# INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

**LA347** 

## **EVALUATION**

Class activity	20%
Mid term exam- Open book/notes	40%
End Term exam- Open book/notes	40%
Total	100%

Class timings: Wednesday & Friday 15:30 to 16:50 hours

When you think about management studies, what are the terms that come to your mind?

Do we think of human beings working in organizations?

#### THE IMPORTANCE OF INTERPERSONAL SKILLS

- Until the late 1980s, business school curricula emphasized the technical aspects of management, economics, accounting, finance, and quantitative techniques.
- Course work in human behavior and people skills received relatively less attention.
- Interpersonal skills important in determining a manager's effectiveness:
- -In fact, a survey of over 2,100 CFOs across 20 industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance (2013, http://accountemps.rhi. mediaroom.com/2013-06-19-Survey-Few-CFOs-Plan-to-Invest-in- Interpersonal-Skills-Development-for-Their- Teams.)
- Functions:
- > Effective leadership and progress in career (Alsop, 2002)
- Keep high performing employees (Robbins and Sanghi, 2009)

#### THE IMPORTANCE OF INTERPERSONAL SKILLS

- Incorporating OB principles into the workplace can yield many important organizational outcomes:
- 1. Companies known as good places to work— such as the Boston Consulting Group, Qualcomm, World Bajaj Finance, Ujjivan Small finance Bank, Godrej Consumer Products, McKinsey & Company, Procter & Gamble, Facebook, and Southwest Airlines—have been found to generate superior financial performance.
- 2. Developing managers' interpersonal skills helps organizations attract and keep high-performing employees, which is important since outstanding employees are always in short supply and are costly to replace.
- 3. There are strong associations between the quality of workplace relationships and employee job satisfaction, stress, and turnover.
- -One very large survey of hundreds of workplaces and more than 200,000 respondents showed that social relationships among coworkers and supervisors were strongly related to overall job satisfaction. Positive social relationships also were associated with lower stress at work and lower intentions to quit (Humphrey et al. 2007).- Not high wages or fringe benefits
- 4. Increasing the OB element in organizations can foster social responsibility awareness of corporate social responsibility, known as CSR (Aguinis & Glavas, 2012).

## CASE: THE TALENTED CHIEF OF TALEO

CASE: TEAM BUILDING AT ALARM ONE

#### WHAT IS AN ORGANIZATION?

- Greenberg (2016): As structured social system consisting of groups and individuals working together to meet some agreed upon objectives.
- Robbins, Judge and Vohra (2019): A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.
- Daft (2012): Organizations are
- I. Social entities that
- 2. Are goal directed
- 3. Are designed as deliberately structured and coordinated activity systems, and
- 4. Are linked to the external environment

- By these definitions, what all can be considered an organization?
- manufacturing and service firms are organizations,
- schools, hospitals, churches, military units, nonprofits, police departments, and local, state, and federal government agencies.





## WHAT IS ORGANIZATIONAL BEHAVIOR (OB)?

Greenberg (2016):

**Organizational behavior (OB)** is the multidisciplinary field that seeks knowledge of behavior in organizational settings by systematically studying individual, group, and organizational processes. This knowledge is used both by scientists interested in understanding human behavior and by practitioners interested in enhancing organizational effectiveness and individual wellbeing.

Robbins, Judge and Vohra (2019):

**Organizational behavior (OB)** is a field of study that investigates the impact individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

- Since OB is concerned specifically with employment-related situations, it examines behavior in the context of job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. Although debate exists about the relative importance of each, OB includes these core topics:
- Motivation
- Leader behaviour and power
- Interpersonal communication
- Group structure and processes
- Attitude development and perception
- Change processes
- Conflict and negotiation
- Work design

#### OYO ROOMS

itesh Agarwal who is the founder of OYO Rooms, a budget hotel network in India, is just 24 years old. He dropped out of preparing for the tough Joint Entrance Examination (JEE) MAIN and used the pocket money given by his father to travel and explore ideas of opening a start-up firm instead. Having been born and brought up in a business family, risk-taking was part of business code he had seen while growing up. However, coming from a small town in a far-off district of Orissa named Raygada, he lacked perspective and exposure. Ritesh found mentors and supporters early in his career in the form of a small software company that continued to work with him despite his inability to pay them for the work they did. Similarly, he was mentored by a former advertisement professional who was running a homestay in Gurgaon. Ritesh and this mentor parted ways after the latter felt that he was cheated for the work he had done. He was dropped from the management of OYO after Ritesh won the prestigious Thiel Fellowship for under-20 entrepreneurs and received funding from various sources.1

OYO understands its customers well. It pays great attention to ensure that the customer is being delivered what is being promised, and to achieve this, it takes help of deep technology. However, within two years of operations, the management of OYO Rooms realized that the providers of hotel rooms could not simply be managed by technology. Personal connect was needed to ensure room quality. Thus, on-ground teams were deployed to ensure room quality and standard operating processes were put in place to ensure quality.

With his unkempt look and a slightly crazed demeanor, Ritesh wins the heart of his employees, clients (hotel owners), and investors because he is able to sell his passion for providing safe, low-cost rooms for travelers. Started in 2013, OYO Rooms has grown from a handful of rooms in one city, Gurgaon, to 70,000 rooms in 230 cities in India. From a staff strength of 200 in 2015, OYO Rooms today employs 5,000 people. A quick review of OYO's employee comments on the website, Glassdoor, makes it obvious that either his employees love Ritesh and the organization as a place to work or they hate both. A majority of them love the opportunity to learn, work at a fast pace, address challenges, exposure to various functions in the organization, and be part of something awesome.2 The disgruntled ones do not like the lack of planning and visibility, and, sometimes, the uncertainty of what is expected of them. This is characteristic of startups where HR systems are not in place and the fast pace of growth coupled with lack of visibility about the progress in the organization leads to the perception of unfairness and inequity. The Chief Human Resource Officer of OYO Rooms, Dinesh R., is right when he says, "When the organization becomes large, it becomes imperative for someone to ensure the company remains nimble, agile, and as fast paced as it was when we were in one city or 10 cities. Here the role of an HR person is critical in hiring the right kind of leaders who share the same purpose and vision and have an entrepreneurial mindset."

Ritesh now holds townhall meetings with his employees on a regular basis to hear their side and share what is on his mind. The senior leadership team recognizes that OYO Rooms will need to pay attention to its culture if it wishes to grow and remain profitable in the long run. There are several other companies who are now in the market and are competing. In addition to infusion of capital, keeping the various stakeholders satisfied remains a significant challenge for the firm. Ensuring that every employee contributes their best and keeps believing in the vision of the organization is of utmost importance for OYO Rooms.

- Increasing complexity and speed of organizational life
- Issues of leadership, motivation, justice, ethics, turnover, emotions, personality and culture.
- Interpersonal skills

## MANAGEMENT OF MANAGERS



"I'm your new problem. I mean manager."

#### MANAGEMENT OF MANAGERS

- Managers- get things done through other people
- They make decisions, allocate resources, and direct the activities of others to attain goals. Managers are sometimes called administrators, especially in not-for-profit organizations.
- Placed into the position without management training or informed experience.
- -A large-scale survey by **Meinert (2014)** found that
- 1. No Training: More than 58 % of managers reported they had not received any training and 25 % admitted they were not ready to lead others when they were given the role
- 2. Less time: demands of the job have increased: the average manager has seven direct reports (five was once the norm), and has less management time to spend with them than before.
- 3. Wrong fit: Organizations chose the wrong candidate for management positions 82 % of the time,
- Conclusion: the more you can learn about people and how to manage them, the better prepared you will be to be that right candidate. OB will help you get there.

## A MANAGER'S PRIMARY ACTIVITIES

#### **FUNCTIONS OF MANAGEMENT**

#### PLANNING

Defining objectives to be achieved for a given period and what needs to be done to achieve the objectives.

Managers need to develop objective in line with the overall strategies of the organisation

#### ORGANISING

Determining what task are to be done.
Who will implement and coordinate tasks
How the tasks are to be grouped.
Who report to whom and where decision to
be made. Managers need to logically and
effectively the information, resources and
workflow of organisation.

Study: need for planning increases as from lower to middle level management (kraut et al. 2005)

## MANAGEMENT FUNCTIONS

#### CONTROLLING

The measuring of performance in all predetermined objectives, determining reasons for deviation and taking appropriate action, where necessary. It provides ways to ensure that the organization moves towards achieving its objective.

#### LEADING

Involves motivating subordinates, selecting the most affective communication channel; Resolving conflict, and directing as well as guiding the actions of others with the intention of achieving all objectives.

Role	Description	
Interpersonal		
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature	
Leader	Responsible for the motivation and direction of employees	
Liaison	Maintains a network of outside contacts who provide favors and information	
Informational		
Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization	
Disseminator	Transmits information received from outsiders or from other employees to members of the organization	
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry	
Decisional		
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change	
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances	
Resource allocator	Makes or approves significant organizational decisions	
Negotiator	Responsible for representing the organization at major negotiations	

Minztberg's Managerial Roles

Exhibit 1-1

Source: Mintzberg, Henry, The Nature of Managerial Work, 1st Ed., © 1973, pp. 92–93. Reprinted and Electronically reproduced by permission of Pearson Education, Inc., New York, NY.

#### MANAGEMENT SKILLS

Technical Skills: Ability to apply specialized knowledge or expertise.

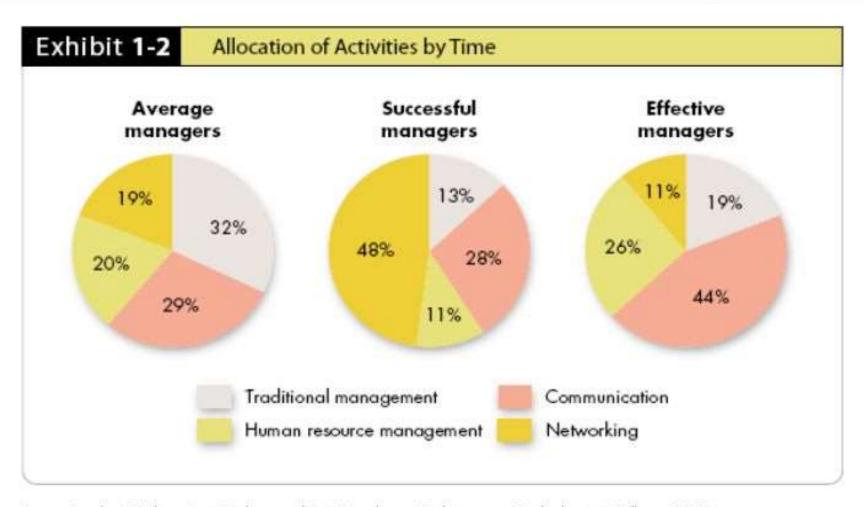
Human skills: understand, communicate, motivate and support other people.

Conceptual Skills: ability to analyze complex situations. E.g. decision making.

#### EFFECTIVE VS. SUCCESSFUL MANAGERIAL ACTIVITIES

- "Do managers who move up most quickly in an organization do the same activities and with the same emphasis as managers who do the best job?"
- NOT ALWAYS
- Luthans et al (1988)
- Studied more than 450 managers
- I.Traditional management. Decision making, planning, and controlling.
- **2. Communication.** Exchanging routine information and processing paperwork.
- 3. Human resource management. Motivating, disciplining, managing conflict, staffing, and training.
- 4. Networking. Socializing, politicking, and interacting with outsiders.

## Allocation of Activities by Time



## WHAT DO OTHER STUDIES SAY?

- Basu and Virick (2018): When Indian entrepreneurs in the silicon valley engaged in active network participation over a length of time, it was positively related to their new venture's growth.
- Johny et al. (2018): Even in small villages of Kerela, the number of intra village connections that each family member has a positive effect on the family's income.
- Wu et al. (2008): Other studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking, social relationships, and success within an organization.
- Dragoin et al. (2014): The connection between communication and effective managers is also clear.
- Managers who explain their decisions and seek information from colleagues and employees—even if the information turns out to be negative—are the most effective.

#### WHAT DOESTHIS MEAN?

• Successful (in terms of promotion) - managers give almost the opposite emphases to traditional management, communication, human resource management, and networking as do effective managers.

- Does the assumption "promotions are based on performance" hold true?
- Networking and political skills are important

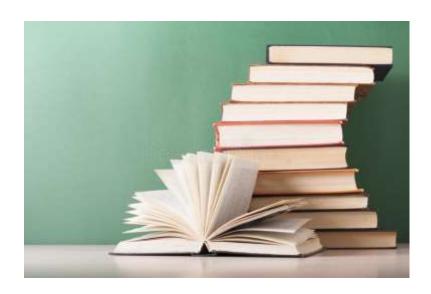
#### CHARACTERISTICS OF OB

#### I. Applies Scientific methods to study Managerial Problems

- Behavioral sciences such as psychology and sociology that seek knowledge of human behavior and society
- Through the use of the scientific method- using an empirical, research-based approach; based on systematic observation and measurement of the behavior or phenomenon of interest.
- Neither easy nor foolproof. After all, both people and organizations are quite complex, making it challenging sometimes to get a handle on understanding them.
- Managers rely heavily on knowledge derived from OB research- Evidence-based management (EBM). For example, researchers have shed light on such practical questions as:
  - ➤ How can goals be set to enhance people's job performance?
  - How can jobs be designed to enhance employees' feelings of satisfaction?
  - Under what conditions do individuals make better decisions than groups?
  - What can be done to improve the quality of organizational communication?
  - What steps can be taken to alleviate work-related stress?
  - What do leaders do to enhance the effectiveness of their teams?
  - How can organizations be designed to make people highly productive?
- What about intuition?

## EMPIRICAL EVIDENCE-THOUGH BIG DATA

- Data has been used to evaluate behavior since at least 1749, when the word "statistic" was coined to mean a "description of the state." (Karabell, 2014)
- "Big data"- due to arrival of computers. E.g. Physical book stores, could only give projections of what people liked. CHANGE-Amazon.





#### CUSTOMER ANALYTICS AT BIGBASKET – PRODUCT RECOMMENDATIONS

#### CASE SUMMARY

Bigbaske is the first comprehensive online grocery store in India. In 2016, they had presence in 12 cities making it a very large operation, with over 18,000 products and 1,000 brands in the grocery list. Right from fresh fruits and vegetables, rice and pulses, spices and seasonings to packaged bread, bakery and dairy products, and other branded foods - they have it all. Pramod Jajoo, Chief Technology Officer, at Bigbasket, identified two customer pain points while placing orders for products at Bigbasket. Since many customers were placing orders using their mobile handsets, it was taking more time to scroll through the products since customers may place order for more than 50 items in a single transaction. Another problem with repeat purchases is that many customers tend to forget items they need, which may lead to additional orders from the customers. To address these two issues, Bigbasket wanted to build a product recommendation algorithm that would look at the historical data to create a "Smart Basket" with items the customer is likely to purchase. Bigbasket also wanted to analyze the current basket of the customer upon checkout and come up with a list of recommended products based on the customer's previous purchase baskets under the "Did you forget?" feature. There are several simple and complex algorithms that can help solve this problem. The key decisions to be made are around the analytics tools and techniques that Bigbasket can use to solve these two problems effectively.

#### CURRENT USES OF BIG DATA

- Predict an event or behavior- book purchase or forgetting to purchase food, The BJP accurately mined data from almost every Internet user in the country, and used this data to accurately understand voter sentiments and local issues. Data-based analysis was also used to raise funds and create different models for different regions. The targeting was done not on national issues, but local issues which were considered far more important.
  Shaadi.com
- Risk calculation- loan defaults, India's IRDA allows differential pricing on insurance based on risk profile of a customer analyzed using big data- such as chance of traffic accidents to set up customer premiums
- Preventing catastrophes- plane crashes on the same routes or over stocking of products in stores
- Planning: Broadcast Corporation of India tracks television data- to help companies with budget for advertising
- Novel uses- help employees with mental distress to monitor and change behaviour

#### LIMITATIONS AND CHALLENGES

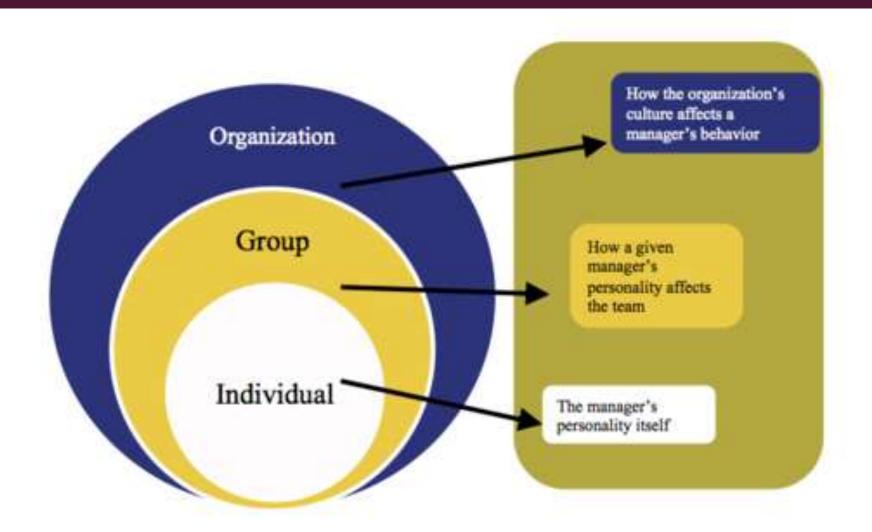
#### **Loss of Privacy:**

- Robbins and Judge (2019): surveillance through wifi signals, cameras and sensors- found bank call centre
  employees more productive with more social interaction
- Both customers and employees e.g. interactions with customer care executives- determine performance rating and discipline employees
- Electronic performance monitoring does increase task performance and citizenship behavior (helping behaviors towards others), at least in the short term.- but can be even more enhanced by providing meaningful work to employees.

Prudent use of big data, along with an understanding of human behavioral tendencies, can contribute to sound decision making and ease natural biases.

Judge et al. 2018 advise: use evidence as much as possible to inform your intuition and experience

## OB FOCUSES ON THREE LEVELS OF ANALYSIS—INDIVIDUALS, GROUPS, AND ORGANIZATIONS.



Source: Greenberg,

2018

### **OB IS MULTIDISCIPLINARY IN NATURE**

#### **TABLE 1.1** The Multidisciplinary Roots of OB

Specialists in OB derive knowledge from a wide variety of social science disciplines to create a unique, multidisciplinary field. Some of the most important parent disciplines are listed here, along with some of the OB topics to which they are related (and the chapters in this book in which they are discussed).

Discipline	Relevant OB Topics
Psychology	Perception and learning (Chapter 3); personality (Chapter 4); emotion and stress (Chapter 5); attitudes (Chapter 6); motivation (Chapter 7); decision making (Chapter 10); creativity (Chapter 14)
Sociology	Group dynamics (Chapter 8); teamwork (Chapter 8); communication (Chapter 9)
Anthropology	Organizational culture (Chapter 14); leadership (Chapter 13)
Political science	Interpersonal conflict (Chapter 11); organizational power (Chapter 12)
Economics	Decision making (Chapter 10); negotiation (Chapter 11); organizational power (Chapter 12)
Management science	Organizational structure (Chapter 15); organizational change (Chapter 16)

Source: Greenberg, 2018

## OB SEEKS TO IMPROVE ORGANIZATIONAL EFFECTIVENESS AND THE QUALITY OF LIFE AT WORK.

- Managers of a century ago held very negative views of employees. They assumed that people were basically lazy and irresponsible, and treated them with disrespect. This very negativistic approach, which has been with us for many years, reflects the traditional view of management-
- Theory X: This philosophy of management assumes that people are basically lazy, dislike work, need direction, and will work hard only when they are pushed.
- Theory Y: vast majority of people are capable of working hard under the right conditions. If employees are recognized for their efforts (fairly paid) and are given an opportunity to succeed (well trained), they may be expected to put forth considerable effort without being pushed. Management's job, then, is to create the conditions that make people want to perform as they should.
- people have a psychological need to work and seek achievement and responsibility.
- is strongly associated with improving the quality of people's work lives
- OB scientists are very interested in learning exactly what conditions will lead people to behave most positively—
  that is, what makes work both productive for organizations and enjoyable for the people working in
  them.

### ASSUMPTIONS OF OB: ORGANIZATIONS ARE DYNAMIC

- Under what conditions will organizations change?
- How are organizations structured? How do organizations interact with their environments?
- OB scientists recognize that organizations are not static, but dynamic and ever-changing entities- organizations are
  open systems—that is, self-sustaining connections between entities that use energy to transform resources
  from the environment (such as raw materials) into some form of output (for example, a finished product)

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#### ENVIRONMENT

- Local community in which orchestra is based
- Community of professional musicians and conductors

#### THROUGHPUT

- · Rehearsing, turning notes on paper to pleasing music
- · Creating of marketing campaigns to attract audience members

#### OUTPUTS

 Live musical performances

 Pool of available musicians

community

 Information about the interests of the audience

INPUTS

Donations from the

- Theater in which to perform
- Volunteers to help in the theater

- Recorded performances on CD
- Enjoyment of audience members
- Musical education for community
- Money from ticket sales

#### FEEDBACK

- Information about ticket sales and revenue generated from performances
- · Reviews from music critics
- Volume and length of applause from members of the audience

#### ASSUMPTIONS OF OB: NO ONE BEST APPROACH

What's the most effective way to motivate people?

What style of leadership works best?

Should groups of individuals be used to make important organizational decisions?

- Embracing a CONTINGENCY APPROACH: recognizes that behavior in work settings is the complex result
  of many interacting forces. This orientation is a hallmark of modern OB
- **E.g.** Consider, for example, how an individual's, personal characteristics (e.g., attitudes and beliefs) in conjunction with situational factors (e.g., relations between coworkers) may all work together when it comes to influencing how a particular individual is likely to behave on the job.
- Often-"it depends"

#### EARLY DAYS OF OB: SCIENTIFIC MANAGEMENT

- What could be done to get people to do more work in less time?posed in a period of rapid industrialization and technological change in the United States.
- Frederick Winslow Taylor- books- "Shop management" (1905) and "The Principle of Scientific Management" (1911)
- Classical organizational Theory
- His observations: workers of all grades learnt details of their work by watching those who were more proficient. – but some more harmful in the long run preventing the worker from achieving maximum output.



Frederick W.Taylor (1856-1915) is known as the father of scientific management

## TIME STUDIES

- Using a stop watch to time a worker's sequence of motions with the goal of determining the one best way to perform a job.
- Study: LOADING OF PIG IRON

Movements – stoop, pick up pig iron, walk a few feet to truck, throw or place it on truck, return to pile of pig iron- sequence was repeated again and again- handling 12.5v tonnes each day

Taylor selected 75 men who seemed physically able to do more.- promised increased wages.

Result- 47.5 tonnes per worker

They were not extraordinary people who were prized by the society but physically able- this suggested that workers should be selected for how well they are suited for a job.

#### Science of Shoveling

- Tools- weight of the shovels varied, but not in relation to the work for which they used it.
- Used right type of shovel to push material on the pile and draw it out properly loaded under different circumstances.
- Optimum level- 21 pounds
- Firm provided optimal shovels resulting in 3-4 fold increase in productivity of workers.
- Result: Number of men required was reduced, resulting on reduced cost for the company, though individual workers received more wages.



### MOTION STUDIES

- Dividing the work into the most fundamental elements possible
- I. BRICKLAYING
- Rearranging the mortar box and pile of bricks and having bricks sorted by labourer and placed with the best edge up- reduced 15 movements to 8.
- Training- use both hands at a time
- Result- trained worker- could lay 350 bricks per hour against previous 120 bricks.
- Breaking of motions- identifies series of elementary motions or movements, each was timed, noted those that served no useful purpose- and eliminated them'

# CONTRIBUTION OF TIME AND MOTION STUDIES

- I. Standardization of work: individuals can differ in their habits and characteristics and can acquire bad habits on the job. Hence best methods are identified and training given
- 2. Fair reward systems for workers: Since all work is standardized employees could be easily rated. Thus reward systems became fair.
- 3. Precision of training: since standardization was possible. It helped formulation of training programmes for specific jobs
- 4. Payment based on work done: It became possible to differentiate between various jobs. So payment systems became efficient. Individual incentive payment systems was devised to encourage employees to conform to standards of the company.
- 5. Better understanding of individual difference: individual traits, characteristics suited for a job.

# Can there be any criticisms?

-designing jobs to make people work more efficiently was just like designing machines to make them work more efficiently. The problem, of course, is that people are not machines.

### HUMAN RELATIONS MOVEMENT

- Elton W. Mayo, an organizational scientist and consultant widely regarded as the founder of what is called the human relations movement.
- Organizational behaviour that rejects the primarily economic orientation of scientific management and recognizes, instead, the importance of social processes in work settings.
- THE HAWTHORNE STUDIES (1927) at Western Electric's Hawthorne Works near Chicago
- Initial aim: systematically altered key aspects of the work environment illumination, the length of rest pauses, the duration of the workday and workweek, wage incentives- to see their effects on job performance.
- Illumination Studies
- Relay assembly studies
- Bank Wiring room study
- Mass Interviewing programme: questions about supervisors, wages, company, facilities, promotion and moralesocial status and position in group, what they felt they were entitled to receive as rewards

#### **EXPLANATIONS**

- Knowing they were being studied made them feel special and motivated them to do their best. In reference to this phenomenon, the general tendency for people to behave differently than they normally would simply because they believe they are being studied has become known as the Hawthorne effect.
- Cases where people restricted their performance- informal rules were established about what constituted acceptable levels of job performance. Anyone who violated these rules was pressured strongly by their coworkers to change their ways.
- Contribution: behavior at work employee's attitudes and the processes by which they communicate with each other.



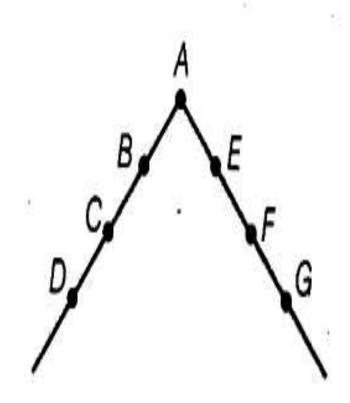
- experimental methods not rigorous enough

## EARLY OB: CLASSICAL ORGANIZATIONAL THEORY

#### **Administrative Management**

- Henri Fayol (1841-1925), was a director of mines and French engineer. He was slightly recognized outside France till the late 1940s, when translation was published for Fayol's 1916 Administration Industrielle ET Generale.
- He gave this theory on his own understanding and practice. This theory is about business management along with overall management.
- Principles of Management- 14 (Alika & Aibieyi, 2014)
- I. Division of Work: Productivity would rise as the employees develop gradually, become experts and competent on the job, when workforces are specialized.
- 2. Authority: Managers have the essential authority to give commands, however, they must as well remember that responsibility comes with authority, in arguments, take responsibility for all events carried out within the organization.
- 3. **Discipline:** Discipline need to be maintained at all times, but the approaches should be defined, because discipline differs from one organization to another organization.
- 4. Unity of Command: Employees must have simply one direct supervisor as no man can attend two bosses at the same time
- 5. Subordination of Individual Interests to the General Interest: The interests of single employee would not be accepted to become more significant than those of the set-including managers

- 8. **Centralization:** In what way, are employees close to the decision-making procedure. It is significant to aim for a proper balance.
- 9. **Scalar Chain:** Employees must be conscious of where they located in the hierarchy of organizations, or its chain of command.
- 10. **Order:** right arrangement of things and activities. In other words, order is a normal, correct, or fit condition. The facilities of the workstation require being fresh, neat and harmless for employees.
- II. **Equity:** At all times, managers must be impartial to employees, equally to preserve discipline- working with fairness and justice.
- 12. **Stability of Tenure of Personnel:** Both old and new employees should also be ensured job security because instability can lead to inefficiency. Having clear method to handle vacancies when they arise because it takes time and expense to train new ones.
- 13. **Initiative:** Organizations should listen to the concerns of their employees and encourage them to develop and carry out plans for improvement- generate motivation and respect.
- 14. Esprit de Corps (Team spirit): create unity, morale, and co-operation among the employees- acts as a source of strength for employees leading to more efficiency



**<u>Bureaucracy:</u>** An organizational design developed by Max Weber that attempts to make organizations operate efficiently by having a clear hierarchy of authority in which people are required to perform well-defined jobs.

#### Bureaucratic Management of Max Weber (1864-1920)

- He initiated the contemporary sociological study of bureaucracy and stressed the essentiality of bureaucracy for the rational achievement of the aims of the organizations.
- Characteristics of Bureaucracy Naidu (1996)
- 1. Bureaucratic offices are structured hierarchically; that is, every lower office is in the supervision and control of a greater one.
- 2. Every office has a demarcated range of action.
- 3. Bureaucrats are selected on the basis of strict qualifications as resolute by certificates or competitive examinations.
- 4. The bureaucrats are selected, not elected, on the source of an open agreement.
- 5. The bureaucrats accept fixed remunerations in money according to rank in the hierarchy of the organization. They also have a right to retirement pension.
- 6. The bureaucrats maintain discipline and regulate the behavior of the office.

# FROM CLASSICAL THEORIES TO THE INFO-TECH AGE



- By the 1940s, doctoral degrees were awarded in OB and the first textbooks were published, and by the late 1950s and early 1960s- OB was clearly a going concern.
- In the 1970s, active programs of research were going on—investigations into such key processes motivation and leadership, and the impact of organizational structure (Greenberg, 2018)
- Gordon and Howell report (1959)
- Computer technology has made it possible to eliminate vast amounts of grunt work that laborers used to have to perform. Much boring, monotonous, and dangerous physical labor has been eliminated by computer technology, and this has changed the way people work.
- Changed the way mangers operate- free to concentrate on improving the whole organization
- Helps tap into employee's abilities- to create, judge, imagine, and build relationships. contemporary OB recognizes
  that people care more than ever about the interpersonal side of work—recognition, relationships, and social
  interaction.
- But people have changes very little- their core needs and desires remain the same as before- challenging, meaningful, and interesting- twenty-first century, it's safe to say that its sharp emphasis is indeed a key characteristic of OB