

Unit-1

Organisational Behaviour

INTRODUCTION

Everything you need to know about organizational behaviour. The field of organisational behaviour deals with human behavior in organization.

It is the multidisciplinary field that seeks knowledge of behaviour in organisational settings by objective based on studying individual, group and organisational processes.

The role and field of organisation behaviour is not only concerned with a particular organisation. The concepts and approaches of organisation behaviour are also more concerned with the society.

According to L. M. Prasad, “Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems.”

In words of K Aswathappa, “OB is the study of human behaviour in organisational setting, of the interface between human behaviour and organisation and of the organisation itself.”

In words of Stephen P. Robbins, “OB is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation’s effectiveness.”

According to L. M. Prasad, “Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems.”

According to Davis and Newstrom, “Organisational behaviour is the study and application of knowledge about how people act within organisations.”

According to Fred Luthans, “Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organisations.”

In words of John Newstrom and Keith Devis, “Organisational behaviour is the study and application of knowledge about how people as individuals and as groups act within organisations. It strives to identify ways in which people can act more effectively.”

OB is the study of individual behaviour in isolation, when in group and as a part of an organisation. The study of individual behaviour only, would be incomplete because behaviour is affected by the people surrounding us as well as by the organisation, in which we work. Studying only individuals or only organisations would be of no use. It is essential to study both simultaneously.

Personality, perception, learning, attitude, family background, training, motivation, job satisfaction, performance appraisal, leadership effectiveness, norms, values and ethics are the factors which affect the individual behaviour. Group dynamics, communication, organisational environment, individual and organisational culture affect group behaviour. Organisational structure, power & politics, status, relation with juniors & seniors, conflicts and culture affect the individual behaviour in the organisation.

Advantages of Organizational Behavior

1. Good Workplace Relationships

It is hard to build meaningful workplace relationships. As a leader, you have to look out for any instances of conflict. Or situations that can hamper employee relationships.

Figuring out the real issues that harm employee relationships might be a daunting job. But it is essential to do that.

Organizational behavior is essential to assist a leader in solving the issues. It helps you in-

The main objective is to improve communication among people. On top of that, it reduces any chances of misunderstanding that can harm relation. Motivation is a crucial element when we talk about employee engagement. Without motivation, it is difficult to improve productivity. A lack of motivation is why your people don't give their 100% effort to the job. Tackling such an issue will require the study of organizational behavior.

It gives a clear understanding of the issues. After which, you can quickly act on it and resolve them for greater efficiency.

3. Builds a Psychologically Safe Workplace

Organizational behavior study helps a leader to understand their influence on the employees. It determines your attitude towards them. It draws a clear picture of how to make your workplace psychologically safe. This is a workplace that will inspire and build morale.

A psychologically safe workplace helps the employees in-Recognize that you can examine differences by studying behavior. This allows a manager to build a workplace where employees feel at home and work without any hiccups.

4. Nature of Employees

Achieving success in the long term can be a difficult task. And maintaining consistency is even more significantly challenging.

However, it will all depend on how employees behave at work. Their attitude towards their work will reflect on the results.

The employees need to be passionate and enthusiastic about their work. And if they are laid back regarding their work, then it poses as a roadblock.

To understand the impact of it, the study of behavior is critical. It helps a manager in deducing-

The factors can be varying. However, if the nature of the employees does not change over time, it can hinder growth. This can result in an organization getting derailed from the path of success.

5. Higher Efficiency in Teams

The study of behavior in an organization is vital for team collaboration. It gives you insights into the similarities and differences that people share.

Understanding the dynamics will assist a leader in facilitating better team unity. A team with good chemistry will-

In return, it builds good morale and confidence among team members. Thus, increasing team bonding which is crucial in meeting the company objectives. As a result, leaders can achieve greater success in the long term. ships.

Historical Development of Organisational Behaviour - Organisational Behaviour

In 1776, Adam Smith advocated a new form of organisational structure based on the division of labour. One hundred years later, German Sociologist Max Weber introduced the concept about rational organisations and initiated the concept of charismatic leadership.

Though the origin to the study of Organisational Behaviour can trace its roots back to Max Weber and earlier organisational studies, it is generally considered to have begun as an academic discipline with the advent of scientific management in the 1890's, with Taylorism representing the peak of the movement. Thus, it was Fredrick Winslow Taylor who introduced the systematic use of goal setting and rewards to motivate employees that could be considered as the starting of the academic discipline of Organisational Behaviour.

Proponents of scientific management held that rationalising the organisation with precise sets of instructions and time-motion studies would lead to increased productivity. Studies of different compensation systems were also carried out to motivate workers.

In 1920's Elton Mayo an Australian born Harvard Professor and his colleagues conducted productivity studies at Western Electric's Hawthorne Plant. With this epoch making study the focus of organisational studies shifted to analysis of how human factors and psychology affected organisations. This shift of focus in the study of organisations was called the Hawthorne Effect. The Human Relations Movement focused on teams, motivation, and the actualisation of goals of individuals within organisations. Studies conducted by prominent scholars like Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Maslow, David McClelland and Victor Vroom contributed to the growth of Organisational Behaviour as a discipline.

In the 1960's and 1970's, the field was strongly influenced by social psychology and the emphasis in academic study was quantitative research. An explosion of the arising, bounded rationality, informal organisation, contingency theory, resource dependence, institution theory and population ecology theories have contributed to the study of organisational behaviour.

Historical development of Organisational behaviour

Various Historical Concepts

1. ***Industrial Revolution:*** It has only been since the Industrial Revolution of the nineteenth century that relatively large number of individuals have been required to work together in manager-subordinate relationships. Prior to this many of the large organisations that did exist, were military ones in which the authority of the leader was supreme and practically unquestioned, since membership was not voluntary.

Behavioural problems were relatively easy to deal with under these conditions. It is certainly no accident that much of our current knowledge about human behavior has been derived from organisations in which influencing behaviour consists of more than just giving orders.

Famous industrialist like William C Durant, Henry Ford, Andrew Carnegie, and John D Rockefeller were men of brilliant managerial qualities. They possessed the managerial qualities necessary for the initial stages of industrialization. However, when the industrial revolution began to mature and become stabilized, this approach was no longer appropriate.

2. **Scientific Management:** The great industrialist was primarily concerned with overall managerial organisation in order for their companies to survive and prosper. The scientific management movement around the turn of the century took an operations perspective. Yet, the two approaches were certainly not contradictory. The managers in both cases applied the scientific method to their problems and they thought that effective management at all levels was the key to organisational success.

Fredrick W Taylor(1856 - 1915) is the recognized father of scientific management.

Taylor started scientific management in his time-and-motion studies at the Midvale Steel Company in the early 1900's. As an industrial engineer, he was concerned with efficiencies in manual labour jobs and believed that by scientifically studying the specific motions that made up the total job, a more rational, objective and effective method of performing the job could be determined. In his early years as a foreman in the steel industry, he saw different workers doing the same job in different ways. It was his opinion that each man could not be doing his job in the optimal way, and he set out to find the "one best way" to perform the job efficiently. His argument proved to be correct and in some instances "taylorism" resulted in productivity increases of 400 percent. In almost all cases, his methods improved productivity over existing levels.

Taylor had actual shop and engineering experience and therefore was intimately involved with tools, products and various machining and manufacturing operations. His well-known metal-cutting experiments demonstrated the scientific management approach. Over a period of twenty-six years, Taylor tested every conceivable variation in speed, feed, depth of cut, and kind of cutting tool. The outcome of

this experimentation was high speed steel, considered one of the most significant contributions to the development of large-scale production. Coupled with Taylor's logical, rational, engineering -like approach to management was a simple theory of human behaviour: people are primarily motivated by economic rewards and will take direction if offered the opportunity to better their economic positions. Put simply, Taylor's theory stated that:

- Physical work could be scientifically studied to determine the optimal method of performing a job.
- Workers could thereafter be made more efficient by being given prescriptions for how they were to do their jobs.
- Workers would be willing to adhere to these prescriptions if paid on "differential piece work" basis.

In addition to advocating the use of scientific means to develop the best way to do a task, Taylor argued that several other principles were important.

- iv. Workers with appropriate abilities had to be selected and trained in the appropriate task method.
- v. Supervisors needed to build cooperation among the workers to ensure that they followed the designated method of work. Building such cooperation included soliciting workers' suggestions and being willing to discuss ideas for improved work methods.
- vi. There needed to be a clear division of work responsibilities. Previously, the workers planned how to approach a task, and then they executed it. Under the Taylor scheme, it was management's job to do the task planning, using scientific methods.

Taylor's four principles of scientific management are summarized here: -

- Scientifically study each part of a task and develop the best method for performing the task.
- Carefully select workers and train them to perform the task by using the scientifically developed method.
- Cooperate fully with workers to ensure that they use the proper method.

- Divide work and responsibility so that management is responsible for planning work methods using scientific principles and workers are responsible for executing the work accordingly.

Many have criticized Taylor's work for dehumanizing the work place and treating workers like machines, but his overall contribution to management was significant. Although others were studying similar methods at the same general time, Taylor was one of the first to take the theory and practice of management out of the realm of intuitive judgment and into the realm of scientific inquiry and reasoning.

Taylor's ideas on time study, standardization of work practices, goal setting, money as a motivator, scientific selection of workers and rest pauses have all proved to be successful techniques of management today. Taylor was by no means the only noteworthy scientific manager. Others in the movement, such as Frank and Lillian Gilberth and Henry L Gantt made especially significant contributions.

The Gilbreths: Other major advocates of scientific management were the husband and wife team of Frank Gilbreth (1868 - 1924) and Lillian Moller Gilberth (1878 - 1972). As Frank became involved in training young brick layers, he noticed the inefficiencies that were handed down from experienced workers. To remedy the situation he proposed using motion studies to streamline the bricklaying process. Frank also designed special scaffolding for different types of jobs and devised precise directions for mortar consistency.

On the basis of these and other ideas, Frank was able to reduce the motions involved in brick laying from 18 ½ to 4. Using his approach, workers increased the number of bricks laid per day from 1000 to 2700 with no increase in physical exertion.

Frank married Lillian Moller, who began working with him on projects while she completed her doctorate in psychology. The two continued their studies aimed at eliminating unnecessary motions and expanded their interests to exploring ways of reducing task fatigue. Part of their work involved the isolation of 17 basic motions, each called a therblig ("Gilbreth" spelled backward, with the "t" and "h" reversed). Therbligs included such motions as select, position, and hold - motions that were used to study tasks in a number of industries.

The Gilbreths used the therblig concept to study tasks in a number of industries. The Gilbreths used the therblig concept to study jobs and also pioneered the use of motion picture technology in studying jobs. Lillian's doctoral thesis was published as a book, *The Psychology of Management*, making it one of the early works applying the findings of psychology to the workplace. At the insistence of the publisher, the author was listed as L.M. Gilbreth to disguise the fact that the book was written by a woman.

Lillian helped define scientific management by arguing that scientific studies of management must focus on both analysis and synthesis. With analysis, a task is broken down into its essential parts or elements. With synthesis, the task is reconstituted to include only those elements necessary for efficient work. She also had a particular interest in the human implications of scientific management, arguing that the purpose of scientific management is to help people reach their maximum potential by developing their skills and abilities. Lillian Gilbreth ranks as the first woman to gain prominence as a major contributor to the development of management as a science.

Henry L Gantt (1861-1919): One of Taylor's closest associates, Henry Gantt later became an independent consultant and made several contributions of his own. The most well-known is the Gantt Chart, a graphic aid to planning, scheduling and control that is still in use today. He also devised a unique pay incentive system that not only paid workers extra for reaching standard in the allotted time but also awarded bonuses to supervisors when workers reached standard. He wanted to encourage supervisors to coach workers who were having difficulties.

The scientific managers like Taylor, Frank and Lillian Gilberth and Henry Gantt were not the first or only group that recognized the importance of the operating functions. A hundred years earlier, Adam Smith had carefully pointed out the advantages of division of labour and in 1832, Charles Babbage, a British mathematician with some astounding managerial insights, discussed transference of skill in his book *Economy of Machinery and Manufacture*.

The Human Relations Movement: The second major step on the way to current organisational behaviour theory was the Human Relations

Movement that began in the 1930's and continued in various forms until the 1950's. The practice of management, which places heavy emphasis on employee cooperation and morale, might be classified as human relations. Raymond Mills states that the human relation approach was simply to "treat people as human beings (instead of machines in the productive process), acknowledge their needs to belong and to feel important by listening to and heeding their complaints where possible and by involving them in certain decisions concerning working conditions and other matters, then morale would surely improve and workers would cooperate with management in achieving good production".

The Human Relations Movement, popularized by Elton Mayo and his famous Hawthorne studies conducted at the Hawthorne Plant of the Western Electric Company, in many ways it remained the foundation of much of our management thinking today. Before the Hawthorne studies officially started, Elton Mayo headed a research team, which was investigating the causes of very high turnover in the mule-spinning department of a Philadelphia textile mill in 1923 and 1924. After interviewing and consulting the workers, the team set up a series of rest pauses, which resulted in greatly reduced turnover and more positive worker attitudes and morale.

The fundamental Principles of organizational behavior are;

- Individual Differences.
- Perception.
- A Whole Person.
- Motivated Behavior.
- The desire for Involvement.
- The value of the Person.
- Human Dignity.
- Organizations are Social System.
- Mutuality of Interest.
- Holistic Concept.

Individual Differences

Every individual in the world is different from others.

Science supports this idea. Each person is different from all others, probably in a million ways, just as each's DNA profile is different.

The idea of the individual difference comes originally from psychology. From the day of birth, each person is unique, and personal experiences after birth tend to make people even more different.

Perception

Peoples' perceptions are also different 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 differ in their personalities, needs, demographics factors, past experiences, and social surroundings.

A Whole Person

An employee's personal life is not detached from his working life.

As an example, A women who attend the office at 9:00 AM is always anxious for her children's school time (if her kids can participate in the school or not).

As a result, its impact falls on her concentration that means her working life.

For this reason, we cannot separate it. So the manager should treat an employee as a whole person.

Motivated 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 necessary to enrich the quality of work. A path toward increased need fulfillment is the better way to enhances the quality of work.

Desire for Involvement

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

So, the organization should provide them a chance to express their opinions, ideas, and suggestions for the decision-making problem.

A meaningful involvement can bring mutual benefit to both parties.

Value of the Person

An employee wants to be treated separately from another factor of production, (land, capital, labor).

They refuse to accept the old idea that they are just treated as economic tools because they are the best creation of Almighty Allah.

For this, reason, they want to be treated with carrying respect, dignity and other things from their employers and society.

Human Dignity

This concept is very philosophical. Every person needs to be treated with dignity and respect, whether it's the CEO of the company or labor.

It confirms that people are to be treated differently from other factors of production because they are of a higher order in the universe.

it recognizes human dignity because people are of a higher order; they want to be treated with respect and dignity and should be treated this way.

Organizations are Social System

From sociology, we learn that organizations are social systems; consequently, activities therein are governed by social laws as well as psychological laws. Just as people have psychological needs, they also have social roles and status.

Their behavior is influenced by their group as well as by their drives.

In fact, two types of social systems exist side by side in organizations. One is a formal system, and the other is the informal social system.

Mutuality of Interest

Mutual interest is represented by the statement that organizations need people and people also need organizations.

Organizations have a human purpose. They are formed and maintained by some mutuality of interest among their participants.

People see organizations as a means to help them reach their goals, while at the same time,

Holistic Concept

When the fundamental concepts of OB are placed together, a holistic concept emerges.

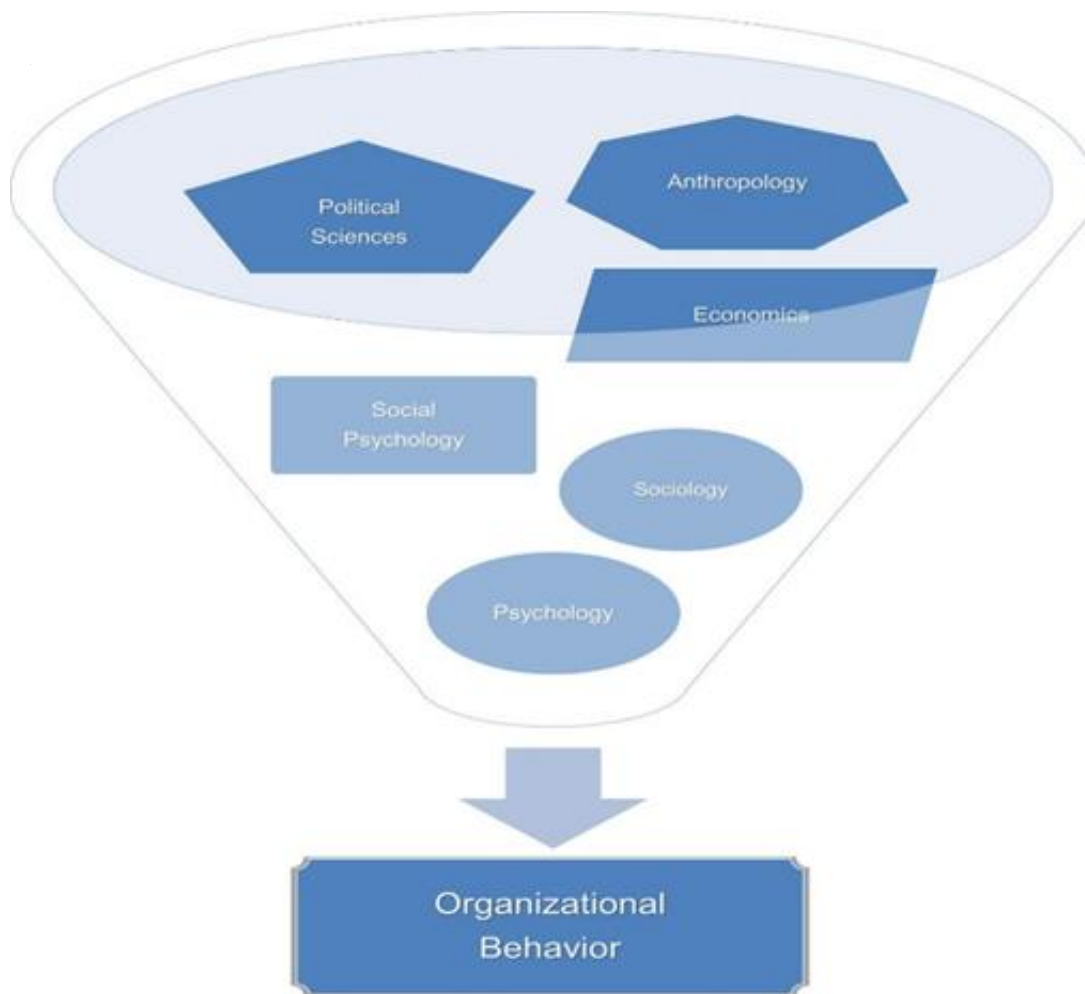
This concept interprets people-organization relationships regarding the whole person, the whole group, whole organization, and the whole social system.

It takes across the board view of people in organizations to understand as many as possible of the factors that influence their behavior.

Issues are analyzed in terms of the total situation affecting them rather than in terms of an isolated event or problems.

Important Disciplines in the Organizational Behaviour Field

There are some important disciplines in the organizational behaviour field that have developed it extensively. Due to the increase in organizational complexity, different types of knowledge are required and helped in many ways.



Contributing Disciplines in the Organizational Behaviour Field are: –

1. Psychology;
2. Social Psychology;
3. Sociology;
4. Anthropology;
5. Political Sciences; and
6. Economics.

Explanation

1. Psychology: – The word psychology comes from the Greek word ‘psyche’ which means spirit. Psychology is the science that attempts to measure, explain and sometimes change the behaviour of human beings. Modern psychology is almost universally defined as the science of behaviour that is almost identical to the science of behaviour in general.

Psychology has a great influence on the field of organizational behaviour. Psychology deals with individual behaviour.

Psychology studies the behaviour of different people in different situations like normal, abnormal, social, industrial legal, childhood, adolescence, old age etc. It also studies the processes of human behaviour, such as learning, motivation, perception, individual and group decision-making – organization, group process, satisfaction, communication, selection, and pattern-making of influence in training.

It is a science, which describes the change of behavior of human and other animals. It is concerned with the more study of human behavior.

Understanding Psychological principles and its models help significantly in gaining the knowledge of determinants of individual behavior such as: –

1. Learning;
2. Personality;
3. Perception;
4. Individual decision-making;
5. Performance appraised;
6. Attitude measurement;
7. Employee selected;
8. Work design;
9. Motivation;
10. Emotions;
11. Work strain; and
12. Job satisfaction.

2.Social Psychology: – Social psychology is that part of psychology that integrates the concepts of psychology and sociology. In other words, social psychology studies all aspects of social behaviour and social thought – how people think about and interact with others. It deals with how people are affected by other individuals who are physically present or who are imagined to be present or even whose presence is implied. One of the areas that has attracted considerable attention from social psychology is the change in legislation to reduce its resistance and implement it successfully.

Additionally, social psychology is useful in the areas of measuring and understanding changing attitudes; communication patterns; The ways in which group activities can satisfy individual needs and group decision-making processes. It focuses on the effect people have on each other. It is a field within psychology that blends concepts from psychology and sociology and that focuses on the impact of people on each other.

The major contributions of social psychology to OB are as follows: –

1. Behavior change
2. Attitude change
3. Communication
4. Group process
5. Group decision-making

3.Sociology: – Sociology is the study of group behaviour. It can be described as an academic discipline that uses the scientific method to accumulate knowledge about the social behaviour of an individual. In other words, it studies the behaviour of people in relation to their fellow human beings.

Some of the areas within the OB that have received valuable input from sociologists include group dynamics, organizational culture, formal organization theory and structure, organizational technology, bureaucracy, communication power, conflict, and inter-group behaviour. As for managerial practice, its contributions are mainly in the areas of bureaucracy, role structure, social system theory, group dynamics, impact of industrialization on social behaviour, etc.

Sociological concepts, theories, models, and techniques help significantly to understand better the group dynamics, organizational culture, formal organization theory and structure, corporate technology, bureaucracy, communications, power, conflict, and intergroup behavior.

Most sociologists today identify the discipline by using one of the three statements, key concepts of Sociology are: –

1. Sociology deals with human interaction and this communication are the key influencing factor among people in social settings;

2. Sociology is a study of plural behavior. Two or more interacting individuals constitute a plurality pattern of behavior; and
3. Sociology is the systematic study of social systems.

4. Anthropology: – The word anthropology combines the Greek word ‘anthropo’ meaning man and the noun ending ‘logi’ meaning science. Thus, anthropology can be defined as the science of man. The main aim of anthropology is to acquire a better understanding of the relationship between the human being and the environment. Adaptations to surroundings constitute culture. The manner in which people view their surroundings is a part of the culture. It is also known as the ‘Science of Humanity’ which covers a wide range of studies including the evolutionary history of humans and the characteristics of different societies, cultures and human groups.

In other words, the field of anthropology studies the relationship between individuals and their environment. Groups of individuals living together form a set of shared ideas called a culture. Culture is rooted in a system of symbols shared by a group of people and reflected in their language and beliefs.

The culture of a civilization or the subculture of a defined group is transmitted by stories and myths told by the members of the group. These stories and myths help groups understand who they are and what things are important.

It is the study of society to learn human beings and their activities. The major contributions of Anthropology in the field of OB are as follows: –

1. Comparative values
2. Comparative attitudes
3. Cross-culture analysis
4. Organization environment
5. Organization culture

5. Political Science: – Political science is the branch of social science that deals with politics in its theory and practice and with the analysis of various political systems and political practices. Political scientists study the

behaviour of individuals and groups in the political environment. Contributions of political scientists are significant to the understanding of behavior in organizations. Political scientists study the behavior of individuals and groups within a political environment. They contribute to understanding the dynamics of power centers, structuring of conflict and conflict resolution tactics, allocation of power and how people manipulate power for individual self-interest.

Specific topics of concern to political scientists include conflict resolution, group alliances, the allocation of power, and how people manipulate power for personal gain. In other words, political science helps us understand the dynamics of power and politics within organizations, as there is usually a hierarchical structure of different organizational levels of managers and subordinates.

It is the study of the behavior of individuals and group within or political environment. The main contribution of political science in the field of OB have been concerned with:-

1. Conflict
2. Intra-organizational policies
3. Power

In a business field, organizations wanted to attain supremacy in their field and indulge in politicking activities to gain maximum advantages by following certain tasks like Machiavellianism, coalition formation, malpractices, etc. The knowledge of political science can be utilized in the study the behavior of employees, executives at micro as well as macro level.

6.Economics: – Economists study the distribution, consumption and production of goods and services. Economics contributes to the behaviour of the organization by designing structure. The organization and its structure are influenced by transaction cost economics. The cost factor that exchanges the market is known as transaction cost economics. It identifies the extent to which the structure and size of the organization varies as a result of efforts to avoid market failures by reducing production and transaction costs within the limits of human and environmental factors.

Economic pressures determine the appropriate structure through either market, hybrids network structure or hierarchy to organize transactions effectively. A firm can be unselected from the market if possible, failing to settle in the best possible way. Environments are dynamic, organization must respond to change its structure. Shifts from large firm hierarchies to networks or to market relations are in terms of changing conditions of the economising function. Labour market dynamics, productivity, human resource planning and forecasting, and cost-benefit analysis are the common interests shared by economist.

So we can assume that there are various types of disciplines in organizational behaviour. They, directly and indirectly, influence the overall activities of OB

Approaches to Organizational Behavior

1. Human resources approach.
2. Contingency approach.
3. Productivity approach.
4. Systems approach.

Human Resources Approach

This approach recognizes the fact that people are the central resource in any organization and that they should be developed towards higher levels of competency, creativity, and fulfillment.

People thus contribute to the success of the organization.

The human resources approach is also called as the supportive approach in the sense that the manager's role changes from control of employee to active support of their growth and performance.

The supportive approach contrasts with the traditional management approach.

In the traditional approach, managers decided what employees should do and closely monitored their performance to ensure task accomplishment.

In the human resources approach, the role of managers changes from structuring and controlling to supporting.

Contingency Approach

The contingency approach (sometimes called the situational approach) is based on the premise that methods or behaviors which work effectively in one situation fail in another.

For example; Organization Development (OD) programs, may work brilliantly in one situation but fail miserably in another situation.

Results differ because situations differ, the manager's task, therefore, is to identify which method will, in a particular situation, under particular circumstances, and at a particular time, best contribute to the attainment of organization's goals.

The strength of the contingency approach lies in the fact it encourages analysis of each situation prior to action while at the same time discourages the habitual practice of universal assumptions about methods and people.

The contingency approach is also more interdisciplinary, more system – oriented and more research-oriented than any other approach.

Productivity Approach

Productivity which is the ratio of output to input is a measure of an organization's effectiveness. It also reveals the manager's efficiency in optimizing resource utilization.

The higher the numerical value of this ratio, the greater the efficiency.

Productivity is generally measured in terms of economic inputs and outputs, but human and social inputs and outputs also are important.

For example, if better organizational behavior can improve job satisfaction, a human output or benefit occurs.

In the same manner, when employee development programs lead to better citizens in a community, a valuable social output occurs.

Organizational behavior decisions typically involve human, social, and/or economic issues, and so productivity usually a significant part of these decisions is recognized and discussed extensively in the literature on OB.

Systems Approach

The Systems Approach to OB views the organization as a united, purposeful system composed of interrelated parts.

This approach gives managers a way of looking at the organization as a whole, whole person, whole group, and the whole social system.

In so doing, the systems approach tells us that the activity of any segment of an organization affects, in varying degrees the activity of every other

segment. A systems view should be the concern of every person in an organization.

The clerk at a service counter, the machinist, and the manager all work with the people and thereby influence the behavioral quality of life in an organization and its inputs.

Managers, however, tend to have a larger responsibility, because they are the ones who make the majority are people oriented.

The role of managers, then, is to use organizational behavior to help build an organizational culture in which talents are utilized and further developed, people are motivated, teams become productive, organizations achieve their goals and society reaps the reward.

Inter-Disciplinary Approach

Organizational behavior is an integration of all other social sciences and disciplines such as psychology, sociology, organizational theories etc.

Challenges and Opportunities of Organizational Behavior

1.Enhancing Quality And Productivity

Maintaining the quality of its products is a challenging task for every organisation. It is the driving force through which companies are able to attract more & more customers & hold them for the long term.

Quality is simply the degree to which products are able to satisfy the customer's needs & wants. It is the main factor which affects the customer satisfaction level. Better quality products more easily satisfy customer needs & wants.

Every organisation should focus on quality factor to increase its customer base. The main dimensions covered under the quality factors are Features, Reliability, Durability, Performance, Conformance with standards, Responses & Reputation.

Managers are focusing more & more to meet the quality expectations of customers. In order to improve quality & productivity, they are even engaging programs like Total Quality Management (TQM) &

Reengineering. These two techniques mainly focus on customer needs & continuously make efforts to increase the customer satisfaction level. These techniques too involve extensive employee involvement in order to increase productivity.

2. Working With People In Different Cultures

Every organisation has employees who differ from each other in terms of race, culture, religion, gender, and ethnicity. Employing person with distinct cultures help organisations in getting fresh & new talents and potentialities. Maintaining peace & cooperation among its different employees is a challenging task for every organisation.

Every employee working in an organisation wants to retain their own values & cultures although they are working in the same company where they need to follow some rules & regulations.

Same decision of organisation may be welcomed & accepted by people of one culture & opposed by people from another culture. Therefore managers need to treat every employee differently as per their individual differences in order to ensure cooperation & increase productivity.

3. Improving The Skills Of People

Skills of people need to improved & upgraded as per the requirements from time to time. In the business area, there are always lots of changes which occur at a faster rate in terms of technology, environment & structure.

These changes need to be addressed in order to achieve efficiency & increase productivity. Employees & other executives of the organisation should possess the required skills in order to easily adapt to these changes.

Failure to adopt these changes will make it difficult to achieve targeted goals timely. There are basically 2 sets of employee skills that are technical & managerial skills. Managers should, therefore, focus on designing a proper performance appraisal program consisting of various training & development programmes for their employees. This will help them in improving their skills.

4. Empowering People

Empowerment of employees is another challenging task for every organisation. Productivity of employees generally gets reduced when kept under stringent rules & regulations as compared when they are allotted some freedom.

Delegating appropriate responsibility & power to employees at different level is important & challenging task for managers. Employees should be allowed & encouraged to participate in various work-related decisions. This will improve employer-employee relations in the organisation & also the commitment of employees to work.

5. Stimulating Innovation And Change

Today every business needs to focus on innovative ideas in order to bring changes to beat the tough competition in the market. Business should always focus to differentiate their product from their competitor's product. It will help them in getting more & more customers.

Business will fail & eventually forced to shut down if unable to keep flexibility as per market demand. It should always bring innovative products & services to market with minimum cost. For example, MI is presently beating the tough competition in the market by presenting a wide range of innovative products at a minimised cost,

6. Dealing With Globalisation

Today globalisation of business is something that is increasing worldwide at a great pace. Now the operations of the business are not limited to one particular location or nation, but they are performed internationally.

Business nowadays are conducted beyond the national boundary of one country & have their presence in different countries of the world.

Products of companies are selling more by various online portals over the internet rather than by their physical outlets. Faster transportation & communication network have an efficient role in providing services to customers via online portals.

Online presence of companies becomes the most emerging requirement of every business. For example, Amazon conducts the majority of its business operations worldwide via its internet portals rather its physical outlets.

7.Improving Ethical Behaviour

Better ethical behaviour in working culture is a must for an organisation to increase its productivity. It should always be ensured that employees behave positively & abide by all rules & regulations of the organisation. Healthy working environment for employees with minimal ambiguity should be created.

This will help in increasing their productivity & reducing conflicts. Clear cut instruction should be given regarding what is right behaviour & what is wrong. All unethical practices like the use of insider information for personal gains should be avoided. Managers should organise various workshops, seminars & training programmes in order to improve ethical behaviour of employees.

8.Improving Customer Service

Business is unsuccessful if it fails to treat its customer well & provide them with better service. If businesses have a large number of satisfied customers it will help it in enjoying large profits in the long run.

They need to develop a better understanding with their customers to easily recognise their needs & wants. Employees should meet with customers in the most friendly manner & try to address their problem properly.

It will help the management in creating the customer-responsive environment in business. Organisational behaviour has a key role in establishing a better understanding of employees & ultimately with customers.
