

# Organisational Behaviour

Gaurav Sahni

This reference book can be useful for  
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and many more courses for Various Universities



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# Sample Preview of The Chapter

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# ORGANISATIONAL BEHAVIOUR

## ORGANISATIONAL BEHAVIOUR: AN OVERVIEW

### Organisational Behaviour: Concept, Nature and Historical Perspectives

1

#### INTRODUCTION

**Case:** Raghu had just finished his first week at Reece Enterprises and decided to drive upstate to a small lakefront lodge for some fishing and relaxation. Raghu had worked for the previous ten years for the O'Grady Company, but O'Grady had been through some hard times of late and had recently shut down several of its operating groups, including Raghu's, to cut costs. Fortunately, Raghu's experience and recommendations had made finding another position fairly easy. As he drove the interstate, he reflected on the past ten years and the apparent situation at Reece.

At O'Grady, things had been great. Raghu had been part of the team from day one. The job had met his personal goals and expectations perfectly, and Raghu believed he had grown greatly as a person. His work was appreciated and recognised; he had received three promotions and many more pay increases.

Raghu had also liked the company itself. The firm was decentralised, allowing its managers considerable autonomy and freedom. The corporate culture was easygoing. Communication was open. It seemed that everyone knew what was going on at all times, and if you didn't know about something, it was easy to find out.

The people had been another plus. Raghu and three other managers went to lunch often and played golf every Saturday. They got along well both personally and professionally and truly worked together as a team. Their boss had been very supportive, giving them the help they needed but also staying out of the way and letting them work.

When word about the shutdown came down, Raghu was devastated. He was sure that nothing could replace O'Grady. After the final closing was announced, he spent

only a few weeks looking around before he found a comparable position at Reece Enterprises.

As Raghu drove, he reflected that "comparable" probably was the wrong word. Indeed, Reece and O'Grady were about as different as you could get. Top managers at Reece apparently didn't worry too much about who did a good job and who didn't. They seemed to promote and reward people based on how long they had been there and how well they played the never-ending political games.

May be this stemmed from the organisation itself, Raghu pondered. Reece was a bigger organisation than O'Grady and was structured much more bureau-critically. It seemed that no one was allowed to make any sort of decision without getting three signatures from higher up. Those signatures, though, were hard to get. All the top managers usually were too busy to see anyone, and interoffice memos apparently had very low priority.

Raghu also had had some problems fitting in. His peers treated him with polite indifference. He sensed that a couple of them resented that he, an outsider, had been brought right in at their level after they had had to work themselves up the ladder. On Tuesday, he had asked two colleagues about playing golf. They had politely declined, saying that they did not play often. But later in the week, he had overheard them making arrangements to play that very Saturday.

It was at that point that Raghu had decided to go fishing. As he steered his car off the interstate to get gas, he wondered if perhaps he had made a mistake in accepting the Reece offer without finding out more about what he was getting into.

#### Case Questions

- Identify several concepts and characteristics from the field of organisational behaviour that this case illustrates.

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- What advice can you give Raghu? How would this advice be supported or tempered by behavioural concepts and processes?
- Is it possible to find an “ideal” place to work? Explain.

In this chapter we will learn about the meaning and definition of the organisational behaviour to start with. We also learn about the historical perspective of the organisation behaviour. In this chapter we will also learn about the different approaches which help in studying about the organisation behaviour. In the last we will also learn about the various characteristics of the organisational behaviour.

### CHAPTER AT A GLANCE

#### MEANING AND DEFINITION OF ORGANISATIONAL BEHAVIOUR

Organisational behaviour means the behaviour of individuals in an organisation. It is an important study in providing guidelines for influencing the behaviour of the persons in the organisation. Organisational behaviour deals with systematic study of the nature of the organisation.

#### Definitions of Organisational Behaviour

According to Joe Kelly, “Organisational behaviour can be explained as the systematic study of the nature of the organisation. It thoroughly focusses on factors such as the origination of organisation, its growth and development and organisation effect on its members and other relative organisations etc”.

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

According to Robbins, “Organisational Behaviour can be described as a field of study that investigates the impact that individuals, groups and structure have on behaviour within the organisations. This type of knowledge helps in improving the effectiveness and efficiency of the organisation”.

According to Baron and Greenberg, “Organisational Behaviour can be described as field of study that seeks knowledge of behaviour in organisational settings by systematically studying individual, group and organisational processes.”

Organisational behaviour can be expressed as an interdisciplinary field of study as it put together the facts from a variety of relevant fields. Organisational

behaviour is not an fundamental topic, but it is relatively like a compound subject, with incorporated merging of various fields.

#### HISTORICAL PERSPECTIVE

The field of organizational studies emerged in the 1940s (Scott & Davis, 2007), but has roots that likely span human existence. Anthropologists and archeologists explore evidence of human organising activity that pre-dates recorded history. Pre-historic clans built stone and dirt monoliths, like Stonehenge and the Mississippi mounds. In 3500 B.C., the Egyptians were organising the actions of many people to build cities and societies. Workers organised guilds in ancient Egypt, Greece and Rome. Chinese factories developed the capacity to produce 125,000 tons of iron a year (McShane & Von Glinow, 2005). Around 500 B.C., Sun Tzu provided directives for organising to conquer and control populations; Sun Tzu’s treatise emphasised that humans had always organised to wage battles (Giles, 1910). In the third century, B.C., Plato wrote about leadership, while Aristotle wrote about persuasive communication. In the 16th century, Nicolò Machiavelli (1505) disclosed how a prince can control his realm. In the late eighteenth century, Adam Smith advocated organising by divisions of labor. In the 18th century, Karl Marx proposed a worker’s paradise to revolutionise the increasing industrialisation of western society, inadvertently creating an organisational system that governments would use to oppress populations, and a “critical radical humanism” that capitalists would use to encourage competition, efficiency, and innovation in workers (Aktouf, 1992). Meanwhile, Max Weber wrote about bureaucratic organisations and leadership. Shortly after, Taylor focused on motivating employees with goal setting and rewards (Kreitner & Kinicki, 2007).

#### DIFFERENT APPROACHES OF LEARNING AND ORGANISATIONAL BEHAVIOUR

Learning is important in understanding organisational behaviour because of the concepts and generalisations that have developed from it. Learning is defined as any relatively permanent change in behaviour that occurs as a result of experience. Whenever any change occurs learning is taken place in the individual. If an individual behaves, reacts, responds as a result of experience which is different from others, a person has encountered some new learning experience in his life. Learning influences ability, role perceptions and

motivation in an individual's behaviour and performance. Therefore, it is important for organisations to make conducive environment for continuous learning.

### **Classical Conditioning Theory and Organisational Behaviour**

Classical Conditioning is the type of learning made famous by Pavlov's experiments with dogs. It is used by trainers to condition (train) autonomic responses, such as the drooling, producing adrenaline, or reducing adrenaline (calming) without using the stimuli that would naturally create such a response; and, to create an association between a stimulus that normally would not have any effect on the animal and a stimulus that would. Classical conditioning reflects how an organism learns to transfer a natural response from one stimulus to another. It is association between two stimuli. This theory is difficult to explain wide variety of observable human behaviour, specially issues involving complexity. It does not allow for choice in the response options available to humans and applied in daily life. It deals with cognitive thought process.

### **Operant Conditioning Theory and Organisational Behaviour**

Operant conditioning is a behavioural theory created by famed psychologist B.F. Skinner that suggests that behaviour is most easily modified when it produces a negative consequence. This theory can be useful when applied to the workplace in several ways, from addressing how employees interact with one another and with clients to how financially successful a company is annually. B.F. Skinner is the name most typically associated with operant conditioning. He invented the Skinner Box, a contraption used to positively and negatively reinforce pigeons and rats for certain behaviours.

Operant conditioning (or instrumental conditioning) is a type of learning in which an individual's behaviour is modified by its consequences. It is the process by which humans (and other animals) learn to behave in such a way as to obtain rewards (or reinforcers) and avoid punishments. The distinction between classical and operant conditioning therefore rests on whether the animal only observes the relationships between events in the world (as in classical conditioning), or whether it also has some control over their occurrence (as in operant conditioning).

Operant conditioning in behavioural therapy uses reinforcement, punishment, shaping, extinction, and related techniques to alter behaviour. Some of the

techniques and strategies used in this approach to behavioural therapy include token economies, contingency contracts and modelling.

### **Social Learning Theory and Organisational Behaviour**

Social learning theory (also known as Social Cognitive Theory) is the idea that people learn by watching what others do and that human thought processes are central to understanding personality. Social learning theory stemmed out of work by N.E. Miller and J. Dollard in 1941. Their proposition posits that if humans were motivated to learn a particular behaviour that particular behaviour would be learned through clear observations. By imitating these observed actions the individual observer would solidify that learned action and would be rewarded with positive reinforcement (Miller & Dollard, 1941). The proposition of social learning was expanded upon and theorised by Albert Bandura from 1962 to the present. Social learning theory revolves around the process of knowledge acquisition or learning directly correlated to the observation of models. The models can be those of an interpersonal imitation or media sources. Effective modelling teaches general rules and strategies for dealing with different situations (Bandura, 1988).

### **Constructivism and Organisational Behaviour**

Constructivist theories are about knowledge and how we 'come to know'. They are accepted by many educators, particularly in mathematics and science education, and represent a major challenge to behaviourist traditions. It emphasises the active role of the learner, in creating, understanding and making sense of the information. Constructivism needs to be seen amidst the other theories and influences on teaching and learning and as part of the development of education from its roots in psychology and prior to that in philosophy.

### **Humanistic Approach and Organisational Behaviour**

The Humanistic Approach began in response to concerns by therapists against perceived limitations of Psychodynamic theories, especially psychoanalysis. Individuals like Carl Rogers and Abraham Maslow felt existing (psychodynamic) theories failed to adequately address issues like the meaning of behaviour, and the nature of healthy growth.

There are several factors which distinguish the Humanistic Approach from other approaches within psychology, including the emphasis on subjective

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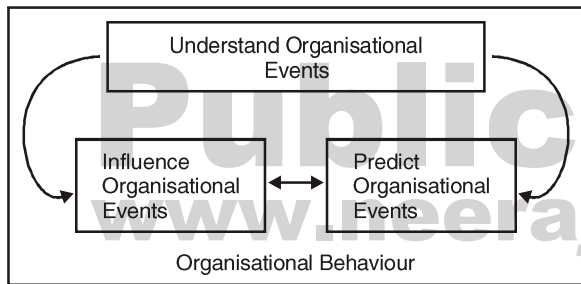
meaning, a rejection of determinism, and a concern for positive growth rather than pathology. While one might argue that some psychodynamic theories provide a vision of healthy growth (including Jung's concept of individuation), the other characteristics distinguish the Humanistic Approach from every other approach within psychology (and sometimes lead theorists from other approaches to say the Humanistic Approach is not a science at all).

#### ORGANISATIONAL BEHAVIOUR IN EDUCATIONAL INSTITUTIONS

It assist the teachers and other staff members of the school to learn about the behaviour of the students. It also helps in understanding about the various issues and complexities about the students.

#### NEED TO STUDY ORGANISATIONAL BEHAVIOUR

According to (Robins & Judge), Organisational Behaviour studies the influence and impact that individuals, groups, and organisational structure have on behaviour within organisation for the purpose of applying such knowledge towards improving an organisation's effectiveness.



In the business world today, Organisational Behaviour is an essential tool for managing effective teams and it helps to understand and predict human behaviour in an organisation. It studies on how organisations can be structures more accurately, and how several events in their outside situations effect organisations. It has become more significant today than in previous years because organisations must master to adapt to the rapidly changing business cultures that have stemmed from a competitive market.

In order to know how to handle a new workforce, and cope with the challenges of the new environment, the employers need to deliver their message about behaviour and attitude of groups, and individuals in corporation. According to Graham and Krueger (1996), soft skills were never a part of management training and it was precious that employers were advised for

possessing those skills. If employer can understands on an employee's adaptability, personality, and creativity, motivating that employee the way he need to be motivated is never a gray area and a guaranteed success.

Organisational behaviour helps an individual in the following ways:

- Understanding one's own behaviour.
- Managing the interpersonal relationships.
- Understanding the behaviour of others as well.
- Seeking cooperation of other individuals.
- Understanding the dynamics or work culture.
- Helping to communicate better.
- Predicting behaviour of others.
- Managing human resources effectively.
- Helping individual to behave effectively.

#### GOALS OF ORGANISATIONAL BEHAVIOUR

There are some goals of organisational behaviour which are as follows:

**To Describe:** The first goal is to describe, systematically how people behave under a variety of conditions. Achieving this goal allows managers to communicate about human behaviour at work using a common language.

**To Understand:** A second goal is to understand why people behave as they do. The managers would be frustrated if they could talk about behaviour of their employees, but not understand the reasons behind those actions.

**To Predict:** The managers would have capacity to predict which employees might be dedicated and productive or which ones might have absent, cause problem. And thus, the managers could take preventive actions.

**To Control:** The final goal of Organisational Behaviour is to control and develop some human activity at work. Since managers are held responsible for performance outcome, they are vitally interested in being able to make an impact on employee behaviour, skill development, team effort, and productivity. Managers need to be able to improve results through the actions they and their employees take and organisational behaviour can aid them in their pursuit of this goal.

#### HUMAN RESOURCE MANAGEMENT

An organisation cannot build a good team of working professionals without good human resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety and