Organizational Behavior

Organization

- It is an organized group of people with a particular purpose such as business objectives or government department.

- An **organization** is an entity, such as an institution or an association, that has a collective goal and is linked to an external environment.

Organization

- Organisation – It is a social unit of people that is structured & managed to meet a need or to pursue collective goals. All organization have a management structure that determines relationship between the different activities and the members and subdivides & assign roles, responsibilities & authorities to carry out different task.

  Organization is open system – they affect and are affected by their enviornment.

Organizational Behavior

- OB is the study and application of knowledge about how people as individuals and as groups act within organization.

- OB is the understanding, prediction and management of human behavior in organizations.

- It is the systematic study and application of human aspects (human behavior, attitude & performance) in management of an organization

Organizational Behavior

- "The organisation is above all social. It is people."

  - By Peter Drucker

- "People are the key" – Sam Walton.

- "Effective organisational behaviour is the bedrock on which effective organisational action rests. Long term competitive advantage comes from the rich portfolio of individual and team based competencies of an organisation's employees, managers and leaders."   - By Hellriegal and Slocum

What is Organizational Behavior?

Organizational behavior
Provides a set of tools
that allow:

People to understand,
analyze, and describe
behavior in organizations

Managers to improve, enhance,
or change work behaviors so
that individuals, groups and
the whole organization can
achieve their goals

The study of organizational behavior involves:

    a.   Consideration of the interaction among the formal structure.

    b.   Task to be undertaken

    c.   Technology employed & the methods of carrying out work

    d.   Behavior of people

    e.   Process of management

    f.   External environment

Interrelated dimensions influence behavior:

    1.   Individual

    2.   Group

    3.   Organization

    4.   Environment

Objectives of Organizational Behavior

1. To establish a social system in the organization
2. To determine the motivation level of employees
3. To encourage employees to work enthusiastically in organization
4. To create an environment for the development of effective leadership
5. To develop effective group behavior among employees
6. To identify reasons of conflict & to resolve the conflict
7. To find out reasons for frustration & reduce or eliminate the reasons
8. To increase the moral of employees of organization
9. To maintain organizational environment favorable for work
10. To find out ways for effective organizational development

Goals of Organizational Behavior

- To **describe** systematically how people behave under different conditions

- To **understand** why people behave as they do

- **Predicting** future employee behavior.

- **Control** at least partially and develop some human activity at work.

Forces affecting organizational behavior

- **People:** people make-up the internal social system of the organization as individual and group.

- **Structure:** it is define as a formal relationship and use of people in an organization.

- **Technology:** it is the resources with which people work & affect the task that they perform

- **Environment:** All organization operate within an internal & external environment, govt, family, society & other organization, unions etc. are part of environment.

PEOPLE: it makes internal social system of organization. They are consists of individual, groups (large group and small group). People with different educational background, attitude, values, abilities , perception.

Managers deals with:

- Individual employee who are expected to perform the task allocated to them.
- Dyadic relationship i.e. superior-subordinate interaction.
- Groups who works as team & have responsibility for getting the job done
- People outside organization such as customers & government officials.

STRUCTURE: It defines official relationships of people in organization. The main structure relates to power and to duties. Key concepts of organization structure are listed as below:

- ✓ Hierarchy of authority

- ✓ Division of labour : right job to right person

- ✓ Span of control: total number of subordinates over whom a manager has authority

- ✓ Specialization: This refers to the number of specialties performed within the organization.

✓ Standardization: It refers to the existence of procedures for regularly recurring events or activities

✓ f) Formalization: This refers to the extent to which rules, procedures, and communications are written down

✓ g) Centralization: This refers to the concentration of authority to make decision.

- **TECHNOLOGY**: Organizations have technologies for transforming inputs and outputs. These technologies consist of physical objects, activities and process, knowledge, all of which are brought to bear on raw materials labor and capital inputs during a transformation process.

- Thomson classified technology into three categories: Long-linked technology, Mediating

  Technology and Intensive Technology.

i) Long linked Technology: Tasks are broken into a number of sequential and interdependent steps, where the outputs of one unit become the input of the next. (eg. Assembly line like McD) Inc. output & efficiency

i) **Mediating Technology**: This links different parties who need to be brought together in a direct or indirect way (eg. Banks)

ii) **Intensive Technology**: It is used when a group of specialists are brought together to solve complex problems using a variety of technologies (eg. Hospital)

Fundamental Concepts of OB

- Fundamental concept revolves around nature of People and Organizations.

The Nature of People

The six basic concepts relevant to the nature of people are:

- Law of Individual Differences

- Perception

- Whole Person

- Motivation i.e. caused behavior

- Desire for involvement

- Human Dignity / value of the person

Law of Individual Difference: People are different in their personality, needs, demographic factors and past experiences and/or because they are placed in different physical settings, time periods or social surroundings. This diversity needs to be recognized and viewed as a valuable asset to organizations.

In spite of all the human being similar every one is different.

Individual Differences

- Every one has a different gift of the nature; different quality of intelligence, different perception and the different ways of behavior.

- The concept tells that every person is an entity in him. When it comes to human behavior there cannot be a prescriptive solution.

- Every individual is to be treated differently even though two persons may have the same behavioral problems.

- The concept also tells the manager that he had better be aware of his own stereotypes. A stereotype is a tendency

Perception

▸ People's perceptions also differ when they see an object. Two people can differently present the same object. And this is occurring for their experiences. A person always organizes and interprets what he sees according to his lifetime of experience and accumulated value.

▸ Employees also see work differently for they differ in their personalities, needs, demographics factors, past experiences and social surrounding.

Whole Person

- In the olden days employees were referred to as 'hands', implying that the organization hires only the hands of a man.

- Nothing can be farther from the truth that an organization hires not only the hands of an employee but the complete person with all his pluses and minuses.

Whole Person

▸ Since a person performs many roles at the same time, the happenings in one role are bound to affect the behavior in other roles of the person.

▸ The concept tells the manager that when it comes to behavioral problems, he must also take into account the other roles of the person.

▸ If the whole person is to be developed then only the benefits will extend beyond the organization to the entire society in which the employee lives

Motivation i.e. caused behavior

- The concept reminds the manager of the law enunciated by Newton that every action has an equal and opposite reaction.

- This means the manager, by his own behavior, can cause an employee behave in a particular way.

- If he is respectful to his employees they are bound to be respectful to him not otherwise.

Motivation i.e. caused behavior

- An employee has so many needs inside him. So, they want to fulfill those needs. That's why; they had to perform well in the organization.

- Some motivations are needed to enrich the quality of work. A path toward increased need fulfillment is the better way of enriching the quality of work.

Desire for involvement

- Every employee is actively seeking opportunities at work to involve in decision-making problems. They hunger for the chance to share what they know and to learn from the experience.

- So, organization should provide them a chance to express their opinions, ideas and suggestion for decision-making problem. A meaningful involvement can bring mutual benefit for both parties

Value of the Person

- This concept is of a different order because it is more an ethical philosophy than a scientific conclusion.

- It confirms that people are to be treated differently from other factors of production (land, capital, labor).

- People want to be treated with care, dignity and respect.

- They want to be valued for their skills and abilities and to be provided with opportunities to develop themselves.

- They refuse to accept the old idea that they are simply treated as economic tools. Since they are of a higher order, they want to be treated with respect and dignity from their employers and society

Nature of Organization

- 3 key concepts :

    1. Social System : they have roles and status. Formal social system & informal social system.

    2. Mutual Interest : mutuality between interest of employee and employer.

    3. Ethics- Ethics is the use of moral principles and values to affect the behavior of individuals and organizations with regard to choices between what is right and wrong.