

Chapter-17

Organisational Behaviour (Basic Study)

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Abstract

Organisational Behaviour (OB) is the systematic study of individual, group, and organisational processes within the workplace and how they influence performance and effectiveness. It integrates concepts from psychology, sociology, anthropology, and management to understand human behaviour in organisational settings. The primary objective of organisational behaviour is to improve productivity, employee satisfaction, and organisational efficiency by analysing factors such as motivation, leadership, communication, perception, learning, and organisational culture. By understanding how people interact within organisations, managers can develop effective strategies for managing change, resolving conflicts, enhancing teamwork, and promoting ethical behaviour. Organisational behaviour plays a vital role in helping organisations adapt to a dynamic business environment and achieve sustainable competitive advantage.

Keywords: Organisational Behaviour, Individual Behaviour, Group Behaviour, Motivation, Job Satisfaction, Personality, Organisational Culture, Teamwork, Conflict Management, Power and Politics, Stress Management, Change Management, Employee Performance, Decision Making, Organisational Effectiveness.

Introduction

The study of individual and group behaviour inside an organization is known as organizational behaviour (OB). In order to increase an organization's efficacy, it looks at how individuals, groups, and organizational structure affect behaviour. In order to increase output, work satisfaction, and overall performance, communication, motivation, leadership, and culture are important areas of concentration.

"Study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself". There are at least three ways to classify organizational behavioural research:

1. People within organizations (micro-level)
2. Work groups (meso-level) and
3. Organizational behaviour (macro-level)

Chester Barnard realized that people respond differently when they are part of an organization than when they are not. Researchers studying organizational behaviour focus mostly on how people behave in their jobs within organizations. **"To revitalize organizational theory and develop a better conceptualization of organizational life"** is one of the primary objectives of organizational behaviour research.

Organisational Behaviour (OB) is the study of how people behave within organizations—individually, in groups, and as part of the overall organizational system. Its goal is to understand, explain, predict, and improve workplace behaviour.

Definition of Organisational Behaviour:

“Organisational Behaviour is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization’s effectiveness.” -

Stephen P. Robbins

“Organisational Behaviour is the study and application of knowledge about how people act within organizations.” - **Keith Davis**

“Organisational Behaviour is concerned with the understanding, prediction, and control of human behaviour in organizations.” - **Fred Luthans**

“Organisational Behaviour is the systematic study of individual and group behaviour in organizations.” - **John W. Newstrom**

Characteristics of Organisational Behaviour:**1. Multidisciplinary Foundation:**

Organizational behaviour is grounded in several fields such as psychology, sociology, anthropology, and economics. Each discipline contributes valuable insights into understanding human attitudes, motivation, communication, and culture in the workplace, creating a broad and well-rounded foundation for studying people at work.

2. Structured and Systematic Approach:

The study of organizational behaviour follows a scientific and methodical process rather than relying on assumptions. Through research, observation, and analysis, it develops evidence-based theories and practices that help leaders and employees better understand and manage workplace dynamics.

3. Focus Across Organizational Levels:

Behaviour within organizations is examined from multiple perspectives: the individual level, the group level, and the structural or organizational level. This comprehensive approach allows for a deeper understanding of how personal traits, team interactions, and organizational systems influence one another.

4. Performance-Driven Perspective:

A key purpose of studying workplace behaviour is to improve organizational effectiveness. By identifying the factors that drive motivation, teamwork, and leadership, organizations can design strategies that enhance productivity, innovation, and overall performance.

5. Human-Centered Orientation:

This characteristic emphasizes the importance of valuing employees as individuals. It promotes respect for human dignity, job satisfaction, and personal development while balancing the organization’s pursuit of efficiency and success.

6. Adaptive Contingency Approach:

There is no universal formula for managing people effectively. Organizational behaviour recognizes that the best approach depends on situational variables such as culture, leadership style, and task complexity, encouraging flexibility and adaptation.

7. Goal-Focused Thinking:

Behavioural strategies within organizations are aligned with overall goals and objectives. This ensures that individual efforts and group performance contribute meaningfully to the achievement of organizational success.

8. Proactive Change Management:

Understanding behaviour helps organizations navigate change more effectively. By preparing employees for transitions and addressing resistance, organizations can maintain stability and adaptability in dynamic business environments.

9. Ethical and Responsible Outlook:

Ethical conduct and social responsibility are central to healthy workplace behaviour. Promoting integrity, fairness, and accountability fosters trust among employees and strengthens the organization's reputation.

10. Interdisciplinary Integration:

Organizational behaviour brings together knowledge from various academic fields to provide a deeper understanding of workplace dynamics. This integration of perspectives makes it a flexible and evolving discipline capable of addressing modern organizational challenges.

Levels of Organizational Behaviour (OB) : Organizational Behaviour are the **Individual**, the **Group**, and the **Organizational** (or System) level, forming a framework to understand how people, teams, and the overall structure influence behaviour and effectiveness in a workplace, from personal traits like motivation to broader culture and external factors.

1. Individual Level (Micro): Focuses on individual employees and their unique characteristics. Personality, perception, attitudes, values, motivation, learning, decision-making, and personal traits. Understand what drives individuals to behave in certain ways at work. Organisations are made up of their individual members. Organisational behaviour can be studied from the perspective of an individual member in an organisation and it tries to analyse how and why an individual behaves and reacts in a particular situation, to different organisational policies, practices and procedures. The behaviour of individuals is affected by a number of psychological, social and cultural factors. The study of behaviour of an individual working in the organisation is also known as Micro Organisational Behaviour

2. Group Level (Meso): Examines how people interact and behave in teams and social settings Group dynamics, communication, leadership, conflict, roles, trust, and team effectiveness. Understand team cohesion, performance, and interpersonal dynamics. People in organisations have to necessarily work in coordination with others to meet organisational goals. This is achieved through the use of teams, committees and workgroups. How do people work together in groups? What factors determine whether the group will be cohesive and productive? What type of tasks could be assigned to the groups? The Hawthorne experiments have shown that an individual behaves differently when he works alone and when he works in a group. Behaviour in groups is affected by various factors such as group goals, norms, communication, leadership, cohesiveness, etc.

3. Organizational System Level (Macro): Looks at the entire organization as a system. Organizational culture, structure, design, HR policies, change management, and the broader environment. Understand how the entire system impacts individuals and groups, and how to improve overall organizational effectiveness. All the building blocks are the basic levels of organisation. Each level is constructed on the previous level. While moving from individual level to organisational systems level, understanding of behaviour in organisation is systematically added. An organisation is a collection of complex systems designed to reach a goal. It can be as small as two people or as large as thousands. Regardless of size, the goal must be clear to everyone involved if it is going to be achieved. Organisations also represent collective leadership. This means that the message of organisational directives comes from many different people, often at different times and in different locations.



➤ **Features of Organisational Behaviour:**

1. A component of general management

Organizational Behaviour is an integral part of management because it helps managers understand, direct, and control human behaviour to achieve organizational goals.

2. Addresses the behavioural approach

OB focuses on how individuals and groups behave in organizations rather than only on structures, rules, or procedures.

3. A distinct area of study

It is a separate discipline with its own concepts, theories, and research methods concerned specifically with behavior at work.

4. Aids in behaviour prediction

By studying patterns of behavior, OB helps managers predict how employees are likely to respond to different situations.

5. Fosters original thought

OB encourages creativity and independent thinking by understanding motivation, learning, and individual differences.

6. Multidisciplinary in character

It draws knowledge from psychology, sociology, anthropology, economics, and political science.

7. Action-oriented

OB is practical and focuses on applying knowledge to solve real workplace problems and improve effectiveness.

8. Both science and art

It is a science because it uses systematic study and research, and an art because it involves applying knowledge skilfully in managing people.

9. Meets personnel and organisational needs

OB balances employee needs (satisfaction, growth) with organizational needs (productivity, efficiency).

10. The method of rational reasoning

OB relies on logical analysis and evidence-based decision-making to understand and manage behaviour.

11. Harmony between technological and human principles in the workplace

It seeks to integrate technological efficiency with human values, ensuring both systems work together effectively.

12. A young field of study that exists on several levels

OB is relatively new and examines behaviour at multiple levels: individual, group, and organizational.

The core topics:

1. Motivation
2. Leader behaviour and power
3. Interpersonal communication
4. Group structure and processes
5. Learning
6. Attitude development and perception
7. Change processes
8. Conflict
9. Work design
10. Work stress

1.Motivation

Motivation refers to the forces that energize, direct, and sustain employee behaviour toward achieving organizational goals.

2. Leader behaviour and power

This deals with how leaders influence others through leadership styles, authority, and power to guide individuals and groups toward objectives.

3.Interpersonal communication

Interpersonal communication is the process of exchanging information, ideas, and feelings between individuals to ensure understanding and coordination at work.

4. Group structure and processes

This includes how groups are formed, their roles, norms, status, and the processes such as decision-making and teamwork that affect performance.

5. Learning

Learning is a relatively permanent change in behavior or knowledge that occurs as a result of experience and training.

6. Attitude development and perception

This focuses on how employees form attitudes and interpret their work environment, which influences job satisfaction and behavior.

7. Change processes

Change processes involve planned efforts to modify organizational structures, technology, or people to improve effectiveness.

8. Conflict

Conflict refers to disagreements or differences between individuals or groups arising from goals, values, or resource limitations.

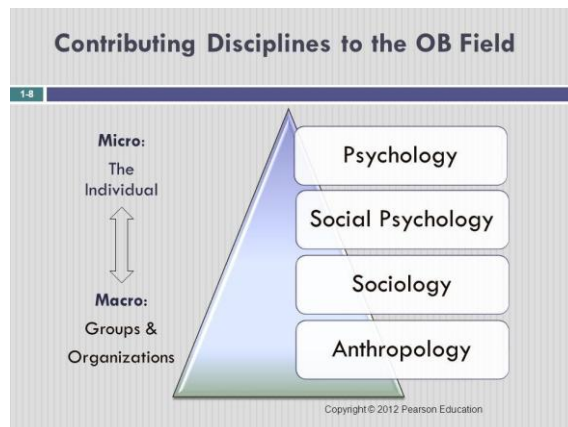
9. Work design

Work design involves structuring jobs and tasks to enhance efficiency, motivation, and job satisfaction.

10. Work stress

Work stress is the physical and emotional strain experienced when job demands exceed an individual's ability or resources to cope.

Organisational Behaviours relationships with bellows fields:



- ◆ 1. Psychology
- ◆ 2. Sociology
- ◆ 3. Social –Psychology
- ◆ 4. Political Science
- ◆ 5. Economics
- ◆ 6. Engineering

1. Psychology

Psychology is the study of individual behaviour, mental processes, and emotions. In Organizational Behaviour, psychology contributes to understanding **individual differences, personality, perception, learning, motivation, attitudes, job satisfaction, and stress management**. It helps managers understand why employees behave the way they do and how to improve performance through motivation, training, and development.

2. Sociology

Sociology focuses on the study of **groups, social systems, and social relationships**. In OB, sociology explains **group behaviour, team dynamics, organizational structure, roles, status, culture, and formal and informal organizations**. It helps in understanding how social interactions and group influences affect employee behaviour and organizational performance.

3. Social Psychology

Social psychology is a blend of psychology and sociology and examines how individuals' behaviour is influenced by others. In OB, it contributes to understanding **communication, leadership, power, conformity, attitude change, group decision-making, and conflict resolution**. It explains how people influence and are influenced by their social environment in organizations.

4. Political Science

Political science studies **power, authority, influence, and conflict** within systems. In Organizational Behavior, it helps explain **organizational politics, power relationships, coalition formation, decision-making, and conflict management**. It enables managers to understand how scarce resources and differing interests lead to political behavior in organizations.

5. Economics

Economics contributes concepts related to **resource allocation, incentives, cost–benefit analysis, and efficiency**. In OB, it explains **compensation systems, motivation through rewards, decision-making, labor markets, and productivity**. Economic principles help managers design reward systems that align employee interests with organizational goals.

6. Engineering

Engineering contributes a **technical and systematic approach** to Organizational Behaviour. It focuses on **job design, work measurement, process optimization, ergonomics, and human–machine interaction**. Engineering principles help in designing efficient work systems that balance **technological efficiency with human capabilities and limitations**, leading to higher productivity and reduced work stress.

Goals of Organizational Behavior (OB):

Organizational Behaviour is the study of human behaviour in organizations. Its main goal is to understand, predict, and influence employee behaviour so that both individual and organizational objectives are achieved effectively.

1. Understanding Human Behaviour:

The first goal of OB is to understand how individuals and groups behave in an organization. It studies factors such as personality, perception, attitudes, learning, motivation, and emotions. By understanding these factors, managers can explain why employees behave differently in similar situations and design better work environments.

2. Predicting Behaviour:

OB aims to predict how employees are likely to behave in various organizational situations such as change, stress, leadership styles, or reward systems. This helps managers anticipate employee reactions and take preventive or corrective actions in advance.

3. Controlling and Directing Behaviour:

Another goal is to influence and control employee behavior to align it with organizational goals. This is done through leadership, motivation, communication, rules, and policies. Proper control ensures discipline, coordination, and goal-oriented behavior without being rigid or authoritarian.

4. Improving Employee Performance:

OB seeks to enhance individual and group performance by identifying factors that affect productivity, efficiency, and effectiveness. Motivated and satisfied employees perform better, leading to higher organizational productivity.

5. Increasing Job Satisfaction:

A key goal of OB is to improve job satisfaction by creating a positive and supportive work environment. Satisfied employees show higher commitment, lower absenteeism, and reduced employee turnover.

6. Developing Effective Leadership:

OB studies leadership styles and their impact on employee behavior and performance. Understanding leadership helps managers adopt suitable leadership styles to motivate employees and build trust.

7. Encouraging Teamwork and Cooperation:

OB promotes healthy interpersonal relationships and teamwork among employees. Effective teamwork improves communication, problem-solving, and overall organizational efficiency.

8. Managing Organizational Change:

OB helps organizations manage change effectively by understanding employee resistance and stress. It helps reduce fear and uncertainty, ensuring smooth implementation of new technologies, structures, or policies.

9. Building a Positive Organizational Culture:

OB aims to develop a strong organizational culture based on shared values, ethics, and beliefs. A positive culture improves employee morale and long-term organizational success.

10. Achieving Organizational Effectiveness:

The ultimate goal of OB is to balance individual needs with organizational goals. When employees' goals align with organizational objectives, both grow together.

Elements of OB:



- **Individuals**
- **Structures**
- **Groups**
- **Technology**
- **Environments**

1) People (Individual and Groups) : serve as the backbone of any organisation, and understanding human behaviour is crucial for effective leadership and Business Management. Studying individual behaviours, group dynamics, and organisational culture within the realm of Organisational Behaviour offers valuable insights.

These insights play an important part in improving worker engagement and encouraging teamwork, ultimately increasing productivity within the company. These factors contribute to the income and long-term sustainability of the organisation.

2) Structure-

The structure of an organisation establishes its formal structure and defines the roles, responsibilities, and relationships among its members. Departmentalisation, authority delegation, range of control, and centralisation of decision-making are all included in this structure. Managers can improve decision-making processes, simplify communication channels, and maximise productivity by closely examining the organisational structure.

Managers may effectively allocate resources and promote collaboration by having an in-depth knowledge of structural components. They can also modify organisational strategies to deal with changing Opportunities and Challenges of Organizational Behaviour in the competitive business landscape.

3) Technology-

In the current digital era, Organisational Behaviour is greatly impacted on technology. Collaboration and information management are being transformed by Data Analytics, automation, and communication platforms. Businesses take advantage of technological advancements to gain a competitive edge by understanding how they affect behaviour and making suitable changes.

By adopting these changes, companies may improve productivity and optimise business process. This maintains their competitive edge in evolving businesses and positions them for long-term success in the digital era.

4) Environment-

The organisational environment encompasses internal and external factors impacting behaviour and decision-making. Internally, it includes culture, values, and policies, while externally, it involves economic, social, and technical changes. Managers can navigate these dynamics by thoroughly analysing their organisation's environment.

By identifying issues and capitalising on opportunities, Managers can adapt to challenges and leverage trends. Fostering a positive workplace culture cultivates an environment conducive to organisational success and employee well-being.

Challenges and Opportunities of OB:

1. Adapting to Globalisation:

A rise in overseas missions and collaborating with individuals from diverse cultural backgrounds. Managing workers amid the war on terror; overseeing the relocation of jobs to nations with cheap labour; and dealing with the backlash against capitalism

2. Handling the variety of the workforce: Gender, ethnicity, national origin, age, handicap, Accepting diversity Shifting demographics • Diversity in the workforce can boost innovation and creativity in businesses and enhance decision-making by offering a variety of viewpoints.

3. Improving quality and productivity: “Almost all quality improvement comes via simplification of design, manufacturing, layout, processes, and procedures.”---Tom Peters . Today’s managers understand that success of any effort at improving quality and productivity must include their employees.

4. Improving people skills : We’ll present relevant concepts and theories that can help you explain and predict the behaviour of people at work. Learn a way to motivate people , How to be a better communicator, How to create more effective teams.

5. Increasing output and quality Simplifying design, production, layout, processes, and procedures leads to almost all quality improvement. ---Tom Peters Today's managers are aware that any attempt to increase productivity and quality must involve their staff.

6. Managing "temporariness" It would be more realistic to characterise modern management as extended stretches of continuous change interspersed with brief intervals of stability! Workers' actual jobs are always changing. Therefore, in order to fulfil changing job needs, employees must constantly upgrade their knowledge and abilities.

7. Declining employee loyalty Companies started to abandon established rules on job security, seniority, and salary in the mid-1980s due to global competition, hostile takeovers, leveraged buyouts, and similar situations. Developing strategies to inspire employees who are less devoted to their employers while preserving their companies' competitiveness in the global market will be a significant OB problem.

8. Enhancing moral conduct Organisational members are increasingly confronted with moral conundrums, where they must determine what constitutes proper and improper behaviour. The distinction between right and wrong has gotten increasingly hazy in

recent years. To help employees navigate moral quandaries, managers and their organisations are creating and disseminating codes of ethics.

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