

Definition of OB

Organizational Behavior (OB) can be defined as the understanding, prediction and management of human behavior both individually or in a group that occur within an organization.

“Organizational behavior is a subset of management activities concerned with understanding, predicting and influencing individual behavior in organizational setting.” -**Callahan, Fleenor and Kudson**

“Organizational behavior is a branch of the Social Sciences that seeks to build theories that can be applied” to predicting, understanding and controlling behavior in work organizations.” -**Raman J. Aldag**

“Organizational behavior is the study and application of knowledge about how people act within an organization. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organization.” -**Newstrom and Davis.**

Concept of Organizational Behavior

Organizational behavior is the analysis of an organization’s structure, functions, and the behavior of its people. Behavioral study encompasses both groups as well as individuals. It is an interdisciplinary field and has its roots in sociology and psychology. Organizational behavior is based on sociology, as the word organization itself represents social collectivity.

It is linked to psychology because the subject encompasses the study of people, individually and in groups at the workplace (essentially, an organization). Individual and group behavior is again the function of many factors, which extend to other interdisciplinary fields such as economics, political science, social anthropology, engineering, and human resource management. The scope of organizational behavior is therefore extensive. An organization needs to manage all these aspects so that it can sustain itself in a competitive market.

Theoretically, it is difficult for us to draw a line between management and organizational behavior. It can be said that one supplements the other. Some organizational behavior issues have their roots in management processes. In fact, the study of management began much before the study of organizational behavior.

Studies in organizational behavior started in the middle of the twentieth century. Organizational behavior studies therefore draw from management theories to understand aspects such as organizational structure, behavior of people in an organization, and the issues concerning external and internal fit.

Successful management of organizational behavior largely depends on the management practices that prevail in an organization. Understanding organizational behavior, therefore, requires a clear understanding of the basics of management.

Going back in history, we find that before the industrial revolution (which took place in Europe in the middle of the eighteenth century), people used to manage their own economic activity through home-centered production systems. They themselves were the owners of labour, services, and capital. Since participation was natural (as it was their own work) and the size of activities was small (confined to the family members) management as a significant human activity did not get much recognition in those days.

With the advancement of technology, communication, and transportation, the domain of the market expanded beyond the neighbouring areas. It was at this point of time that organized production activity in the form of factory-centered production systems began to emerge.