



Organizational Behaviour

Introduction to OB

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Why do we study OB?

Try answering the following question on the first day of a Finance Class

“ What is the net present value at a discount rate of 12 percent per year of an Investment of INR 45 million this year on a portfolio of stocks, with an initial dividend next year of INR 4 million and an expected rate of dividend growth rate thereafter of 4 percent per year?”



Why do we study OB?

Try answering the following question on the first day of your OB Class

“ What is the most effective way to motivate a young employee reporting to you?”



Definition

Organizational Behaviour is the systematic study & careful application of knowledge about how people – as individuals and as groups – act within organizations.

It strives to identify ways in which people can act more effectively

OB is a scientific discipline in which a large number of research studies and conceptual developments are constantly adding to its knowledge base.

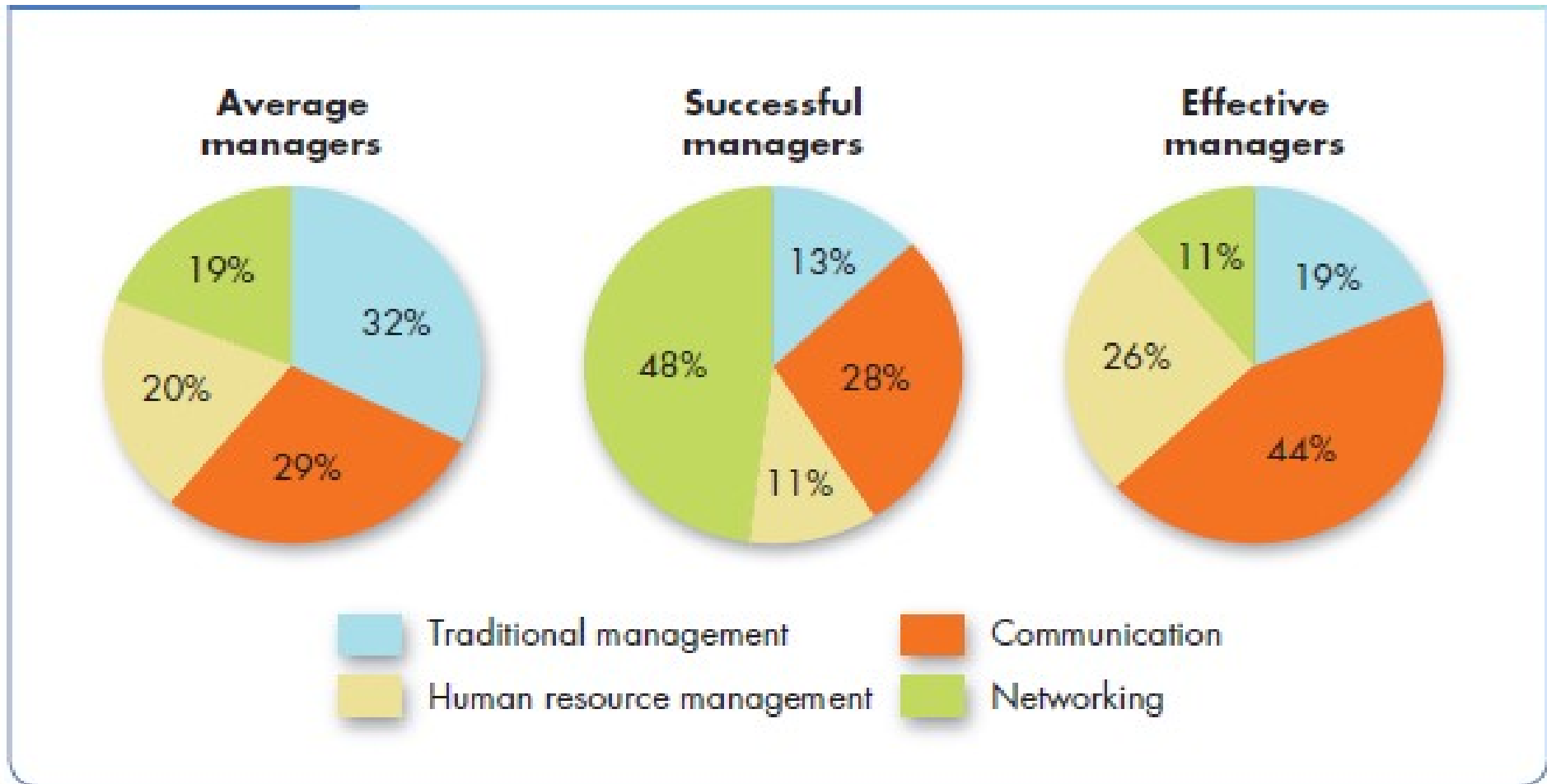
It is also an applied science, in that information about effective practices in one organization is being extended to many others.



Mintzberg's Managerial Roles

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

Successful vs. Effective Allocation by Time



Managers who promoted faster (were successful)
did different things than did
effective managers (those who did their jobs well)



Importance of Interpersonal Skills

- ✓ Understanding OB helps determine manager's effectiveness
 - Technical and quantitative skills are important
 - But leadership and communication skills are **critical**
- ✓ Better interpersonal skills result in lower turnover of quality employees and higher quality applications for recruitment
- ✓ 'Good places to work' have better financial performance

Intuition and Systematic Study

Intuition

- Gut feelings
- Individual observation
- Common sense

Systematic Study

- Looks at relationships
- Scientific evidence
- Predicts behaviors



Managers should use all approaches!

“The trick is to know when to go with your gut”

Jack Welch

- ✓ Intuition is often based on inaccurate information
- ✓ Systematic study can be time consuming
- ✓ Fads are prevalent in management

Use evidence as much as possible to inform your intuition and experience. That is the promise of OB.



Challenges & Opportunities

The major challenges and opportunities before us are:

- ✓ Responding to Economic Pressures
- ✓ Responding to Rapid Technological Progress
- ✓ Managing Workforce Diversity

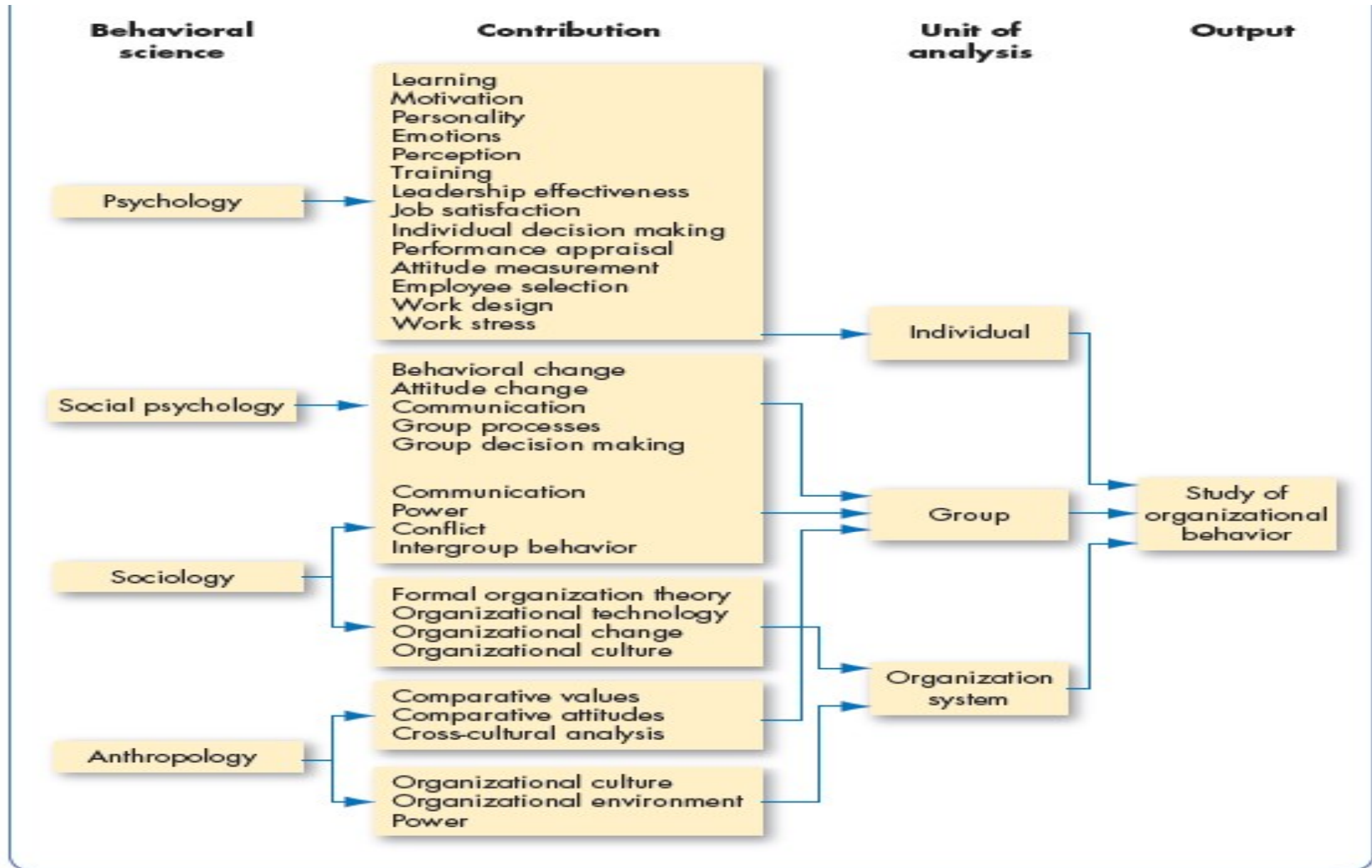


Challenges & Opportunities

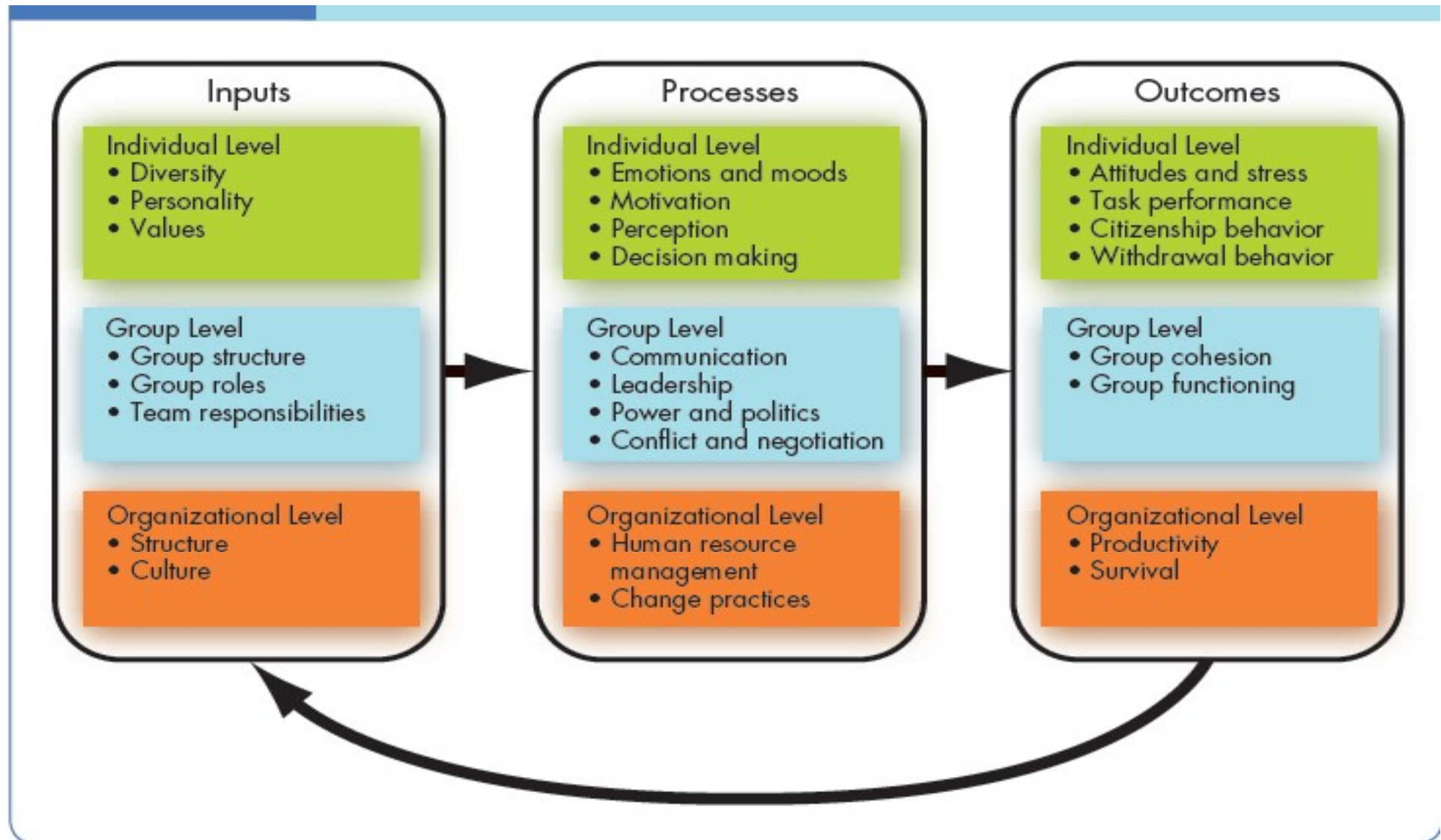
Some other challenges and opportunities . . .

- ✓ Improving Skills
- ✓ Improving Customer Service
- ✓ Stimulating Innovation and Change
- ✓ Coping with “Temporariness” (Gig economy)
- ✓ Working in Networked Organizations
- ✓ Helping Employees Balance Work-Life Conflicts
- ✓ Creating a Positive Work Environment
- ✓ Improving Ethical Behavior

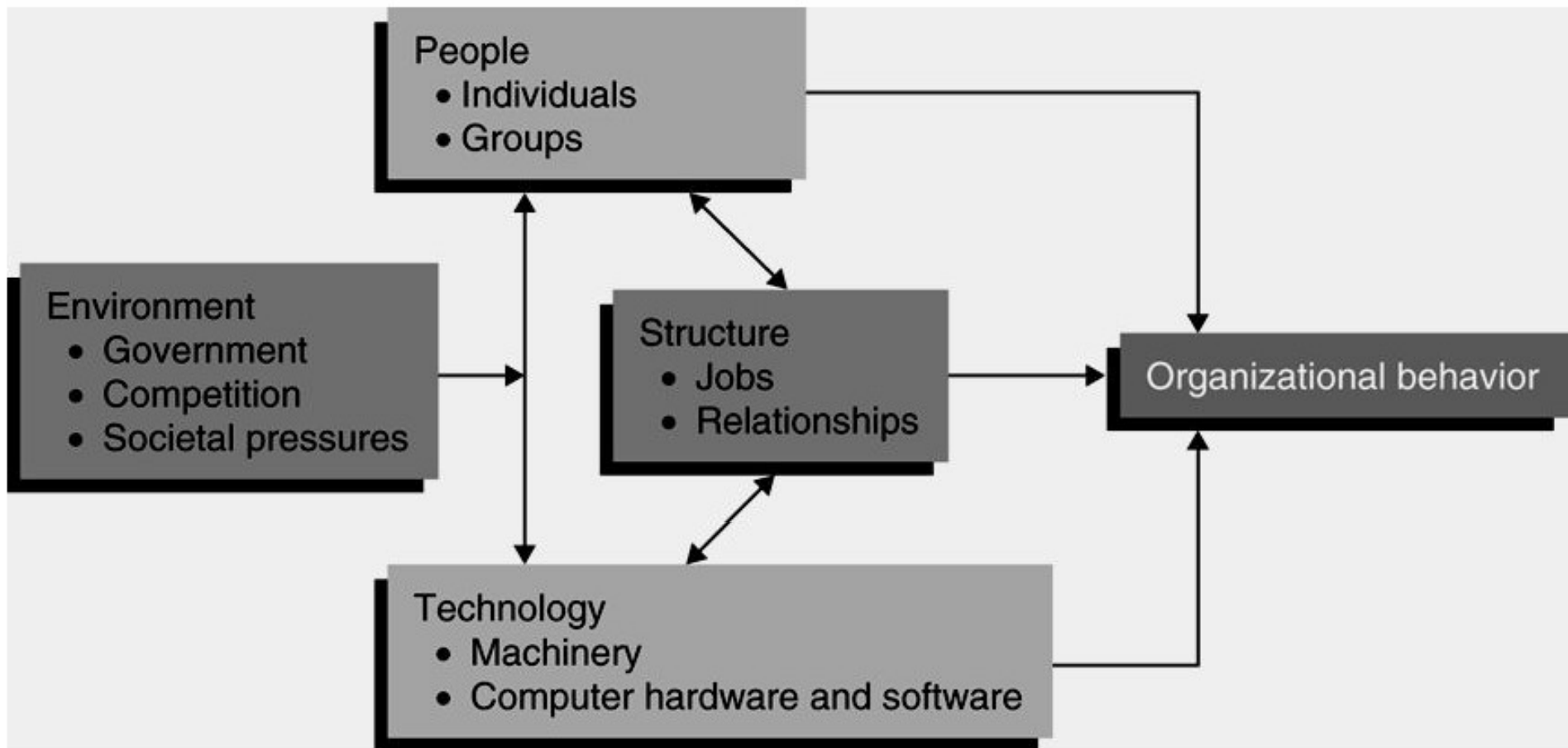
Disciplines Contributing to OB



Three Levels of Analysis in an OB Model



Key Forces Affecting Organizational Behaviour





The One-Eighth Situation

Stanford professor Jeff Pfeffer summarized the status of the OB approach to real-world management as a “one-eighth” situation:

Roughly half of today’s managers really believe and buy into the importance of the human side of enterprise and that the people are truly the competitive advantage of their organizations;

Only about half of those who believe really do something about it;

Thus, only about one-fourth are fully implementing the high performance work practices that flow from OB. Most organizations have tried one or a few of the approaches and techniques, but only about a fourth fully implement the whole approach.

Only about one-half of the one-fourth who implement the approach stick with it over time.

Thus, only about one-eighth of today’s organizations -
believe it, do it, and stick with it (the “three it’s “)

... one-eighth organizations are world class, the best in the world—such as General Electric, Southwest Airlines, Google, Gallup, and SAS.



Implications for Managers

- ✓ Resist the inclination to rely on generalizations; some provide valid insights, but many are erroneous.
- ✓ Use metrics and situational variables rather than “hunches” to explain cause-and-effect relationships.
- ✓ Work on your interpersonal skills to increase your leadership potential
- ✓ Improve your technical skills and conceptual skills through training and staying current
- ✓ Organizational behavior can help improve work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and help your employees balance work-life conflicts



End!

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Any Questions?