

Organizational Behavior

Unit 1: Introduction

Organizational Behavior

Concept

Organization is the group of people who work together in an organized way to achieve the common point of destination.

Behavior is the series of activities and interaction that individuals do in the environment .

OB is a process of analyzing, understanding, predicting and managing employee behavior to increase the overall productivity of an organization.

“Organizational behavior can be defined as the understanding, prediction, and management of human behavior in organizations”. – Fred Luthans

“Organizational behavior is the study of what people do in an organization and how their behavior affects the organization’s performance”. – Stephen P. Robbins et.al.



Characteristics of Organizational Behavior

1. Multidisciplinary Approach
2. A Separate Field
3. A Normative Science
4. Both Art and Science
5. Focus On Objectives
6. A Total System
7. People Oriented
8. Environmental Influence

1. Multidisciplinary Approach

- ❖ Organizational behavior is built upon contributions from psychology, sociology, social psychology, anthropology and political science.
- ❖ The elements of organizational behavior such as learning, perception, attitude, personality, motivation, leadership, conflict, team work etc are based on different disciplines.

2. A Separate Field

- ❖ It is a separate field of the study which focuses on human behavior at work.
- ❖ It represents behavior behavioral approach to management.

3. A Normative Science

- ❖ A normative science prescribes how the various findings of research can be applied to get organizational results, which are acceptable to the society.

4. Both Art and Science

- ❖ It is considered as art because it contains knowledge about behavior of individuals.
- ❖ It is considered as science because it involves application of scientific knowledge.

5. Focus on Objective

- ❖ It is concerned with understanding, predicting and managing human behavior for improving organizational effectiveness.
- ❖ It supports to achieve goals.

6. A Total System

- ❖ Organizational behavior by applying system approach tries to understand and find solutions for this complexity.
- ❖ It looks at relationships, attributes causes and effects, and draws conclusions based on evidence.

7. People Oriented

- ❖ Organizational behavior emphasizes on predicting and controlling human behavior for organizational benefits.

8. Environmental Influence

- ❖ It is influenced by changing social environment. It facilitates the managers to work with changing social environment.

Levels of OB Analysis

OB is the systematic study of what people do in an organization and how their behavior affects organization's performance.

OB can be analyzed from the following levels.

1. Individual Level Analysis
2. Group Level Analysis
3. Organizational Level Analysis

1. Individual level analysis

- ❖ This level is also known as micro or inter-personal level.
- ❖ At individual level analysis, organizational behavior involves the study of learning, perception, creativity, motivation, personality, turnover, task performance, cooperative behavior, deviant behavior, ethics, and value.
- ❖ Organizational behavior draws upon human psychology.
- ❖ In this level, manager need to analysis how individuals react with changing organizational rules, regulations, and working procedures and practices.

2. Group level analysis

- ❖ This level analysis is also known as meso-level or inter-group analysis.
- ❖ At the level, OB involves the study of group dynamics, group performance, intra-group and intergroup conflict and cohesion, leadership, power and politics, norms, interpersonal communication, networks, and roles.
- ❖ At this level of analysis, OB draws upon the sociological and socio-psychological sciences.
- ❖ In this level, manager need to analyze how group members interact and react with changing organizational rules, regulation and working procedures and practices.

3. Organizational level analysis

- ❖ This level analysis is also known as macro-level analysis.
- ❖ At this level, OB involves the study of topics such as organizational culture and structure, cultural diversity, inter-organizational cooperation and conflict, change, technology, and external environmental forces.
- ❖ At this, OB draws upon sociology, anthropology and political science.
- ❖ The behavioral outcomes show the result in terms of productivity, absenteeism, turnover, organizational citizenship and job satisfaction.

Organizational Behavior System

- ❖ A system is a group of interrelated parts acting together to accomplish a goal.
- ❖ OB is the systematic study of the behavior of employees at individual, groups, and organizational system levels.
- ❖ As a system, organizational behavior involves four dimensions consisting of inputs, processing, outputs, and feedback. These all activities are affected by changing environment of the society.

Organizational Behavior System

Inputs

Individual Level

- ❖ Personal Feature
- ❖ Personality
- ❖ Value
- ❖ Ability
- ❖ Emotion
- ❖ Attitude etc.

Group Level

- ❖ Size
- ❖ Composition
- ❖ Role
- ❖ Status
- ❖ Norms
- ❖ Cohesiveness etc.

Organizational Level

- ❖ Structure
- ❖ Culture

Processing

Individual Level

- ❖ Motivation
- ❖ Perception
- ❖ Learning
- ❖ Decision Making

Group Level

- ❖ Communication
- ❖ Leadership And Trust
- ❖ Conflict
- ❖ Power And Politics
- ❖ Team Work etc.

Organizational Level

- ❖ HR Policies & Practices
- ❖ Work Design
- ❖ Working Technology

Outputs

- ❖ Productivity
- ❖ Citizenship
- ❖ Job Satisfaction
- ❖ Absenteeism
- ❖ Turnover

Feedback

1. Inputs

- ❖ Inputs are called the independent variables and provide impact on OB system processing.
- ❖ There are three categories of input variables. They are individual level, group level, and organizational level variables.
- ❖ Individual level variables involve personal characteristics, personality, values, ability, emotion, and attitude of individuals.
- ❖ Group level variables involve size of group, group composition, role status, norms, value, and group cohesiveness.
- ❖ Organizational level variables incorporate organizational structure and culture.

2. Processing

- ❖ Processing involves understanding and interpretation part of OB system.
- ❖ The inputs received by the individuals, groups and organization as a whole are processed together to bring the output.
- ❖ Individual process is the based on degree of perception, learning, motivation and decision making ability of individual.
- ❖ Group process is influenced by communication system, leadership and trust, level of conflict, power and politics, and team work.
- ❖ Organizational process is determined by HR policies and practices, work design, and technology adopted.

3. Outputs

Outputs are called the dependent variables.

The outputs variables of OB involve productivity, organizational citizenship, job satisfaction, absenteeism, and employee turnover.

a. Productivity

- ❖ It is the relationship between input and output.
- ❖ The proper use of resources at the time of transferring into output helps to minimize cost.
- ❖ Productivity emphasizes both effectiveness and efficiency.

b. Job satisfaction

- ❖ It is positive feeling toward one's job.
- ❖ Satisfied employees are more productive than dissatisfied employees.

c. Organizational Citizenship

- ❖ Employees who are satisfied from their organization will show their citizenship behavior in the organization.
- ❖ It is the development of feeling of belongingness and membership among the employees in the organization.
- ❖ It promotes organizational effectiveness.

d. Absenteeism

- ❖ It adversely affects the effectiveness of organization.
- ❖ Organizations benefit when absenteeism is low and employee involvement is high.

e. Turnover

- ❖ It is permanent withdrawal by employees from the organization.
- ❖ Organizational effectiveness increases when turnover is low.

4. Feedback

- ❖ It is concerned with evaluation of output of OB system.
- ❖ It provides information to redesign OB inputs and processing to achieve organizational effectiveness.

5. Environments

- ❖ The implementation of OB system is affected by changing both internal and external environment of the society.

Basic Assumptions of OB

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graph TD; A[Basic Assumptions of OB] --> B[The nature of people]; A --> C[The nature of organizations]; B --> D["1. Individual differences<br/>2. A whole person<br/>3. Motivated behavior<br/>4. Value of the person<br/>5. Selective perception<br/>6. Desire for involvement"]; C --> E["1. Social system<br/>2. Mutuality of interest<br/>3. Ethical treatment"];
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The nature of people

1. Individual differences
2. A whole person
3. Motivated behavior
4. Value of the person
5. Selective perception
6. Desire for involvement

The nature of organizations

1. Social system
2. Mutuality of interest
3. Ethical treatment

The Nature of People

1. Individual Differences

- All individuals are different from each other.
- Perception, attitudes, intelligence, personality, learning, capability, communicative ability.
- Manager needs to consider individual difference while dealing with employees.

2. A Whole Person

- OB assumes that Individual functions as a whole person.
- Not only include a person's physical or mental qualities but also emotional qualities.

3. Motivated Behavior

- Every employee expects motivated behavior from manager.
- Manager need to understand about how employees can be motivated for better performance.

4. Value of the Person

- Not be treated as economic tools.
- Skills and performance
- Be treated with respect and dignity.

5. Selective Perception

- Perception is an individual's own view.
- Each person has a unique way to see, organize and interpret things.

6. Desire for involvement

- Individuals have desire for involvement in work.
- They want to show their creativity, skills, and efficiency while doing the work.
- People have capabilities for task performance, role fulfillment, meaningful contribution and to meet challenging situations.

The Nature of Organizations

1. Social System

- Operate by social and psychological laws.
- Organizations are open social system.
- Organizational environment is dynamic.

2. Mutuality of Interest

- Organizational participants (organization and people interest)
- To achieve organizational goals

3. Ethical Treatment

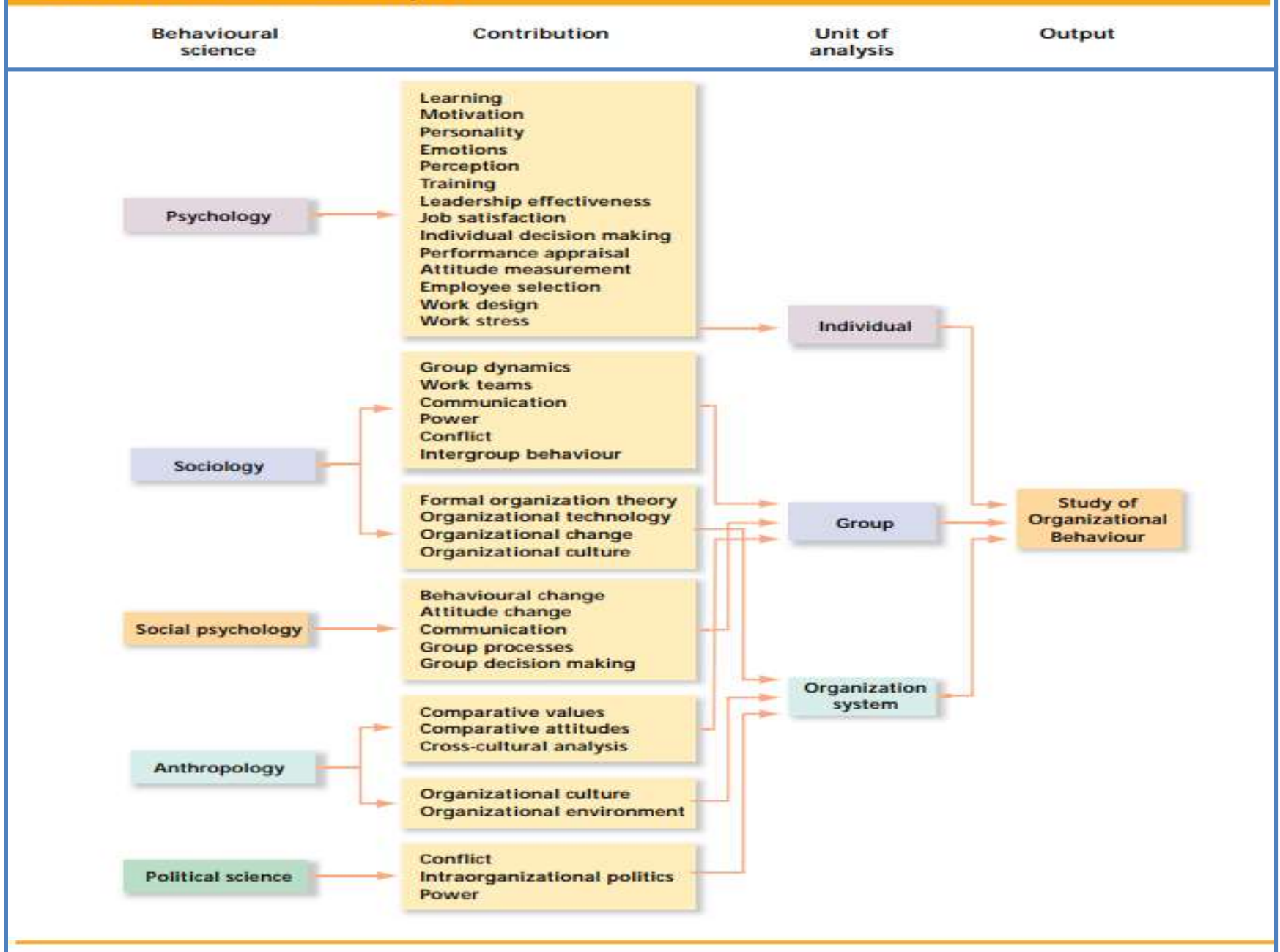
- Ethics involves moral issues and choices.
- It deals with right or wrong behavior.
- Ethical behavior of an individual depends on the moral standard or codes of conduct determined by society.
- Managerial ethics is the standard of behavior that guides individuals managers in their work.
- Organizational should establish rules, code of conduct, working procedures and system.

Contributing Disciplines to the Field of OB

OB is an applied behavioral science. A number of behavioral sciences have contributed to its development. They are :

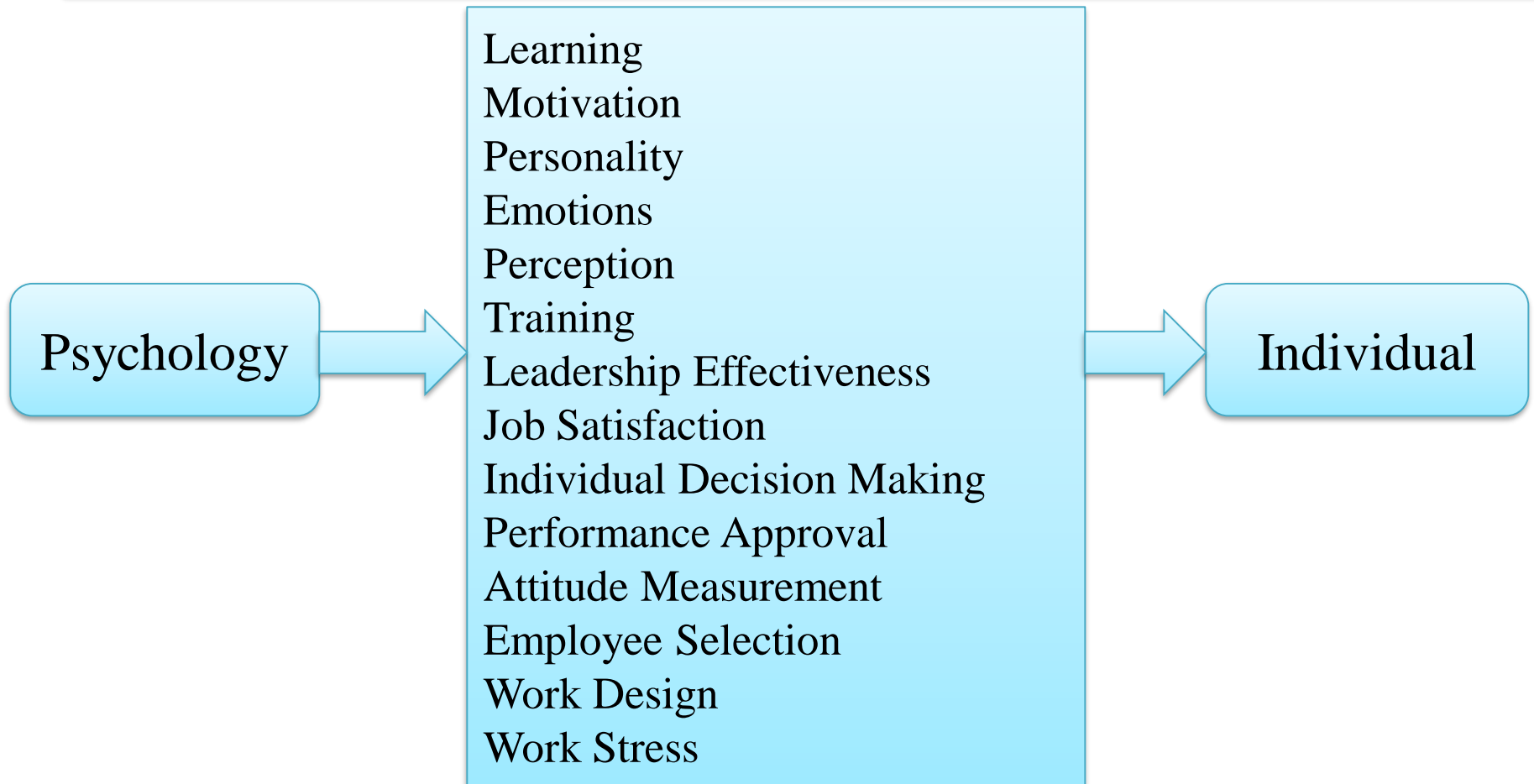
1. Psychology
2. Social psychology
3. Sociology
4. Anthropology
5. Political science

EXHIBIT 1-1 Toward an OB Discipline



1. Psychology

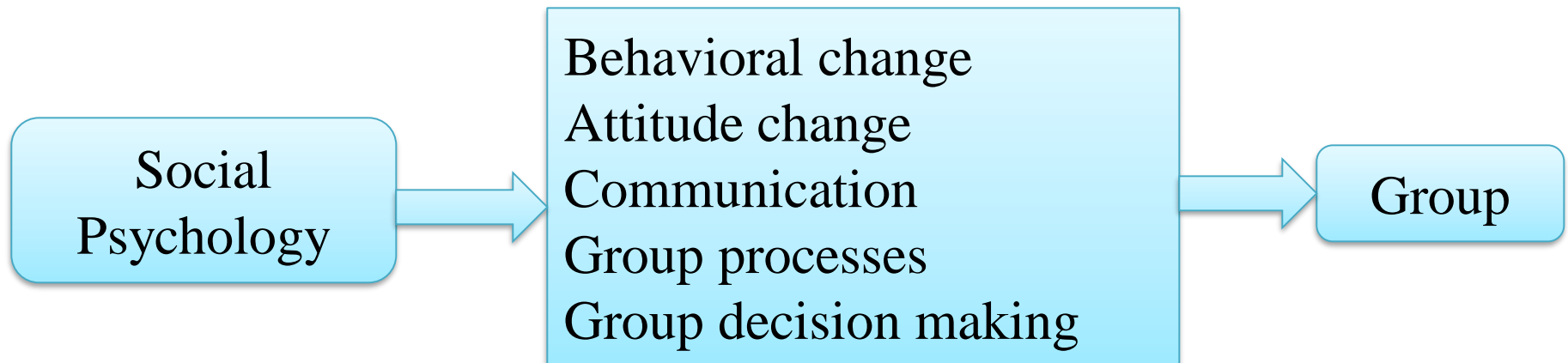
It is concerned with individual behavior. It seeks to measure, explain, and change the behavior of humans. This level of analysis for psychology is individual.



2. Social psychology

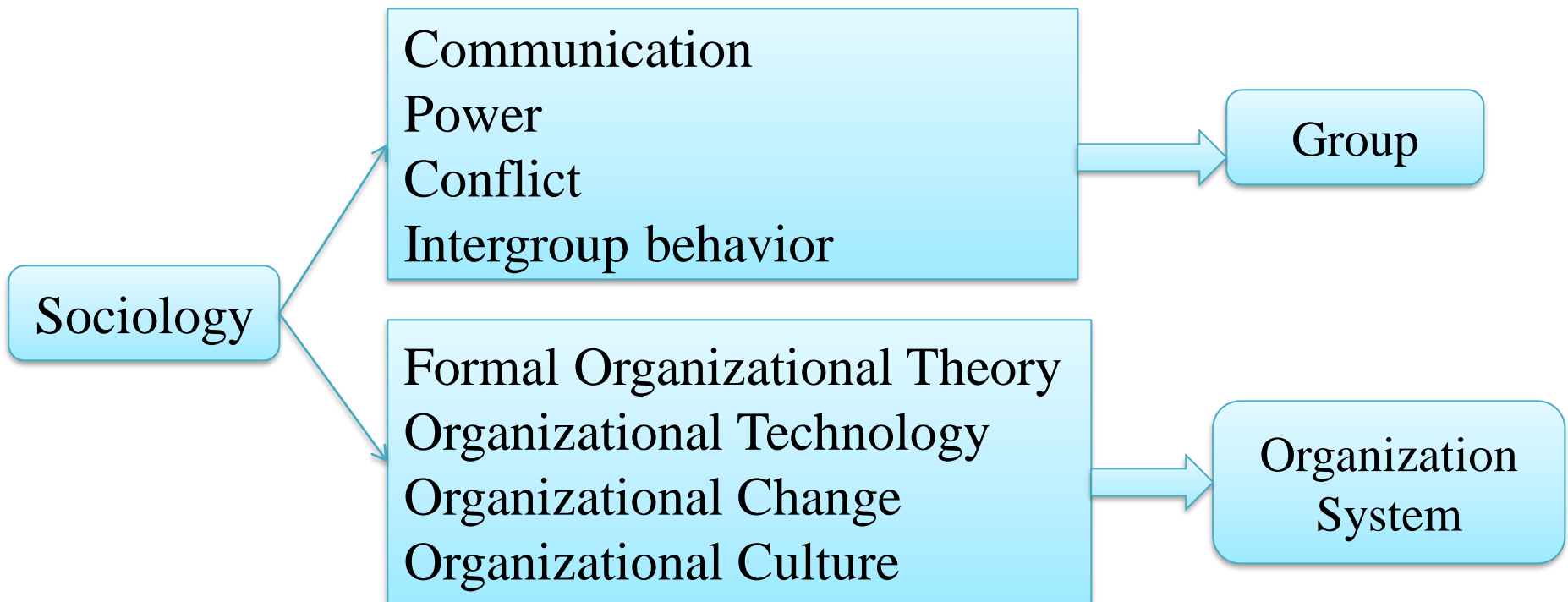
It is concerned with group-behavior. It concentrates on the influence of people on one another.

Social psychology is an area within psychology, but it blends concepts from psychology and sociology. The level of analysis is group.



3. Sociology

It is concerned with study of group behavior. It is the study of people in relation to their fellow human beings. This level of analysis is groups and the organization system.



4. Anthropology

It is the study of societies to learn about human beings and their activities. It focus on man and his works. The level of analysis is groups and organization system.



5. Political science

It is the study of power and politics of people. It is the study of the behavior of individuals and groups within a political environment.



Individual Behavior

Concept

- Individual is influenced by a number of diversified factors both genetic/inborn and environmental factors and the influence of these factor determines the pattern of behavior.
- Individual behavior is the result of interaction between individual characteristics and environmental characteristics by which behavior occurs.
- It has been observed that each individual's behavior is the result of intelligence , creativity , personality and adaptability etc.
- Both personal and environmental characteristics serves as the foundation of individual behavior.

Individual Behavior as an Input-output System

- Individual behavior is influenced by both internal and external factor. It is also considered as system consisting of input-process and output. For further understanding of individual behavior it can be understanding by the following way.

Individual Behavior as an Input- Output System

Input: Stimulus (S)

Internal Stimuli

- ❖ Personal character
- ❖ Personality
- ❖ Emotion
- ❖ Values
- ❖ Beliefs
- ❖ Attitudes
- ❖ Ability

External Stimuli

Information from external environment through senses: hearing, seeing, smelling, touching, and testing

Processing: Organism (O)

Physiological: Sensation

Cognitive

- ❖ Perception
- ❖ Thinking
- ❖ Individual decision making

Psychological

- ❖ Learning
- ❖ Motivation

Output: Behavior (B)

- ❖ Productivity
- ❖ Absenteeism
- ❖ Turnover
- ❖ Job Satisfaction
- ❖ Organizational Citizenship

Feedback

Inputs

- Input is the main operator of system. Input provides stimuli for individuals.
- It can be internal and external stimuli. Internal stimuli are the force inherited with the individual. External stimuli are the forces received from social factors.

1. Internal stimuli

- ❖ It is within the individual. Consist of:-

a. Personal characteristics

- ❖ They are age , gender , marital status, academic qualification, experience, emotional intelligence. These factor makes people different.

b. Personality

- ❖ Personality is the outcome of internal and external traits of individuals.
- ❖ Personality is a key factor that influences individual behavior in organization.

c. Emotion

- ❖ Emotion is reactions to a person or event.
- ❖ It is a conscious mental reaction that is directed toward a specific object.
- ❖ It is the intense/powerful feelings that are directed someone or something. It creates state of readiness for behavior. Joy, love, sadness, and fear are some forms of it.

d. Values

- ❖ Values represent individual's sense of what is right or wrong, good or bad, and desirable or undesirable.
- ❖ Values contain an element of judgment and tend to be stable as well as long lasting.
- ❖ Most values are acquire from parents, teachers, friends, reference group and medias as well.

e. Beliefs

- ❖ Beliefs are internal feeling that something is true.
- ❖ Beliefs are thoughts about the characteristics of objects, people or events.
- ❖ They can be based on knowledge, opinion, and reference group member.
- ❖ Beliefs are formed by past experience, available information and generalization.

f. Attitude

- ❖ It is known as an evaluative judgment concerning object, people, or event.
- ❖ An attitude can be as a positive or negative evaluation of people, objects, event, activities, ideas, or just about anything in environment.
- ❖ It is either favorable or unfavorable.

g. Ability

- ❖ It is an individual's current capacity to perform the various task or job.
- ❖ It derives from learning.
- ❖ It can be intellectual(it performs mental activity) and physical(it performs skilled activity).

2. External Stimuli

Individual collects information from external environment through senses such as hearing, seeing, smelling, touching, and tasting.

The information received through:

- ❖ Physical forces:- They are concern with organizational climate, work environment , work place.
- ❖ Socio-cultural forces:- they consist of management style , value , norms , organizational culture.

Processing (Organism)

- ❖ Processing (Organism) is important element of understanding individual behavior.
- ❖ Processing is the organism aspects of individual behavior.
- ❖ It facilitates between input and output. In processing the information are analyzed in meaningful way.
- ❖ It plays the important role to develop behavior of individual.
- ❖ It consists of :
 - a. Physiological process**
 - ❖ It is concerned with biological foundation of individual behavior such as , heredity , five sense of organs.
 - ❖ They influence sensation.
 - ❖ Sensation is the process of receiving information and signals from environment and discharge response.

b. Cognitive process

- ❖ It is concern with mental or knowledgeable part.
- ❖ It consists of individual's perception , thinking , individual decision making , problem solving.

c. Psychological process

- ❖ It consists of learning (permanent change in behavior) and motivation (it stimulates and energizes the individuals).
- ❖ Learning is the permanent change in behavior as result information and experience.
- ❖ Motivation is concerned with encouraging and inspiring individual to perform activities to achieve goal.

Outputs

- ❖ (Response) outputs are the behavioral response of individual behavior.
- ❖ Signals are transmitted through nerves to different parts of body.
- ❖ Behavior of individual is the consequence of input and processing.
- ❖ Generally, individual shows behavior in terms of covert or overt.
- ❖ Covert is mental or psychological response.
- ❖ Overt is physical or outward response.
- ❖ The outputs of individual behavior can be seen in terms of productivity, absenteeism, turnover, job satisfaction, and organizational citizenship.
- ❖ Managers need to understand, predict and manage individual behavior for effective management of organizational behavior.

Feedback

- ❖ It is helpful to know whether the behavior is appropriate or necessary in particular situation.
- ❖ It is also source of information.
- ❖ Positive feedback fulfils personal needs and makes individuals more confident.
- ❖ Similarly, if any deficiency is found in output it would be necessary to improve future performance to gain expected outcomes.

Mental Process

Simply, a person's behavior is affected by mental process or his/her thinking. Mental process is the capacity of an individual to select, organize and interpret information. Mental process are:

1. Beliefs
2. Attitudes
3. Values
4. Needs
5. Motives
6. Behavior

1. Beliefs

- ❖ Beliefs are internal feeling that something is true.
- ❖ Beliefs are thoughts about the characteristics of objects , people or events.
- ❖ Beliefs are formed by past experience, available information and generalization.
- ❖ Further more beliefs are descriptive thoughts that an individual holds about something.
- ❖ They can be based on knowledge, opinion, and reference group member.
- ❖ They influence individual behavior.

2. Attitudes

- ❖ Attitude is an internal stage of a person that is focused on objects, event, people that can exist in the persons psychological world.
- ❖ It is a judgmental statement concerning object, people, or event.
- ❖ Attitudes are a result of beliefs.
- ❖ It may be positive or negative. Positive attitude people find solution in every problem but negative attitude people find problem in every solution.

There are three types of component of attitudes. They are cognitive component, affective component, and behavioral component.

1. Cognitive Component

- ❖ The cognitive component of an attitude reflects our beliefs or ideas about an object or situation.
- ❖ It consists of information and belief about object, people, and events.
- ❖ Cognitive=evaluation
- ❖ Eg. My supervisor gave a promotion to a co-worker who deserve less than me. My supervisor is unfair

2. Affective/Emotional Component

- ❖ The affective component of an attitude contains our feelings or emotions about a given object or situation.
- ❖ The feeling about object, event or people may be positive, negative or neutral.
- ❖ Affective = Feeling
- ❖ Eg. I dislike my supervisor.

3. Behavioral Component

- ❖ The behavioral component refers to the way we intend or expect to act toward someone or something.
- ❖ It shows the intention of an individual to behave in a certain way toward an object, event or people.
- ❖ Attitude reflects behavior.
- ❖ Behavioral= Action
- ❖ Eg. I am looking for another job.

3. Values

- ❖ Values represent an individual's ideas of what is right and what is wrong, good or bad, and desirable or undesirable.
- ❖ Further , values are a framework of personal philosophy which governs/manages and influences the individual's reaction and response to any situation.
- ❖ Values generally identify a person's ethical/moral structure on which the concept of good or bad and right or wrong is based.
- ❖ Most values are acquire from parents, teachers, friends, reference group and medias as well.

4. Needs

- ❖ A need is a deficiency, which creates tension within the people.
- ❖ Needs are created whenever there is a psychological or physiological imbalance.
- ❖ An unsatisfied needs creates tension within the individuals.
- ❖ Satisfied needs do performance.
- ❖ Needs are the beginning points for motivation.
- ❖ Abraham Maslow's five hierarchical human needs, Frederick Herzberg classified human needs (hygiene factors and motivating factors), Clayton Alderfer classified human needs (existence needs, relatedness needs, and growth needs), and David McClelland classified human needs (need for affiliation, need for power, and need for achievement).

5. Motives

- ❖ Motive is a factor that determine a person's choice of one course of behavior from among several possibilities.
- ❖ Motives are derived from needs.
- ❖ Motives are the driving forces for any particular action.
- ❖ For example , an individual may decide to have lunch to satisfy need for food.
- ❖ They differ from individual to individual and also change over time.

6. Behavior

- ❖ Behavior is concerned with series of activities and interaction that individuals do in the organization.
- ❖ Human behavior can be observed and studied. Behavior is goal directed.
- ❖ If employees needs, feelings, and expectation are not satisfied, they may show problematic behavior towards organization.

Emotion

Concept

The word emotion is derived from the Latin *emovere* which means 'to mobilize', 'to excite'.

- ❖ Emotions are reactions to a person or event We show our emotion when we are happy about something, angry at someone , afraid of something.
- ❖ Emotions are reactions to an object, not a trait.
- ❖ It is a conscious mental reaction that is directed toward a specific object. It determines individuals personality and behavior.

Emotions involve three component.

- ❖ Cognitive component involves the conscious experience of emotions trust, expectation, anticipation.
- ❖ Physiological component includes emotional excitement such as fear, anger, sadness, joy.
- ❖ Expressive component involves body language such as gaze, gestures, walk, smile.

Features of Emotion

- ❖ It is caused by specific event.
- ❖ Its effect is very brief in duration such for seconds or minutes.
- ❖ It is specific and numerous in natures such as anger, fear, sadness, happiness, surprise.
- ❖ It is usually accompanied by distinct facial expression.
- ❖ It is action oriented in nature in terms of behavior or response.
- ❖ It differ from individual to individual.
- ❖ It disturbs the physical and psychological state of individual

Cognitive Dissonance

Concept

- ❖ Cognitive dissonance is an uncomfortable feeling caused by two conflicting or different ideas simultaneously. It is concern with intrapersonal conflicts.
- ❖ Cognitive dissonance refers to a situation involving conflicting attitudes, beliefs or behaviors.
- ❖ Cognitive dissonance refers to any incompatibility that an individual might perceive between two or more of his attitude or between behavior and attitude.
- ❖ In the late 1950s, Leon Festinger proposed the theory of cognitive dissonance. This theory sought to explain the linkage between attitudes and behavior.
- ❖ Dissonance can be eliminated by reducing the importance of the conflicting beliefs, acquiring new beliefs that change the balance, or removing the conflicting attitude or behavior.

Strategies to Reduce Cognitive Dissonance

According to Festinger's theory of cognitive dissonance, people try to seek consistency in their thoughts, belief and opinions.

There are three key strategies to reduce or minimize cognitive dissonance. They are:

1. Focus on supportive beliefs
2. Reduce conflicting beliefs
3. Change the conflicting beliefs

1. Focus on supportive beliefs

- ❖ The strategy of reducing cognitive dissonance is to focus on supportive beliefs that balance the dissonant behavior.

2. Reduce conflicting beliefs

- ❖ Another important strategy is to reduce the importance of the conflicting belief.

3. Change the conflicting beliefs

- ❖ An important strategy of reduce cognitive dissonance is to change the conflicting belief so that it is consistent with other beliefs or behaviors.

New Challenges for Managers in OB

1. Responding to globalization
2. Managing workforce diversity
3. Improving quality and productivity
4. Improving people skill
5. Improving customer service
6. Empowering employees
7. Managing change
8. Improving ethical behavior
9. Managing information technology
10. Coping with temporariness

1. Responding to globalization

- Globalization provides both challenges and opportunities relating to OB to managers.
- Globalization affects a managerial skill in two ways, firstly managers have to manage workforce having different needs, aspirations and attitudes; and secondly, understanding the culture value of local people of different countries.

2. Managing workforce diversity

- Workforce diversity refers to the involvement of heterogeneous types of employees in the organization having differences in education level, intelligent, age, gender, race, ethnicity.
- The major challenge of workforce diversity for organization is to become more accommodating to diverse groups people by addressing their different life styles, family needs, and work styles.
- It is more difficult to manage interpersonal conflicts.

3. Improving quality and productivity

- Managers need to improve productivity and quality with active participation of employees.
- To order to improve quality and productivity, they are implementing programs like TQM and reengineering.
- TQM is a management philosophy driven by the constant attainment of customer satisfaction through continuous improvement of quality.
- Reengineering is radical rethinking and redesign of work processes to improve work process.
- Manager need to realize that employees are a major force for planning and implementation of change.

4. Improving people skills

- People skills are important for all levels of managers.
- To cope with globalization, work force diversity and productivity improvement, managers need to learn a variety of ways to motivate people, manage work teams, and communicate effectively.

5. Improving customer service

- Most of organizations have failed because their employees unable to satisfied customers.
- Management needs to create a customer-responsive culture.
- OB can help managers for improving organizational performance.
- It provides knowledge to the managers how employee attitude and behavior are associated with customer satisfaction.
- It can provide considerable guidance for managers to develop friendly environment in the organization.

6. Empowering employees

- Empowerment is the process of delegating more power and responsibility to the lower level employees and assigning more freedom for doing assigned job and solving their work-related problems.
- Managers only play the role of supervisor, advisors, and facilitators and help their subordinates to do their task with simple guidance.
- Managers need to redesign jobs, structure, and system to manage behavioral aspects of changing relationship with employees.

7. Managing change

- Change is making things different. It is an on-going activity for organizations.
- Workers need to continually update their knowledge and skills to cope with new job requirements.
- Managers need to learn to cope with change. They need to manage change, overcome resistance to change and create an organization culture that thrives on change.
- The major challenge to the manager is to stimulate their creativity and tolerance for change.

8. Improving ethical behavior

- Ethical behavior is the individual's personal beliefs regarding what is right and wrong.
- Manager should develop rules, regulations, procedures and system in the organization.
- Manager need to create an ethically healthy environment for his employees where they can do their work effectively.

9. Managing information technology

- Information technology provides opportunities to improve customer service, increase productivity and reduce costs.
- The rapid change in information technology are changing tasks and skills requirements of employees.
- Managers should be able to manage behavioral dimensions of advancements in information technology.

10. Coping with temporariness

- Globalization, capacity development, and advances in technology have required organizations to be fast and flexible for their survival.
- The result is that most managers and employees have temporary in work schedule.
- Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability.

Thank you