

REFERENCE MATERIAL

Organizational behavior is the study of both group and individual performance and activity within an organization.

Organizational Behavior (OB) is the interface between human behavior and the organization, and the organization itself.

One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life. As a multi-disciplinary field, organizational behavior has been influenced by developments in a number of allied disciplines including sociology, psychology, economics, and engineering as well as by the experience of practitioners.

It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work.

OB draws from other disciplines to create a unique field.

Why is OB important?

The study of organizational behaviour gives insight on how employees behave and perform in the workplace.

It helps us develop an understanding of the aspects that can motivate employees, increase their performance, and help organizations establish a strong and trusting relationship with their employees.

The key elements in organizational behavior are people, structure, technology and the external elements in which the organization operates.

What is individual Behaviour?

Individual behavior can be defined as a mix of responses to external and internal stimuli. It is the way a person reacts in different situations and the way someone expresses different emotions like anger, happiness, love, etc.

Top 3 Factors Affecting Individual Behaviour

Some of the factors affecting Individual Behaviour **in an organization are as follows:**

I. Personal Factors:

The personal factors which influence the individual behaviour can be classified into two categories:

- A. Biographic Characteristics
- B. Learned Characteristics

A. Biographical Characteristics:

All the human beings have certain characteristics which are genetic in nature and are inherited. These are the qualities which the human beings are born with. These are the characteristics which cannot be changed; at the most, these can be refined to some extent. If the managers know about the inherited qualities and limitations of the persons, they can use their organisational behaviour techniques more effectively.

All these characteristics are explained in detail as follows:

1. Physical Characteristics:

Some of these characteristics are related to height, skin, complexion, vision, shape and size of nose, weight etc. All these have an impact on the performance of the individuals. It is sometimes said that the eyes betray the character of a person. Similarly certain ideas about the behaviour can be formed on the basis of whether the person is fat, tall or slim.

Tall and slim people are expected to dress well and behave in a sophisticated manner and fat people are supposed to be of a jolly nature. Whether there is a correlation between body structure and behaviour or not has not been scientifically proven. Even if there is a correlation between these two, it is very difficult to understand which the independent variable is and which is dependent variable.

2. Age:

Age is considered to be an inherited characteristic because it is determined by the date of birth. The relationship between age and job performance is an issue of increasing performance. Psychologically, younger people are expected to be more energetic, innovative, adventurous, ambitious and risk taking. Whereas old people are supposed to be conservative, set in their own ways and less adaptable. Though it is incorrect to generalize all old people as unadoptable, physiologically, performance depends on age.

Performance declines with advancement of age because older people have less stamina, memory etc. Younger people are likely to change jobs to avail better job opportunities, but as one grows old, the chances of his quitting job are less. There is a

relationship between age and absenteeism also. Older people tend to absent more from their jobs due to unavoidable reasons e.g. poor health.

Whereas younger people absent themselves from job due to avoidable reasons e.g. going for a vacation. In the organisations which are subject to dramatic changes due to latest innovations, the older people get less job satisfaction as they start feeling obsolete as compared to their younger colleagues. Though there is no clear cut demarcation between young age and old age but according to Lehman the peak of creative ability is among people between the ages 30 and 40.

3. Gender:

Being a male or female is genetic in nature and it is considered to be an inherited feature. Whether women perform as well as in jobs as men do, is an issue which has initiated lot of debates, misconceptions and opinions. The traditional view was that man is tougher than woman or women are highly emotional than men. But these are some stereotyped baseless assumptions. Research has proved that there are few if any, important differences between man and woman that will affect their job performance.

Specially, in some are like problem solving ability, analytical skill, competitive drive, motivation, leadership, sociability and learning ability, there are no consistent male-female differences. Initially, some roles were considered to be exclusive domain of women e.g. nurses, airhostesses etc. but now with the passage of time, we have males in these professions also. Similarly, some jobs which were considered to be exclusive domain of men e.g. pilots, defence jobs, etc.

have started accommodating women also, though with some conditions.

Gender has its impact on absenteeism. The tendency to abstain from work is more in females than in men, because historically, our society has placed home and family responsibilities on the females. When a child is ill, or the house is being white washed or some unexpected guests turn up, it is the female who has to take leave.

The turnover is also more in female employees, though the evidence is mixed in this case. Some studies have found that females have high turnover rates, while the others do not find any difference. The reasons for high turnover can be that sometimes the females have to quit their jobs or change into part time jobs to look after the children and their homes.

Sometimes they have to quit their jobs if their husbands get transferred to some other place and the females' job is non-transferable. Although this trend is changing with the passage of time, but majority of the Indian families still follow these norms.

4. Religion:

Though there are no scientific studies to prove it and we cannot generalize it, but religion and religion based cultures play an important role in determining some aspects of individual behaviour, especially those aspects which concern morals, ethics and a code of conduct. The religion and culture also determine attitudes towards work and towards financial incentives.

People who are highly religious are supposed to have high moral values e.g. they are honest, they do not tell lies or talk ill of others, they are supposed to be contented. But there is another side of the picture also. Though there are no evidences but it has been observed that sometimes people who are highly dishonest and immoral are more religious as compared to the others.

5. Marital Status:

There are not enough studies to draw any conclusion as to whether there is any relationship between marital status and job performance. Research has consistently indicated that as marriage imposes increased responsibilities, to have a steady job becomes more valuable and important. Married employees have fewer absences, less turnover and more job satisfaction as compared to unmarried workers. But no research has so far identified the causes for this.

Moreover, there are a few other questions which need answers e.g.:

(i) What will be the effect of divorce or death of the life partner on the performance of an employee?

(ii) What about couples who live together without getting married. So far there are no answers to these questions.

6. Experience:

The next biographical characteristic is tenure or experience. The impact of seniority on job performance is an issue which is subject to a lot of misconceptions and speculations. Work experience is considered to be a good indicator of employee productivity. Research indicates that there is a positive relationship between seniority and job performance. Moreover studies also indicate a negative relationship between seniority and absenteeism.

Employee turnover is also considered to be negatively related to seniority. But in considering this relationship, past experience i.e. experience of the employee on the previous job is also to be considered. Research indicates that experience and satisfaction are positively related. Here we have to distinguish between chronological age and seniority of the employee. Seniority experience is a better indicator of job satisfaction than the chronological age of the person.

7. Intelligence:

Generally, it is considered that intelligence is an inherited quality. Some people are born intelligent or in other words intelligent parents produce intelligent children. But practical experience has shown that sometimes very intelligent parents have less intelligent children and sometimes average parents have very intelligent children.

Moreover intelligence can be enhanced with efforts, hard work, proper environment and motivation. Anyway, whether it is an inherited trait or acquired trait this factor affects the behaviour

of the people. Intelligent people are generally not adamant and stubborn, rather they are considered to be stable and predictable.

8. Ability:

Ability refers to the capacity or capability of an individual to perform the various tasks in a job. Ability is the criterion used to determine what a person can do.

Ability of an individual can be of two types:

(i) Intellectual Ability:

If the individual is expected to perform mental activities, he must have a particular level of intellectual ability. Some important dimensions used to ascertain intellectual ability are number aptitude, comprehension, perceptual speed and test of reasoning. For some important jobs or assignment, a person has to clear some admission test.

(ii) Physical ability:

Physical abilities include a person's stamina, manual dexterity, leg strength and the like. If the performance of a particular job requires some specific physical abilities, it is the duty of the management to identify the employees having those abilities. This is accomplished by either careful selection of people or by a combination of selection and training.

B. Learned Characteristics:

Learning is defined as, “a relatively permanent change in behaviour resulting from interactions with the environment.” A person is born with biographical characteristics which are difficult to change or modify. Therefore, the managers lay much stress on studying, learning and predicting the learned characteristics.

Some of these learned characteristics are as follows:

1. Personality:

By personality we don't mean the physical appearance of a person. Psychologists are not concerned with a smart person, with a smiling face and a charming personality. They consider personality as a dynamic concept describing the growth and development of a person's whole psychological system. Rather than looking at parts of the person, personality looks at some aggregate whole that is greater than the sum of the parts.

Personality generally refers to personal traits such as dominance, aggressiveness, persistence and other qualities reflected through a person's behaviour. Some personality traits like physical built and intelligence are biological in nature but most traits like patience, open mindedness, extrovertness etc. can be learned.

An individual's personality determines the types of activities that he or she is suited for. According to Tedeschi and Lindskold, people who are open minded seem to work out

better in bargaining agreements than people who are narrow minded. Similarly people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

2. Perception:

Perception is the viewpoint by which one interprets a situation. In other words, "perception is the process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us. Psychology says that different people see and sense the same thing in different ways. For example, if a new manager perceives an employee to be a job shirker, he will give him less important jobs, even though that employee is a very able person. Sometimes, we tend to lose good relatives and friends because we change our perceptions about them.

3. Attitude:

Attitude is just like perception but with a frame of reference. It is a tendency to act in a certain way, either favourably or unfavourably concerning objects, people or events. For example, if I say I am satisfied with my job, I am expressing my attitude towards work. An attitude may be defined as the way a person feels about something, a person, a place, a thing, a situation or an idea. It expresses an individual's positive or negative feeling about some object. An attitude may be unconsciously held. Most of our attitudes are such about which we are not aware; QNE most common of this is prejudice.

A person's attitude towards a given situation can be ascertained by measuring and understanding his feelings, thoughts and behaviours. When we directly ask questions from the individuals, we can measure his feelings and thoughts. Behaviour can be measured either by observing the actions of the individual or simply by asking him questions about how he would behave in a particular situation.

In general, if a person has positive attitude about his work it will be reflected by very good work performance, less absenteeism, less turnover, obedience towards rule or authority etc. If a person has got negative attitude towards his work, he will act in exactly the opposite way. The negative attitude can be changed by simple persuasion or by training and coaching.

4. Values:

According to Milton Rokeach, "Values are global beliefs that guide actions and judgements across a variety of situations. Values represent basic convictions that a specific mode of conduct is personally or socially preferable to an opposite mode of conduct." Values carry an individual's ideas as to what is right, good or desirable. All of us have a hierarchy of values that form our value system. This system is identified by the relative importance we assign to some values like freedom, self respect, honesty, obedience, equality and so on.

Values are so closely embedded in the people that these can be observed from their behaviour. Individual values are influenced by the parents, teachers, friends and other external forces. A person's values also develop as a product of learning

and experience in the cultural setting in which he lives. Values vary from person to person because every person learns in a different way and have different types of experience.

Values are very important in the study of organisational behaviour because these help in understanding the attitudes and motivation of individuals as well as influencing their perceptions. Values determine what is right and what is wrong, where right or wrong is interpreted in terms of perceived values of the decision maker. Values sometimes overpower even objectivity and rationality. The value system can significantly influence the manager's outlook and behaviour.

II. Environmental Factors:

The external environment is known to have a considerable impact on a person's behaviour.

A brief description of the external factors follows:

1. Economic Factors.

The behaviour of an individual is affected to a large extent by the economic environment.

A few economic factors which directly or indirectly affect the individual behaviour are as explained below:

(a) Employment Level:

The employment opportunities which are available to the individuals go a long way in influencing the individual behaviour. If the job opportunities are less, the individual will have to stick to a particular organisation even though he does not have job satisfaction. He may or may not ' be loyal to the management but he will remain in the organisation for monetary benefits only. On the other hand if the job opportunities are more, the employees' turnover will be more. They will continue changing their jobs till they find the ideal job, which gives them maximum satisfaction, monetary as well as psychological.

(b) Wage Rates:

The major consideration of every employee who is working in the organisation is his wages. Though job satisfaction is very important, but what a person will get in money terms, is the major factor affecting the decision of a worker to stay in a particular organisation or shift to another one which will pay more wages.

(c) General Economic Environment:

Some employees who are working in Government offices or public sector undertakings are not affected by economic cycles. Whatever the economic position of the organisation, they will receive their salaries. Whereas, the employees, who work in the organisations, which are severely affected by economic cycles are subjected to layoffs and retrenchment. For these employees job security and a stable income is the most

important factor whereas the former employees will be motivated by some other factors.

(d) Technological Development:

Though technology is not an economic factor, but we include it in the economic factors because of the impact it has on the individual job opportunities. The technological development has made the job more intellectual and upgraded. Some workers will be dislocated unless they are well equipped to work on new machines. This makes it the duty of management to retrain the employees. For those, who pickup and acquaint themselves with new technology, the jobs will be rewarding and challenging.

2. Socio-cultural Factors:

The social environment of an individual includes his relationship with family members, friends, colleagues, supervisors and subordinates. The behaviour of other people not with the individual, but in general, is also a part of his social environment. Similarly, every individual has a cultural background, which shapes his values and beliefs. Work ethics achievement need, effort-reward expectations and values are important cultural factors having impact on the individual behaviour.

3. Political Factors

Political environment of the country will affect the individual behaviour not directly, but through several other factors. In a politically stable country there will be a steady level of employment (both in quantity and quality) and high level of

capital investment. Whereas companies are reluctant to invest large sums of money in a politically instable country.

The political ideology of a country affects the individual behaviour through the relative freedom available to its citizens. A country can have a controlled society or less controlled society. The relative freedom available to the individuals can affect their career choice, job design and performance.

4. Legal Environment.

Rules and laws are formalized and written standards of behaviour. Both rules and laws are strictly enforced by the legal system. Laws relate to all the members of the society e.g. Murder is a crime which is illegal and punishable by law and applies to all the people within the system. Observing the laws voluntarily allows for predictability of individual behaviour.

III. Organisational Factors:

Individual behaviour is influenced by a wide variety of organisational systems and resources.

These organisational factors are as explained below:

1. Physical Facilities:

The physical environment at a work place is the arrangement of people and things so that it has a positive influence on people. Some of the factors which influence individual behaviour are noise level, heat, light, ventilation, cleanliness, nature of job,

office furnishing, number of people working at a given place etc.

2. Organisation Structure and Design:

These are concerned with the way in which different departments in the organisation are set up. What is the reporting system? How are the lines of communication established among different levels in the organisation. The behaviour and performance of the individual is influenced by where that person fits into the organisational hierarchy.

3. Leadership:

The system of leadership is established by the management to provide direction, assistance, advice and coaching to individuals. The human behaviour is influenced to a large extent by the behaviour of the superiors or leaders. Behaviour of the leaders is more important than their qualities.

4. Reward System:

The behaviour and performance of the individuals is also influenced by the reward system established by the organisation to compensate their employees.

INTERPERSONAL SKILLS

Interpersonal communication is usually defined by communication scholars in numerous ways, usually describing participants who are dependent upon one another and have a shared history. Communication channels, the conceptualization

of mediums that carry messages from sender to receiver, take two distinct forms: direct and indirect.

Direct channels are obvious and easily recognized by the receiver. Both verbal and non-verbal information is completely controlled by the sender. Verbal channels rely on words, as in written or spoken communication. Non-verbal channels encompass facial expressions, controlled body movements (police present hand gestures to control traffic), color (red signals 'stop', green signals 'go'), and sound (warning sirens).

Indirect channels are usually recognized subconsciously by the receiver, and are not always under direct control of the sender. Body language, comprising most of the indirect channel, may inadvertently reveal one's true emotions, and thereby either unintentionally taint or bolster the believability of any intended verbal message. Subconscious reception and interpretation of these signals is often described with arbitrary terms like gut-feeling, hunch, or premonition.

Context refers to the conditions that precede or surround the communication. It consists of present or past events from which the meaning of the message is derived, though it may also, in the case of written communications, depend upon the statements preceding and following the quotation in question.

Do you have the Self Awareness? Awareness of the following?

1. Goal Setting and Achieving
2. Personal Effectiveness

3. Reflection
4. Self-Management
5. Planning & Monitoring
6. Flexibility
7. Commitment
8. Self-Appraisal
9. Independent Learning

What is Self-awareness? It means the awareness of your:

- Personality
- Values
- Needs
- Habits
- Emotions
- Strengths
- Weaknesses etc.

What is your Impact on others – Is it positive or negative?

Behavioral Dimensions of 4 Basic Social Styles

Flexibility in working with others of other social styles is important for success

Are you aware of your Strengths and Weaknesses? Your Communication skills?

How to develop Interpersonal Skills? It is possible by

- Developing Assertiveness
- Accepting Responsibility & taking ownership
- Managing Conflicts by:
 1. Avoiding
 2. Accommodating
 3. Competing
 4. Collaborating
 5. Compromising

Factors Hampering Interpersonal Interactions are:

- Poor Listening
- Emotional Arousal
- Lack of Time
- Differences in objectives & perceptions & opinions

By being polite, considerate and by developing good communication and listening skills, you can gain and maintain very healthy interpersonal relations.

Working With Others

Workforce Diversity: differences among people by Age, Gender, Personality, Attitude, Values & Beliefs, Culture etc.

Why do we opt for groups/teams?

No individual can be perfect but a Team can be.

Team – Definition

A group of people, contributing together to achieve a common Goal / Task...

Group Member Resources are Knowledge, Skills, and Abilities, Inter-personal skills, Conflict Management and Resolution,

Collaborative Problem Solving, Communication, Personality Characteristics, Sociability, Initiative, Openness and Flexibility.

Leadership can be defined as the ability of the management to make sound decisions and inspire others to perform well. It is the process of directing the behavior of others towards achieving a common goal. In short, leadership is getting things done through others.

IMPORTANCE OF LEADERSHIP

Leadership is very important in a firm as it leads to higher performance by the team members, it improves motivation and morale within the members, and helps to respond to change.

Leadership facilitates organizational success by creating responsibility and accountability among the members of the organization. In short, it increases value in an organization.

Leader Vs Manager

A leader is someone whom people follow or someone who guides or directs others. A manager is someone who is responsible for directing and controlling the work and staff in an organization, or of a department within it.

The main difference between the two is that a leader works by example, while a manager dictates expectations. If a manager goes against the rules, that will tarnish his position as a manager. If a leader goes against the example he or she is trying to set, that will be seen as a setback. Following are a few subtle differences between the two –

A leader is an innovator and creator whereas a manager is a commander. A leader can't be a manager but the opposite is possible, a manager is more than a leader. A leader does what is right, while the manager makes things right. A leader deals with change whereas a manager plans for a change. A leader gives direction to do something whereas the manager plans for everything that is to be done. A leader encourages people whereas the manager controls people. A leader handles communication, credibility, and empowerment whereas a manager deals with organizing and staffing.

Leadership Styles

Different leadership styles exist in work environments. The culture and goal of an organization determine which leadership style fits best. Some organizations offer different leadership styles within an organization, depending on the necessary tasks to complete and departmental needs.

We find five different leadership styles in the corporate world. They are as follows –

Laissez-Faire

A laissez-faire leader does not directly supervise employees and fails to provide regular updates to those under his supervision. Highly experienced and trained employees with minimal requirement of supervision fall under the laissez-faire leadership style.

But, not all employees possess these features. This leadership style blocks the production of employees needing supervision. The laissez-faire style implements no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

Autocratic

The autocratic leadership style permits managers to make decisions alone without the input of others. Managers access total authority and impose their will on employees. No one opposes the decisions of autocratic leaders. Countries like Cuba and North Korea operate under the autocratic leadership style.

This leadership style benefits those who require direct supervision. Creative employees who participate in group functions detest this leadership style.

Participative

This is also known as the democratic leadership style. It values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership motivates employee morale because employees make contributions to the decision-making process. It accounts to a feeling that their opinions matter.

When an organization needs to make changes within itself, that is internally, the participative leadership style helps employees accept changes easily as they play a role in the process. This leadership style meets challenges when companies need to make a decision in a short period of time.

Transactional

Transactional leadership style is formed by the concept of reward and punishment. Transactional leaders believe that the employee's performance is completely dependent on these two factors. When there is an encouragement, the workers put in their best effort and the bonus is in monetary terms in most of the cases. In case they fail to achieve the set target they are given a negative appraisal.

Transactional leaders pay more attention to physical and security requirements of the employees.

Transformational

Transformational leadership has the ability to affect employee's perceptions through the returns that organization gets in the form of human capital benefits. These leaders have the ability to reap higher benefits by introducing knowledge management

processes, encouraging interpersonal communication among employees and creating healthy organizational culture.

Transformational leadership is defined as a leadership approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders.

It helps in flourishing organizational innovation by creating a participative environment or culture. It promotes a culture where the employees have autonomy to speak about their experiences and share knowledge.

It has been seen that transformational leaders are more innovative than transactional and laissez-faire leaders.

Traditional Theory

Traditional theory is a theory based on different traits of a human beings. It assumes that leaders are born and not made. According to this theory, leadership behavior is the sum total of all traits that a leader possess.

Thus this theory gives the profile of a successful and complete leader. According to this theory, there are five human traits. They are –

Physical trait – it includes energy, activity, appearance, and height.

Ability trait – it includes judgement, knowledge, and fluency in speech.

Personal trait – it includes self-confidence, creativity, and enthusiasm.

Work trait – it includes organization and achievement.

Social trait – it includes interpersonal skill, cooperativeness, popularity and prestige.

Drawbacks

Following are the major drawbacks of this theory –

Traits are not arranged according to their importance.

There is no quantitative tool to judge the human traits.

This trait can't be used universally.

This trait can be achieved and developed.

Situational factors are avoided.