

Relationship between OB and Individual

For Organization to grow continuously, there is a need for individuals to grow, this creates a sense of responsibility and create relation between organization and individual. These are the following things which can enhance the relationship between OB and individual:

1) Continuous Learning

- Learning is any permanent change in behavior, resulting from experience.
- Need to promote that behavior, which are functional.
- Need to discourage that behavior, which are detrimental.
- It creates a bond between the organization and employee.

2) Create right Perception

- Select, organize and interpret input from sensory receptors.
- OB helps to create right perception for working effectively with people.
- This creates right perceptual sense in the people.

3) Building positive attitudes and values

- Attitudes are lasting evaluations of people, groups, objects or issues.

- Positive attitudes are for effective relationship
- Values are: Specific mode of conduct or end state of existence is personally or socially preferable to an opposite or adverse mode of conduct or end state of existence
- Values are the base of attitudes and behavior.

4. Personality and emotions compatible at workplace:

- Personality is unique and relatively stable patterns of behavior, thoughts and feelings.
- Full potential of individual can be utilized.
- Emotions are reactions consisting of subjective cognitive states, psychological reactions and expressive behaviors.

→ An understanding about emotions helps for self-development of individuals.

5. Maintaining stress-free individuals and environment:

- Stress is a dynamic action in which an individual is confronted with ~~an~~ opportunity, constraint or demand related to that what he or she desires and for which outcomes perceived

to both uncertain and important. with growing competition ~~an~~ survival and excellence become tougher.

→ Stress is the managerial discomfort of modern era.

→ OB helps the individual in reducing stress level and manages environment and makes it comfortable.

6. Keeping individuals and Teams motivate and providing job satisfaction:

→ Motivation is the most important intangible resource of the organization.

→ Motivation is the internal process that activates, guides and maintains behavior over time.

→ Job satisfaction is general attitude towards one's job.

→ It depends on difference between amount of rewards workers receive and amount they believe they should receive.

→ OB helps the team in getting motivated and provides job satisfaction to the employees.

Evolution of OB

Management is as old as civilization. We find traces of this branch of study even thousands of years ago. It'd not ^{have been} possible to erect the pyramids, or construct the Great Wall of China, or the Taj Mahal, without managing the activities successfully. We may not have any documentary princip. evidence of the management principles of those days but management practices were

certainly used to accomplish these tasks. The earliest evidence of management practices is found in the philosophy of the division of labor in the literature of Adam Smith.

Management was influenced by various disciplines such as sociology, economics, political science, anthropology, psychology, and even literature. Because of such multi-disciplinary approaches, we find even authors like Harold Koontz (1961) referring to it as a "jungle". There exists differences ~~to~~ even in the classification of its approaches. He looks at the process of development of management from five different perspectives.

But without going into the details of such differences in approaches, let us analyze the history of management from the following three different perspectives:

1. The Classical approach

2. The neo-classical

3. The modern

1. The Classical approach

Conventionally, the classical approach is considered as constituting the traditionally accepted views and not those views that have become classical due to time factor (old concepts of the past). Classical here does not mean that the concepts and ideas are rooted way back in time & are very old.

2. The ~~new~~ classical approach of management emphasizes on organizational efficiency as a tool to ensure organizational success. It believes in functional inter-relationships, following certain principles based on experience, bureaucratic structure, and the reward-punishment system. Classical thoughts on management developed in 3 different directions - scientific management, administration theory and bureaucracy.

2. The Neo-classical approach of management

This approach emphasized on human relations, the importance of the man behind the machine, the importance of individual as well as group relationships, social aspects, etc. This approach was pioneered in 1930 by Elton Mayo and his associates.

3. The modern approach of mgt

It further got extended to the behavioral sciences approach, pioneered by Abraham Maslow, Chris Argyris, Douglas McGregor and Rensis Likert. The quantitative approach (during World War II), and the contingency (situational) approach were also developed and they also form a part of the neo-classical theory. Modern management thought combines the concepts of the classical approach with the social and natural sciences. It emerged basically from systems analysis.

Theoretical framework of OB

Even though OB is a study of behavior which is not visible, some theories are developed which will give a framework to understand, predict and manage the behavior of the human being in the organization. Even though one can't see or observe thinking, still developing concepts related to thinking and using the concepts to explain behavior is required in psychology.

Even though one can't see or observe gravitation, the concept of gravitation is a useful concept in physics. Similarly, concepts related to thinking or cognition are to be developed and used in psychology was the argument of proponents of cognitive approach to psychology. Three frameworks are developed majorly for this purpose:

i) Cognitive framework

ii) Behavioristic "

iii) Social Cognitive "

i) Cognitive framework of OB

Cognition means the mental action or process of acquiring knowledge and understanding through thought, experience and the senses. As per cognitive framework of OB, before the behavior of a person, cognition starts and giving input to the thinking, perception and problem-solving of the person. This framework is based on the concept of Expectancy, demand and Intention of the human being.

According to Edward Tolman, learning consists of the expectancy that a particular event will lead to a particular consequence. If we use this to represent cognitive framework, it simply means every individual set his goal

and he also knows the behavior that will lead to a particular consequence. If we use this to represent cognitive framework, it simply means every individual set his goals and he also knows the behavior that will take him to achieve the goal.

This cognitive framework is useful in analyzing perception, personality, motivation, decision-making of human in the organization.

ii) Behavioristic framework of OB:

Pioneer behaviorists Ivan Pavlov and John B. Watson insist that it is advisable and fruitful to the study of the behavior of the human being which is visible than studying the mind which is elusive in nature. The concept of Behavioristic framework of OB can be clearly explained with the help of stimulus and response. Stimulus is the force of action or motivation and response is the reaction or the behavior (Dog and the S-R Concept). Further, behaviorists B.F. Skinner developed this concept by considering the environmental consequences which leads to a certain behavior. Skinner advocates that Behavior is not the outcome of stimulus alone, but it is an outcome which also depends on contingent environmental consequences of a behavior.

This means that a human can project different behavior for the same stimulus and he exhibits a response depending on environmental consequences. Overall, it can be said that Behavioral framework is based on observable behavior and observable environmental variables.

iii) Social Cognitive Framework in OB:

The Social Cognitive Theory is a framework which will give a base to understand the human behavior. The social cognitive framework in OB states that the person and the external situations are interdependent on each other along with the behavior itself to determine the behavior.

The person and the environmental situation don't function as independent units but in conjunction with behavior itself reciprocally interact to determine behavior.

It means that cognitive variables and environmental variables are relevant, but the experiences generated by previous behavior also partly determine what a person becomes & can do, which, in turn, affects subsequently behavior.

Bandura developed social learning theory into the more comprehensive social cognitive theory (SCT). Stajkovic and Luthans have

translated this SCT into the theoretical framework for OB.

Bandura identified 5 basic human capabilities as a part of SCT.

1. Symbolizing

People process visual experiences into cognitive models. They help in future action.

2. Forethought

Employees plan their actions.

3. Observational

Employees learn by observing the performance of the referent group (peers, supervisors and high performers) and the consequences of their actions.

4. Self-regulatory

Employees self-regulate their actions by setting internal standards (Aspirational level of performance).

5. Self-reflective

Employees reflect back on their actions (How did I do?) and perceptually determine how they believe they can successfully accomplish the task in the future given the context (Probability of success between 0 to 100% is estimated).

1.1 ORIGIN AND DEVELOPMENT OF OB

Few things touch our daily life as much as organisations do. We depend on organisations for education, employment, food, clothing, shelter, health, wealth, recreation, travel, and much more. They touch every aspect of human life, as told in the opening case, from birth to death. In fact, life becomes unlivable *sans* organisations.

But most of us have a casual attitude towards organisations. We notice their importance when they fail to deliver their goods and services to us. For example, when trains stop running we take notice of the indifferent services rendered by railways. When electricity fails, we blame the state electricity board for its incompetent and corrupt administration. When doctors in a government hospital strike work, we blame the government, and so on. It is essential for us to understand what these organisations are, how do they function and how to make them more effective in their functioning. These and other related issues are addressed in this book.

What are Organisations?

Organisations are as old as the human race itself. Archaeologists have discovered massive temples dating back to 3500 BC that were constructed through the organised actions of many people. The fact that these impressive monuments were built suggest that not only did complex organisations exist, but that the people in them worked cohesively for common causes.

We have equally impressive examples of contemporary organisations such as Hong Kong's new island airport at Chek Lap Kok, the Hiberria Oil Platform off the east Coast, North America, and the complex network of computer connections – the Internet.

What, then, are these powerful constructs that we call organisations? They are groups of people who work independently towards some purpose. Organisations are not physical structures; rather, they are the people who work together to achieve a set of goals. People who work in organisations have structured patterns of interactions, meaning that they expect each other to complete certain tasks in an organised way.

Who creates these organisations? Often an individual (See Exhibit 1.1) or a group of people, who believe that they possess the necessary skills and knowledge, form an organisation to produce goods and services. In this way organisations like restaurants, Wipro, and design studios are created. At times, several people form a group to respond to a perceived need by creating an organisation. People with a lot of money may invest jointly to build a vacation resort. A group of people with similar beliefs may build a new place of worship or citizens of a state may float a new political party.

In general, entrepreneurship is the term used to describe the process by which people recognize opportunities, garner resources and put them to use to produce goods and services. The rewards of entrepreneurship are as varied as the spiritual satisfaction derived by the believers who build a place of worship, or the profit generated for the founders and shareholders of a resort that successfully responded to people's recreational needs.

DEFINITION AND MEANING OF ORGANISATIONAL BEHAVIOUR

The definitions on OB are many. However, three features need to be emphasized in any definition:

- [OB is the study of human behaviour;
- The study is about behaviour in organisations; and
- Knowledge about human behaviour would be useful in improving an organisation's effectiveness.]

Combining the above three features, OB may be understood to be the study of human behaviour in organisational settings, of the interface between human behaviour and the organisation, and of the organisation itself. Knowledge gained from such a study is useful in improving organisational effectiveness. The following definitions are appropriate:

[OB refers to the behaviour of individuals and groups within the organisations and the interaction between organisational members and their external environments.]

Notes

OB is a field of study that investigates the impact that individuals, groups and structure have on behaviour within the organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness.

To sum up, OB obviously comprises individual behaviour, group behaviour and of the organisation itself. Understanding of the subject is complete when all the three are studied carefully. The study of individual behaviour alone is incomplete because the actions of the employee influence and are influenced by the organisation where he or she works. Again, studying only organisations without learning about the people amounts to looking at only part of the picture.

The influence of environment on the interface between individuals and organisations cannot be overlooked. Fig.1.2 illustrates the integrative study of OB. It shows the linkages among human behaviour in organisational settings, the individual-organisational interface, the organisation, as well as the environment surrounding the organisation.

The field of OB is both exciting and complex. Many variables and concepts accompany the interaction shown in Fig.1.2 and together these factors greatly complicate the manager's ability to understand, appreciate, and manage people in an organisation. They also provide unique opportunities to enhance personnel and organisational effectiveness.

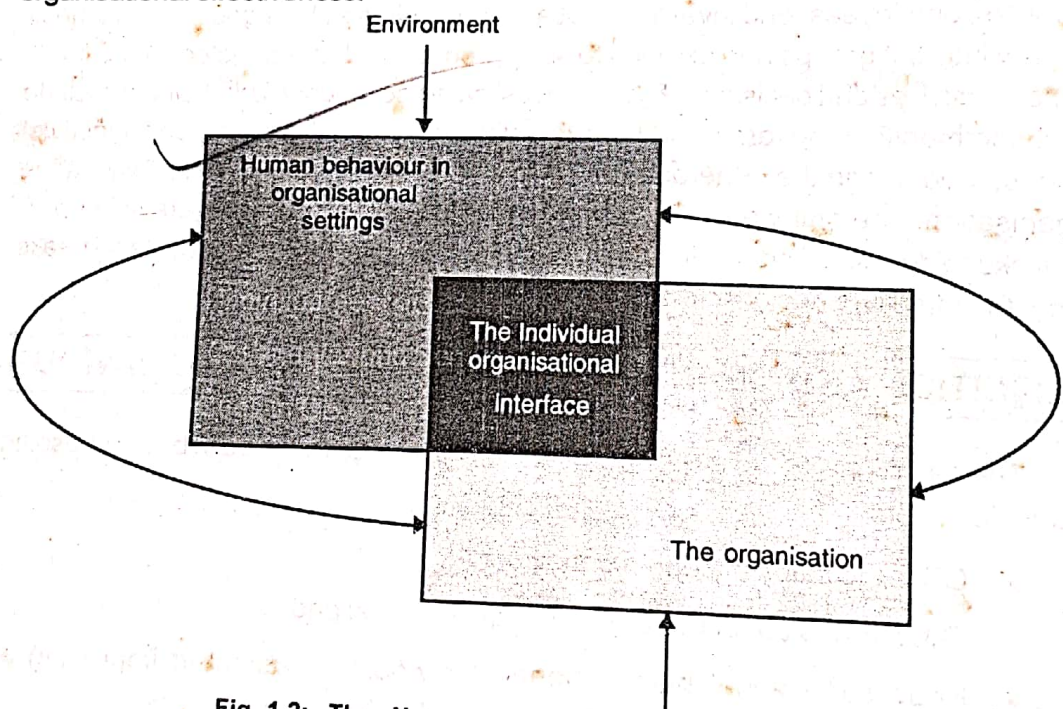


Fig. 1.2: The Nature of Organisational Behaviour

OB has emerged as a distinct field of study. It is an area of expertise with a common body of knowledge. OB is also an applied field. It applies the knowledge gained about individuals and groups and the effect of structure on behaviour in order to make an organisations work more effectively.

OB should not be mistaken as representing the whole management. It represents only the behavioural or people approach to management. Other recognized approaches to management include the process, quantitative systems and contingency approaches.

Being engaged in that role, the manager must also be a *negotiator*, reaching agreements with others. For example, the manager meets and formally negotiates with others — a supplier about a late delivery, the finance officer about the need for additional budget allocations, or the union about a worker grievance.

[A study of OB is beneficial in several ways. In the first place, OB provides a road map to our lives in the organisation. Every one of us has an inherent need to know about the world in which we live] This is particularly true in organisations, as they have a profound effect on our actions and behaviours.

People bring to their workplace their hopes and dreams as well as their fears and frustrations. Much of the time, people in organisations may appear to be acting quite rationally, doing their fair share of work, and going about their tasks in a civil manner. Suddenly, a few people appear distracted, their work slips, and they even get withdrawn. Worse still, one may find someone taking advantage of others to further his or her personal interests (Recollect the opening case).

Occasionally, you are likely to get caught up in anxiety-provoking organisational changes that involve redeployments or even lay-offs. Such a range of human behaviours makes life in organisations perplexing. But those who know what to look for and have some advance ideas about how to cope with pressures are more likely to respond in ways that are functional, less stressful, and even career-advancing. We, therefore, need to map out organisational events so that we can function in a more secure and comfortable environment.

[Second, the field of OB uses scientific research to help us understand and predict organisational life. This is not to say that this knowledge is absolute] The decisions and actions that people in organisations make are determined by a complex combination of factors. Besides, the field of OB is not a pure science. Nevertheless, it helps us make sense of the workplace and, to some extent, predict what people will do under various conditions.

[Third, OB helps us influence organisational events. Though it is good to understand and predict organisational events, most of us want to influence the environment in which we live] Whether one is a marketing specialist or a computer programmer, he or she needs to know how to communicate effectively with others, manage conflict, make better decisions, ensure commitment to ideas, help work teams operate more effectively, and the like. OB theories and concepts will help us influence organisational events.

[Fourth, OB helps an individual understand himself/herself and others better. This helps improve interpersonal relations considerably] Of particular significance are topics like attitude, perception, leadership, communication, T.A. and conflict, an understanding of which will change the very style of talking and functioning of an individual. It is no exaggeration that the MBA graduate always remembers, with satisfaction, OB among all the subjects of his/her course, even after graduation.

[Fifth, a manager in a business establishment is concerned with getting things done through delegation] He or she will be successful when he or she can motivate subordinates to work for better results. OB will help the manager understand the basis of motivation and what he or she should do to motivate subordinates.

Notes

[Sixth, the field of OB is useful for maintaining cordial industrial relations]. If an employee is slow in his or her work, or if his or her productivity is steadily declining, it is not always because of denial of promotion or a poor work environment. Similarly, if the union of workers gives a strike call, the basic issue may not be a demand for more wages, higher bonus, a better canteen, or for three pairs of uniform in the place of two. Often the indifferent attitude of the boss makes the worker lazy. Similarly, reluctance of the management to talk to union leaders about issues might provoke them to give a strike call. In other words, relations between management and employees are often strained for reasons which are personnel issues, not technical. Human problems need to be tackled humanely. OB is very useful in this context as it helps understand the cause of the problem, predict its course of action, and control its consequences (See Fig.1.3). It is also a human tool for human benefit. The field of OB serves as the basis for human resource management.

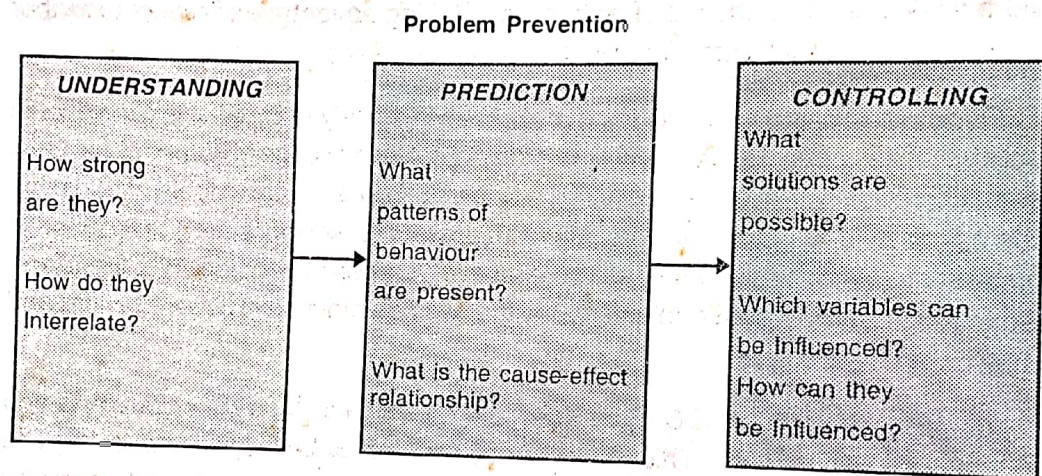


Fig. 1.3: The Basic Process of Organisational Behaviour

[Seventh, the subject of OB is also useful in the field of marketing]. In the dynamic mechanism of the flow of goods and services from producer to consumer, awareness of the nature of individual and social processes has an immediate or long-range contribution to the success or failure of the enterprise. Consumer choice behaviour, the nature of influence, and the channels involved, represent leading topics for behaviour research in this area. Innovation and the diffusion of new products, creativity, and the learning of responses are equally important social and individual phenomena that contribute to the total process.

[Eighth, the most popular reason for studying OB is that the reader is interested in pursuing a career in management and wants to learn how to predict behaviour and apply it in some meaningful way to make organisations more effective]. A successful manager should have good 'people skills' which include the ability to understand one's employees and use this knowledge effectively to make them more efficient.

[Finally, in the last couple of years, our economy has been witnessing an upward trend; every sector of the economy doing pretty well, registering an overall growth rate of 7 per cent per annum]. In order to sustain this trend, effective management of all sectors of the economy, particularly the industrial sector, is of paramount importance. Effective management does not mean competent utilization of technical or financial resources alone. Rather, it implies efficient management of human resources. This is

Limitations of OB:

1. Behavioral bias:

It further causes dependence, discontentment, indiscipline and irresponsibility.

2. Law of diminishing returns:

It says that beyond a certain point, there is a decline in output even after each additional good or positive factor.

3. Unethical practices & manipulation of people:

Knowledge of motivation and communication acquired can be used to exploit subordinates in an organization by the manipulative managers.

4. OB can't abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.

~~5. People who lack system understanding may develop~~

5. The concept implies that for any situation, there is an optimum amount of a desirable practice. When that point is exceeded, there is a decline in returns. For example, too much security may lead to less employee initiative and growth. This relationship shows that organizational effectiveness is achieved not by maximizing one human variable but by working all system variables together in a balanced way.

6. A significant concern about OB is that its knowledge and techniques can be used to manipulate people without regard for human welfare. People who lack ethical values could use people in unethical ways.
7. OB helps an individual to understand human behavior only at workplace or he/she may be a failure at domestic front.
8. OB hasn't contributed to improved interpersonal relations in an organization. Jealousies, back-stabbing, harassments go side by side with rewards, lectures, discussions, smiles, etc.
9. OB is selfish and exploitative. With emphasis on motivation, efficiency, productivity, there exists a kind of competition among workers and they are not able to live in harmony.
10. OB has almost become a fad with managers. Abolishing organizational physical disparities has not abolished mental barriers.