

Unit Code	Unit-8 TITLE: Organisational Behaviour			
	Duration:			
Session 1: Meaning and Significance of Organisational Behaviour				
	Learning Outcome	Knowledge Evaluation	Performance Evaluation	Teaching & Training Method
	Meaning and features of organisational behaviour	Definition of Organisational behaviour, Characteristics of Organisational behaviour, Importance of Organisational behaviour Limitations of Organisational behaviour	What is the nature of organisational behaviour? What is the relevance of studying organisational behaviour? What could be the limitations of organisational behaviour?	Interactive Lecture
Session 2: Levels and Challenges of Organisational behaviour				
	Different levels of organisational behaviour, challenges faced by managers in organisational behaviour	Levels of Organisational behaviour – Individual, Group and Organisation, Challenges in Organisational Behaviour	What are the different levels of analysis of Organisational behaviour? What are the challenges faced by managers in organisational behaviour?	Interactive Lecture
Session 3: Models of Organisational Behaviour and Group				
	Models of Organisational behaviour. Introduction to Group and its features	Models of Organisational behaviour-Autocratic, Custodial, Supportive and Collegial Meaning, definition and features of Group	What are the different models of Organisational behaviour? What are the characteristics of group?	Interactive Lecture
Session 4: Types of Groups and Group Dynamics				
	Types of Groups, Introduction to Group Dynamics, Group formation	Classification of Groups; Meaning & Definition of Group dynamics, Reasons of Group formation	What are the different types of groups? Why do groups form in an organisation?	Interactive Literature
Session 5: Informal Groups				
	Importance of Informal Groups, Utilisation of Informal Groups	Merits and demerits of Informal Groups, Dealing with Informal Groups	What are the advantages and disadvantages of informal group?	Interactive Literature

Unit-8

Organisational Behaviour

In this unit we will learn about:

- What is organisational behaviour?
- What is the importance of organisational behaviour?
- What are the characteristics of organisational behaviour?
- How do groups form in an organisation?
- What do group dynamics mean?

Introduction

Organisational behaviour (OB) is the study of human behaviour in organisations. It attempts to comprehend and predict behaviour in organisations. It focuses on the individuals and the groups and interactions between them in the organisation. It takes into consideration the environment in which the people have to work.

It is a **behavioural science** which deals with what people do in the organisations and how their behaviour affects the performance of the organisation. It is called behavioural science as it uses scientific methods to develop and evaluate how and why people behave in a specific way in organisations. This is due to the reason that same people don't always behave in the same way in different situations. Thus, managers need to understand the factors affecting human behaviour and accordingly act for various aspects related to employees like motivation, leadership, communication, conflict management, perception, learning, etc.

Definition of Organisational Behaviour

According to Cook and Hunsaker, "Organisational behaviour refers to the behaviour of individuals and groups within organisations and the interaction between organisational members and their external environments."

According to J.W. Newstrom, "Organisational behaviour is the systematic study and careful application of knowledge about how people- as individuals and as groups –act within organisations."

From the above definitions, we gather that organisational behaviour facilitates in improving managerial effectiveness by following ways:-

- **Describing behaviour:** Managers can describe how people behave in different conditions.
- **Understanding behaviour:** They understand why people behave differently in different situations.
- **Predicting behaviour:** Managers try to predict the future behaviour of employees.
- **Controlling behaviour:** They control the human behaviour at work through team effort, skill development, etc.

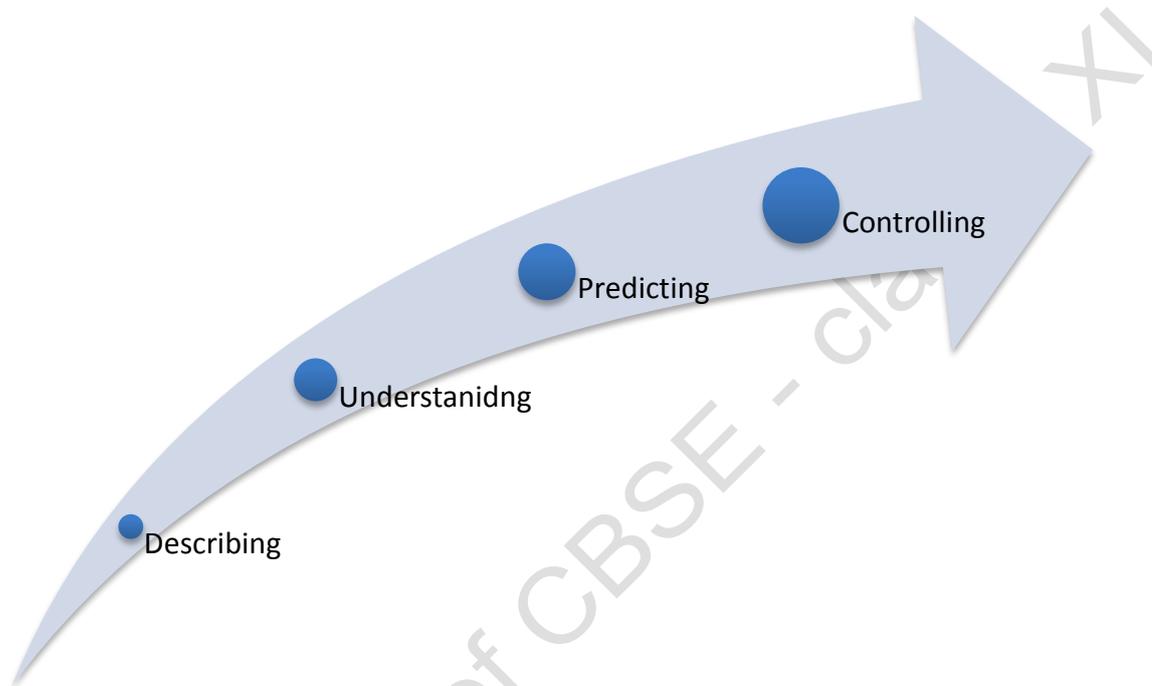


Fig 1: Uses of Organisational behaviour

Characteristics of Organisational behaviour

The important characteristics of organisational behaviour are:

- i. **Separate field of study:** It is a distinct field of study that centres its attention on human side of the organisation. This theory is based on various researches dealing with the people at work. It also emphasises that job conditions are not responsible for employees' behaviour but interpersonal relationships also play an important role.
- ii. **Part of Management:** Organisational behaviour is a crucial part of management dealing with the human aspect of the organisation. Since human behaviour is assuming an important role in organizations, it becomes imperative to study organisational behaviour as a separate field of study.
- iii. **Level of analysis:** The study of organisational behaviour analyses the behaviour at three levels- individual behaviour, group behaviour and behaviour of the organisations itself.

- iv. **A Science as well as an Art:** Organisational behaviour is a science as well as an art. The systematic knowledge about human behaviour is a science and the application of behavioural knowledge and skills is an art.
- v. **Interdisciplinary approach:** Organisational behaviour is draws rich knowledge from several other social sciences like psychology, sociology and anthropology.
- vi. **Rational Thinking:** The main objective of organisational behaviour is to describe and predict human behaviour in organisations which result in creating positive situations.
- vii. **Useful to both Organisation and Individuals:** The study of organisational behaviour creates an optimistic atmosphere whereby both the organisation and individuals help each other in achieving organisational objectives.



Fig 2: Characteristics of Organisational behaviour

Importance of Organisational Behaviour

The objective of organisational behaviour is to aid in **understanding, explaining and predicting** human behaviour so that the organisational objectives are met by satisfying the employees.

The significant goals of organisational are explained below:-

- a. **Understanding human behaviour:** OB helps in analysis of human behaviour at individual, group and organisational level. It helps in rational thinking amongst the employees of organisation if the understanding of the human behaviour is done without any biases.

- b. Predicting human behaviour:** OB provides necessary knowledge for predicting the behaviour of individuals by managers. The knowledge comes in the form of theories and researches which help the managers to anticipate the effects of certain actions and hence act accordingly.
- c. Creating an effective Organisational Climate:** Understanding of OB helps in creating an effective organisational climate. An organizational climate is a set of properties of the work environment perceived by the employees to be influencing employee behaviour. Satisfactory working conditions, sufficient compensation and better equipments for the job are necessary for creating effective organisational climate.
- d. Training the Managers:** OB has been recognised as a field of study which is taught formally in the educational curriculum. The managers can be trained by giving knowledge on OB concepts, approaches and techniques.
- e. Management of change in the organisation:** Introduction of changes in the organisation due to change in technological, social, political environment may be resisted by the employees. This can be managed well if the managers and the subordinates have sound understanding of organisational behaviour.
- f. Better communication:** OB helps in improving the communication in the organisation. This can be done by analysis of the factors which affect the communication and hence working on the same.

Limitations of Organisational Behaviour

- ✓ Organizational behaviour cannot abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.
- ✓ The law of diminishing returns also operates in the case of organizational behaviour. It states, that at some point increase of a desirable practice produce declining returns and sometimes, negative returns. 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.
- ✓ A significant concern about organizational behaviour is that its knowledge and techniques could be used to manipulate people without regard for human welfare.

Levels of Analysis of OB

Organisational behaviour tends to focus on three levels of the organisation- individual, group and organisation. These levels are interdependent and understanding of behaviour at all these levels is pertinent for the managers.

1. Individual Level

The study of behaviour at individual level is called as micro organisational behaviour. It is important to understand the human behaviour at the individual level as the individual members are the ones who are affected by the internal and the external environment. The factors affecting the human behaviour are personality, attitudes, perception, learning, motivation, etc and organisational behaviour takes into account these factors to understand human behaviour.

2. Group Level

The study of behaviour at the group level is known as meso organisational behaviour. Group formation is common in the organisational which are generally made due to cooperation or competition. Besides this, various factors affect behaviour of groups such as leadership, group goals, communication, etc. The managers should understand the group dynamics to reduce conflicts to improve morale and productivity.

3. Organisational Level

The study of behaviour at the organisational level is referred as macro organisational behaviour. This level encompasses a thorough analysis of an organization's culture, values, inter-organizational conflicts and environmental variables.



Fig 3: Levels of Organisational behaviour

Challenges in Organisational Behaviour

Continual changes in the social, political, economic and technological environment bring about the lots of challenges which the managers have to face while adjusting their workforce with the changes. These challenges are as follows:

1. Managing Globalisation

Globalisation is a process of increasing the connectivity and interdependence of the world's markets and businesses. To remain competitive in the markets, the organisations have to adjust with the changes which come with globalisation. The major challenges with the adjustment of employees with the process of globalisation are unfamiliar laws, language barriers, changed management styles, foreign work ethics.

2. Managing Technology

The present business scenario is highly dependent on the information technology which has paved the way for business growth. All the important tasks from recruiting people to selling goods have been made possible using information technology. Besides this, the change in the technology is very swift that the employees need to be constantly prepared for the change by updating their skills, knowledge and also the attitudes towards learning the new technology.

3. Managing innovation and change

It is said that change is constant but that doesn't make it easy. Nowadays, the organisations to survive in the fierce competitive environment need to transform their practices on a regular basis. The key to this change is only possible through the human resources. The managers are faced with the challenge of stimulating employee creativity along with preparing the members for the change.

4. Managing workforce diversity

The managers are currently facing the challenge of managing the diverse workforce. This diversity is observed in terms of male and female workers, young and old workers, educated and uneducated workers, skilled and unskilled employees, local and foreign workers, etc. Thus, the challenge for the management is to address the aspirations and demands of the employees considering the non-uniformity in the workforce.

5. Improving quality and productivity

Customer satisfaction is the crucial goal of the business enterprises which only depends if they are offering quality products and services in the markets. This is due to the reason that the consumer knowledge on the parameters namely price and quality of the products available either in local markets or foreign markets have increased. That's why the companies

have started restructuring and redesigning the business processes and involving their workforce. The main aim of the processes is to improve quality and productivity.

6. Empowering workforce

Empowering refers to providing the employees a certain degree of autonomy and responsibility for decision making regarding their tasks. This depends on the keenness of the managers to provide such freedom as well as the skills of the employees to make decisions on their own. Such a choice can be accomplished by developing understanding between the managers and the subordinates; giving respect to each other and providing adequate resources in form of training, authority, money, knowledge, etc.

7. Improving Ethical behaviour

The employees at an organisation are faced with the challenge of defining the ethical behaviour at the workplace. The problem is that there is no clarity on ethical practices expected by people of the business enterprises. Managers must develop code of ethics to guide employees through ethical dilemmas. Along with this, activities like organizing seminars, workshops, training programs will help improve ethical behaviour of employees.

8. Ensuring work life balance

These days the employees strive for work life balance in a job. Companies can implement specific work-life practices within their organization to increase morale, productivity and profits.



Fig 4: Challenges in Organisational behaviour

Models of organisational behaviour

The human interactions in an organisation depend on various factors and to understand the same, four models of organisational behaviour have been identified which are shown in the fig. 5. These models are based on certain assumptions.

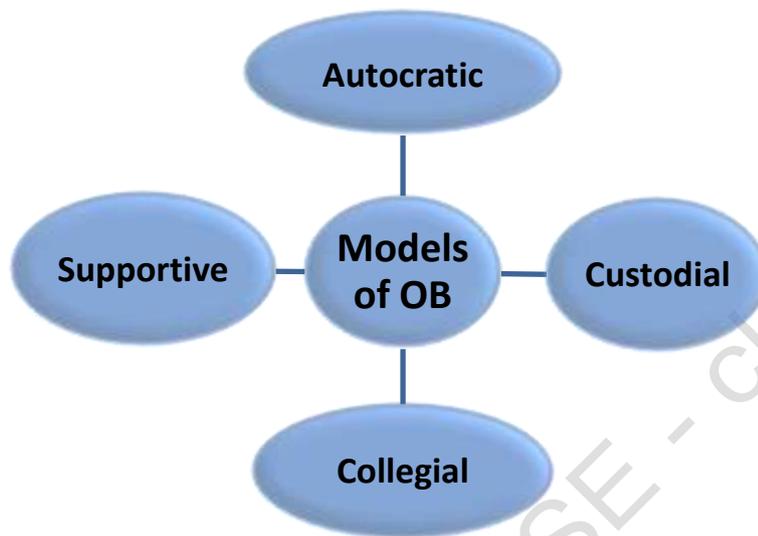


Fig 5: Models of Organisational Behaviour

1. Autocratic Model

The autocratic model is dependent on power of the boss and the employee orientation is also obedience to the boss. This model is ideal for situations where the workers are lazy and work shirkers. It is generally an authority oriented model. This model is not applicable in real sense as the workers are more educated and organised now.

2. Custodial Model

The custodial model revolves around the concept of providing economic security to improve employer-employee relations. Here, the employer emphasises on security needs to motivate the employees. Hereby, the employees look upon the organisation for their welfare and development needs instead of their boss. It is observed that the employees offer passive cooperation as they are not strongly motivated.

3. Supportive Model

The supportive model is an improvement over the earlier two models. In this model, instead of money or power, preference is given to leadership. The managers try to create a favourable atmosphere in the organisation so that workers take responsibility and make contributions. The assumption is that the employees are not lazy but can be self-directed if motivated.

4. Collegial Model

The collegial model is an extension of the supportive model. This model takes into account that workers are partners in the organisation. There is a respect for each other between the workers and the management. It has been observed that the workers have job satisfaction, job commitment and job involvement in case of custodial model. The model is aimed at infusing team spirit in the organisation.

Group Dynamics

A group can be defined as several individuals who come together to accomplish a specific task or goal. Group dynamics refers to the attitudinal and behavioural characteristics of a group. Group dynamics are concerned with how groups form, their structure and process, and how they function. In an organizational situation, groups are a very common organizational entity and the study of groups and group dynamics is a significant area of study in organizational behaviour.

Definition of Group

According to Edgar Schein, “A group is any number of people who interact with one another, are psychologically aware of one another, and perceive themselves to be a group.”



Fig 6: Group in an Organisation

Features of a Group

A group has got following features:

1. *Interaction between Members*

The members of a group must interact with each other. Each group member tends to influence the group in some or the other way and get influenced by others.

2. Norms

Every group has a set of norms. A norm is defined as a code of conduct about what is acceptable behaviour. They may apply to everyone in the group or to certain members only. Some norms will be strictly adhered to while others permit a wide range of behaviour.

3. Cohesiveness

Cohesiveness is a measure of the attraction of the group to its members, the sense of team spirit, and the willingness of its members to coordinate their efforts. The members of a social group develop a sense of "we" feeling among them.

4. Communication

It is through communication that members of a group learn to understand one another and to influence, or be influenced by, each other.

5. Awareness

The people in a group should be aware of each other and must relate to each other in some way or other. The relationship between the group members is based on common areas of interest, goals and activities, etc.

6. Common Objectives

The group formation is directly based upon common objectives or purpose. Achieving the common goals of the group is the duty of each of the members.

Types of Groups in an Organisation

Groups can be classified in the following ways:

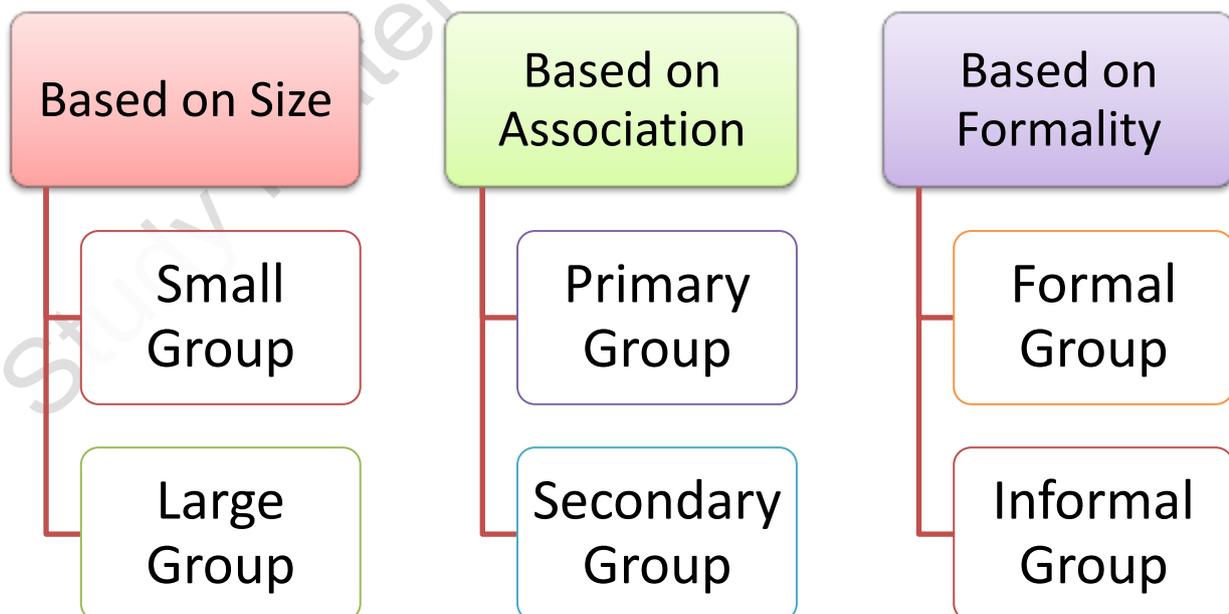


Fig 7: Types of Groups

1. Based upon Size

The groups in an organisation are made on the basis of number of people in the group. Such groups are divided as small and large groups and they possess differential characteristics.

1.1.Small Group

Small group is closely and neatly packed set of few members. The people in the group can have face-to-face communication, interpersonal relations and interdependence. The smaller the group, the greater is the possibility of close relationships.

1.2.Large Group

On the other hand, a large group is a set of few small groups. Larger groups are effective when it requires the combining of individual efforts as in brainstorming. Examples of large group are society, nation, etc.

2. Based upon Association

The groups are also formed on the basis of association. They are of two types divided as follows:

2.1.Primary group

A primary group is made up of a small group of people who interact regularly or those have got a close association. A small team with a leader is an example of a primary group. E.g. Family is an example of primary group. Within the primary group, values, beliefs and culture are all very important. There exists a shared sense of identity, goals and interests.

2.2. Secondary group

When many people get together (who do not normally get together) to form a group, it is called a secondary group. Secondary group members do not get the opportunity to get to know each other as well as primary group members because the interaction with each other is less than in a primary group. It is made on the basis of formal and contractual relationships.

3. Based upon Formality

Generally in an organisation, two type of group emerge on the basis of formality namely formal group and informal group. These are discussed below.

3.1.Formal Group

A formal group is created within an organisation to complete a specific role or task. It is created deliberately by the management. It is formulated by the management by selecting people according to their capabilities in order to assign them their roles and tasks.

3.2. Informal Group

The informal groups surface in an organisation spontaneously owing to personal, social and natural instincts among the members. They are not governed by formal authority or relationship. An informal group stems from human interaction in the formal organisation on the basis of common interests, needs and values.

Meaning and Definition of Group Dynamics

Group dynamics are concerned with the formation of groups, their structure and processes and the way they affect individual members, other groups and the organisation.

The term group dynamics was coined by Kurt Lewin to explain the way the groups and individuals act and react to changing situations.

According to Keith Davis, “The social process by which people interact face-to-face in small groups is called group dynamics.”

The study of group dynamics is of relevance so as to understand the working of the groups and understanding the ways of better utilisation of the groups for achieving organisational objectives.

Basic assumptions behind studying group dynamics are:

1. Group formation is unavoidable.
2. Groups tend to exercise significant impact on the behaviour and performance of its members.
3. Group formation can lead to both good and bad results for the organisation.
4. To facilitate organisational objective accomplishment, it is necessary that the management should have knowledge on group dynamics.

Reasons for formation of Groups

The reasons for formation of groups in an organisation are explained as follows:

1. **Companionship:** Man is a social animal. There is a need for relationship with other people is one of the constant human drives. Becoming a part of an informal group allow him to gratify his needs of social needs on the job.
2. **Sense of Identification:** It has been observed that workers get more identified when they are members of a small and a distinct group. Researches prove that morale of such groups is

high. In the recent scenario, the organisations encourage such formation of groups. Examples of small groups in the organisations are cultural societies, literary societies, sports club.

3. **Security:** By becoming a part of a group, an employee can reduce the insecurity of being alone. Groups also enable protection of the members from outside pressures like resistance to management expectations in form of working for long hours or increasing the output.
4. **Goal Achievement:** It is easy to complete tasks and goals in a group as same type of problems can be solved within the group members.
5. **Breaking Monotony:** A group helps in reducing the mental fatigue faced by the workers who are performing standardized jobs. This is possible by taking a break and having frequent interactions with each other at the work place.
6. **Vent for frustration:** The social and informal groups in an organisation provide an outlet for frustration for the employees. There are times when the workers are stressed due to family problems or work problems or sometimes simultaneously both. He can relieve the stress by discussing these issues with group members.
7. **Innovation and Creativity:** A group provides breeding ground to new ideas. Members of the group can try-out new ideas and find alternate methods of working. They also seek for agreement for their new ideas from the other members of the group.
8. **Source of information:** Informal group is a source of information to its members as the information communication generally is referred as very fast.

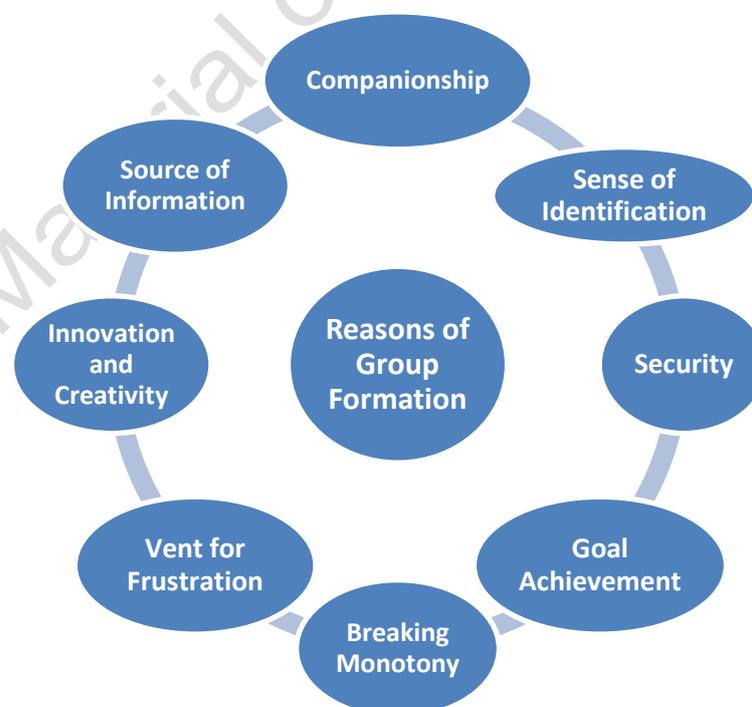


Fig 8: Reasons for Group formation in an Organisation

Benefits of Informal Groups to an Organisation

Informal groups are important as they provide support to the management in following functions:

1. **Support to the formal structure:** Existence of informal groups provide human dimension to the organisational structure which is emotionless and hierarchical.
2. **Filling up the Gaps in Managers' Abilities:** An open-minded group can fill in the gaps in the managers' abilities. The members of the group can make for the abilities and skills the manager lacks in.
3. **Fast communication:** Communication in informal group is comparatively fast as it is free from barriers of status and position. Management can use this as for its benefit for speedy communication.
4. **Better relations and Coordination:** Managers can make better relations with the subordinates through informal contacts. They can seek their cooperation in getting work done from the workers.
5. **Solving work problems:** An informal group allows members to solve their work problems with the help of other members by sharing knowledge and experience.
6. **Social Functions:** Informal groups satisfy social needs of members such as security, sense of belonging, friendship, etc. They provide a place to express their feelings.
7. **Norms of behaviour:** Informal groups develop some norms of behaviour. These norms help in make a distinction good and bad conduct and between legitimate and illegitimate activities. This ensures discipline among the employees of the organisation.

Demerits of Informal Groups

1. **Resistance to change:** Informal groups tend to resist changes which they think are a threat to their culture and structure. This kind of behaviour results may have negative effect on the organisational growth prospects.
2. **Restriction of output:** Sometimes informal groups may pressurise their members to limit their output or performance. This can cause mismatch between the organisational goals and the group goals.
3. **Role conflict:** Each of the members of an informal group is also a part of formal group. There could be a role conflict when the expectation of the informal group are opposite to the expectation of the formal organisation as per the behaviour of a group member is concerned. There are chances when the group member may conform to the social norms.
4. **Rumour:** Informal communication is responsible for carrying inaccurate, incomplete and distorted information called rumours. Rumours develop when the employees are not fully

informed on the matters which may affect them. The other causes of rumours are anxiety, insecurity and the intention to put pressure on the management.

5. **Politics by Informal Leaders:** Power politics is generally done by the informal leaders in order to dominate the management and to undermine the structure, values and goals of the organisation.
6. **Social costs:** Although, informal groups provide a platform for sharing problems and venting out frustration. But after a certain point of time, informal groups become a place for joke sharing and gossiping which results in higher operating costs to the organisation.

Merits of Informal Groups	Demerits of Informal Groups
<ul style="list-style-type: none">• Support to Formal Structure• Filling up the Gaps in Managers' Abilities• Fast communication• Better Relations and Coordination• Solving Work problems• Social Functions• Norms of Behavior	<ul style="list-style-type: none">• Resistance to Change• Restriction of Output• Role conflict• Rumour• Politics of Informal Leaders• Social Costs

Fig 9: Merits and Demerits of Informal Groups

Dealing with Informal Groups

Informal groups are unavoidable part of the organisations and cannot be dissolved. Hence, the managers should make best use of the informal groups for meeting the organisational objectives. The effective use of the informal groups can be done in the following ways:

1. **Positive Attitude towards Informal Groups:** The organisations should provide support and positive attitude with the aim of growth and development of these groups. These groups should be provided their due recognition.
2. **Rapport with Informal Leaders:** The managers should maintain healthy relations with the informal leaders as they are the liaisons between the workers and the management. A manager can seek the advice in the areas of technical matters as well as human relations.
3. **Involvement of Groups:** The management should try its level best to include the informal groups in important activities like decision making so that they feel recognised in the organisation. The management should be receptive of their ideas and suggestions.
4. **Use of Informal Communication:** Informal communication is also of immense help to the management as the manager can use informal contacts to encourage, guide and counsel the workers.
5. **Developing common areas of interest:** The managers should attempt for finding and developing common areas of interests and tasks which are in the large interest of organisations. For instance, while introducing any kind of change the informal leaders should be informed and taken into confidence.

Summary

Organisational behaviour is a systematic study of behaviour of people in an organisation and how it affects the performance.

OB facilitates understanding, describing, predicting and controlling human behaviour.

OB helps in creating an effective climate in the organisation.

OB is studied at individual, group and organisation level.

The models of OB are Autocratic, custodial, supportive and collegial.

A group is formed of several individuals who come together to accomplish a specific task or goal.

Group dynamics are concerned with how groups form, their structure and process, and how they function.

Informal Groups are formed owing to the need of companionship, sense of identification, security, breaking monotony, etc.

Informal Groups are beneficial to the organisation as they provide support to the formal structure, help in speedy communication and improving relations resulting into coordination.

Informal group can be detrimental if issues like resistance to change, role conflict and rumour emerge.

Keywords: - Organisational behaviour, Group Dynamics, Formal groups, Informal Groups

Self-Test Questions

I. Choose the correct answer:

1. A study of human behaviour in organisational settings is called:

- a) Organisational behaviour b) Group behaviour c) Individual behaviour d) None of these

2.is a measure of the attraction of the group to its members.

- a) Association b) Cohesiveness c) Norm d) None of these

3. A study of the culture and practises in different societies is called

- a) Personality b) Anthropology c) Perception d) Attitudes

4. Which of the following is not an influence on behaviour in work organisations?

- a) Individual b) Building c) Group d) Environment e) None of the above

II. Fill in the blanks:

1. Organisational behaviour related to individual behaviour is called.....
2. The autocratic model is dependent on.....of the boss.
3.is the attractiveness of the members towards the group or resistance to leave it
4.is a situation in which an individual is confronted by contradictory role expectations.

III. True or False

1. Beliefs, attitudes, traditions and expectations which are shared by group members is called group norms.
2. An interdisciplinary field, dedicated to the study of how individuals and groups tend to act in organizations, is called psychology.
3. Collegial Model of organisational behaviour is based on economic resources.
4. Formation of informal groups is always beneficial for the organisation.

IV. Answer the following briefly:

1. What are the characteristics of organisational behaviour?
2. What is the difference between formal and informal groups?
3. What are the features of organisational behaviour?
4. How should the management deal with the informal groups?

V. Answer in detail:

What are the merits and demerits of informal groups for the organisation?

VI. Activity

1. Visit a business enterprise in your area. Observe the organisational behaviour in terms of group formation. Note down the difference between the formal and informal groups existing in the organisation. Take a view from the management how do they deal with the informal groups.