension or the other of behaviour. They opined that an integrated approach has to be taken to understand behaviour. They projected “social learning” concept as a vital aspect of behaviour. According to this approach, a complex behaviour is acquired by directly observing and imitating others in the surrounding environment.

This theory popularised as “social cognitive theory” by Bandura and other modern researchers.

Social cognitive theory considers basic human capabilities such as “symoblising’ (converting visual experiences of employees into cognitive models which act as guide for future actions), “Forethought” (employees plan their actions, anticipate the consequence and decide the level of performance), “observational” (employees learn by observing co-workers, their higher-ups, good performances of counterparts in other identical organisations and from their own previous experiences),”Self-regulatory” (adapting self-control measures) and “Self-reflective” (making a self-assessment of their actions and perceptually determine how strongly they believe that they can successfully accomplish the task in future in a given situation).

It is also called “Cognitive Social Learning Theory”. Still many researches are going on, on behavioural aspects. The limitation of this subject is that in real time operations, no one model cannot be confidently applied to behavioural aspects of employees. All the theories can guide the people to take decisions on behavioural aspects. Behavioural aspect mainly being psychological and social phenomena, only contingency approach has to be taken in a given situation.

Whether it is group or individual behaviour, they are mainly directed by mental process of the person and social system in which one works, in a given situation. Thus, the limitation of OB is that it cannot be standardised and is subjected to change as situation changes. It also changes as per the perceptions of the group or individual in a given situation.

**Organisational Behaviour – Future**

Organisational behaviour exists as long as human factor works in organisations. Behavioural pattern may change in accordance with the needs of the organisations. If we observe the growth path of management thought since the days of Henry Fayol and F.W. Taylor to this day, we understand that human force at work has behaved according to the needs of the day and for the growth and success of the organisations.

Behavioural aspect is influenced by human psychology and the environment in which human factor lives and works. OB may be relatively a new field of study. But lived with organisations ever since the organisations started functioning for serving business objectives. Behaviour moves with any living object and more so with human factor. Only recently behavioural aspects in organisations are identified considering cognitive aspects and social systems in which organisations function. Today, OB has systems in which organisations function, and it has been considered as a strong factor for organisational success.

In the process of giving prime place for OB, “Human Resources Management” (HRM) is playing key role in organisational development (OD). Technology is replacing human force at work in organisations. Information technology and other highly advanced technology may be adopted in organisations. Rabots developed with faultless technology, may function lessening the burden for human factor at work. But brain behind this technology is human brain and only human factor should operate this technology. Thus, in future, human factor at work may be minimised, but behavioural aspect continues.

Behavioural aspects are unpredictable. Availing the assistance of various disciplines (such as psychology, sociology, anthropology, etc.), behavioural aspects are understood and accordingly methods and procedures are developed and adapted. The behavioural pattern changes. In non­technical organisations, human factor works more. As more and more technology is introduced, behavioural aspects of human factor also changes. But OB aspects are eternal.