

Objectives

This unit will help you to understand:

- The need to study OB
- The various roles performed by a manager
- The skills a manager needs to perform his/her roles effectively
- The theoretical framework of OB
- Challenges and opportunities for OB
- The various models of OB.

Introduction

With the advent of globalization, organizations in the present scenario are employing people from different cultural and ethnic backgrounds. Apart from diverse workforce, managers also have to deal with other challenges like changes in technological advancements, strategic alliances, etc. All these challenges complicate their task of managing an organization. If the managers are to facilitate the smooth functioning of their organization, they have to effectively manage the most important resource available to them, i.e., the human resource. This is where OB plays an important role. OB is a study that helps managers in understanding and analyzing the nature of an organization's workgroups and the individuals within a workgroup.

Definition of Organizational Behavior

OB is a study that analyzes and explains the behavior of the workforce acting as individuals and as groups in an organization. It attempts to apply this knowledge in the effective management of human resources in an organization. OB is a discipline that studies the effect of organizational structure and design, and the changes in the organizational environment on the behavior of the workforce. According to Fred Luthans, OB is "the understanding, prediction, and management of human behavior in organizations."

OB is considered as an applied science as it provides theoretical concepts that are applicable to real life situations. The knowledge gained with regard to the OB practices of one organization may be applied to several other organizations. Thus, OB can be defined as the systematic study and application of human aspects in the management of an organization.

Social sciences like psychology, sociology, philosophy, political sciences, and economics along with research studies contribute to the constant improvement and development of OB as a scientific discipline

Figure 1.1 represents the relationship between OB and other related disciplines – Organizational Theory (OT), Organization Development, and Personnel/Human Resources (P/HR) Management

Management Roles

Henry Mintzberg classified management roles into three categories depending upon the extent of the interpersonal relationships, transfer of information, and decision making involved.

Interpersonal Roles

According to Mintzberg, the three important interpersonal roles of a manager are figurehead role, leadership role, and liaison role.

In the *figurehead* role, the manager performs the traditional duties that he is required to take on as the head of a group.

As the name suggests, under the *leadership* role the manager performs functions like hiring, training,

motivating, and ensuring discipline among the employees.

Finally in the *liaison* role, the manager interacts with and gathers useful information from individuals and groups within and outside the organization.

Informational Roles

Managers need to collect information regarding various aspects like technological developments, tastes and preferences of consumers, competitor's moves, prevailing terms, conditions of employment, etc. In the information role, managers perform the roles of a monitor, spokesperson, and disseminator.

As a *monitor*, a manager gathers information with the help of newspapers, magazines, etc., and also by communicating with field executives who are in close contact with customers.

As a *disseminator*, a manager is required to convey the information to other members of the organization.

As a *spokesperson*, a manager performs the role of representing the organization to the outside parties.

Decision Roles

The following are the various decision roles of a manager:

Entrepreneur: As entrepreneurs, managers have to initiate and carefully choose new projects that enhance the organization's performance. They are also responsible for the successful implementation and constant monitoring of the project.

Disturbance handler: Managers need to effectively handle situations arising out of unforeseen circumstances.

Resource allocator: Managers have to allocate the organization's resources to various departments. They are required to allocate resources in a way that is most advantageous to the organization.

Negotiator: Managers are required to deal with the grievances of employees and other divisions in such a way that the outcome proves beneficial to the organization as a whole.

Management Skills

Managers need to possess the following skills to successfully perform their jobs.

Technical Skills

The technical skills that managers possess in the field of accountancy, personnel management, operations research, marketing, information system, etc. help them in performing their jobs better.

Human Skills

Possessing human skills like the ability to understand people, the ability to communicate, and the ability to motivate makes it easier for managers to maintain peace and co-operation among the employees. This in turn ensures smooth functioning of the organization.

Conceptual Skills

Conceptual skills are the ability to analyze complex situations and to rationally process and interpret available information. Managers armed with such skills can effectively make decisions to meet unforeseen circumstances and difficult situations.

Generalization about Behavior

People tend to develop some generalizations that are helpful in explaining and predicting what others do and will do. They arrive at these generalizations by observing, sensing, asking, listening, and reading. However, the validity of these generalizations remains a question. Some generalizations may accurately explain and predict the behavior of others. Most of the generalizations held by people frequently fail to explain why people behave in a particular way. For instance, consider the following statements about work-related behavior:

- Happy workers are productive workers.
- Individuals are most productive when the boss is friendly, reliable, and unassuming.
- The behavior of good leaders is consistent irrespective of the situations they face.
- Interviews are effective selection devices to differentiate between applicants who would turn out to be high and low-performing employees in future.
- Everybody likes a challenging job.
- Individuals work harder when asked to put in their best instead of specifying the goals.
- People are more concerned about their own salaries than of others.
- The members of effective work groups do not get into conflict with each other.

The validity of these statements is debatable. It is evident that these views about human behavior are based more on intuition than on facts. However, one can improve on his/her explanatory and predictive abilities by adopting a systematic approach towards the study of human behavior.

Consistency vs. Individual Differences

Human beings in general behave in a way that they believe is in their best interests. It is also possible that one person's behavior might seem irrational to another. This is because of individual differences in perceiving a particular situation. Therefore, getting to know about a person's perception of a particular situation helps in understanding and predicting his/her behavior. Also if we take a closer look, we can find a consistency in the behavior of every individual.

In general, predictions of behavior are based on intuition and, as observed earlier, this might not always produce accurate results. Therefore, a systematic study of human beings under controlled conditions helps in recognizing the consistencies in behavior of people. It also helps in accurate prediction and explanation of human behavior.

Theoretical Framework

Theoretical frameworks such as cognitive framework, behavioral framework, and social learning framework help in developing an overall model of organizational framework.

Cognitive Framework

The cognitive approach is based on the expectancy, demand, and incentive concepts. Under this approach, behavior is determined with the help of cognition. The term cognition can be explained as a psychological process of recollecting information and past experiences. Cognition, in general, precedes behavior and thus provides inputs regarding a person's thoughts, perception, problem solving, and information processing.

The concept of a cognitive framework is clearly explained by Edward Tolman, who conducted some laboratory experiments on animals. He believed that behavior was the appropriate unit of analysis, meant for a definite purpose, and was directed towards a goal. According to Tolman, if a particular event always led to a certain consequence, it could be assumed that the event would always lead to the same consequence. He further elaborated that such findings led to the expectancy that a particular event would always have a certain consequence. The concept of expectancy implied that every organism thought of and was aware of the goal.

Although there were controversies regarding the contributions of this approach to behavioral sciences, the framework gained importance after the progress made in the field of psychology. In OB, the cognitive approach is applied in the analysis of perception, personality and attitude, goal setting, and motivation.

Behavioristic Framework

Ivan Pavlov and John B Watson who pioneered the behavioristic theory explained human behavior with the help of stimulus-response experiments. The duo observed that a stimulus elicits a certain response, which results in learning. For example, when a person is pricked with a pin, he immediately flinches. The theory tried to explain the role of physical reflexes in human beings that contributed to the stimulus-response relationship.

BF Skinner further developed this concept and explained operant behaviors that had not been dealt with by the earlier researchers. Operant behavior indicates voluntary or learned behavior. After conducting operant conditioning experiments, Skinner concluded that the consequences of the response of an individual to a stimulus could lead to a particular behavior rather than the stimulus itself. He concluded that stimuli only managed to prompt a certain behavior and did not actually cause the behavior. Skinner believed that behavior was a function of the consequences to response.

Although the behavioristic approach is based on the environment, some behavioristic scientists believe that cognitive variables too have a role in this approach. As a result of continuous efforts, a new area called the social learning approach has evolved, which incorporates both cognitive and behavioristic concepts.

Social Learning Framework

The social learning approach incorporates both the cognitive and behavioral approaches though it is influenced more by the behavioral approach than the cognitive approach. Like the behavioristic framework, the social learning concept considers behavior as the appropriate unit of analysis. According to the social learning framework, people are self-aware and make efforts toward conscientious behavior. They gain knowledge of the environment and accordingly alter and construct it in a manner that is most suitable to them.

Albert Bandura explained behavior as a continuous reciprocal interaction among cognitive, behavioral, and environmental determinants. According to him, the individual through his/her actions creates an environmental condition that in turn affects his/her behavior. He also explained that the environmental situation does not necessarily stimulate an individual to respond; rather, it is the mutual interaction between the environment and the individual that elicits a response. This experience generates a specific behavior in the individual. This behavior so observed may help in predicting the future behavior of the individual.

A Model of Organizational Behavior

Organizational behavior is a relatively young and developing field. Traditionally, many theorists like Douglas McGregor used a humanistic approach to OB. Later, theorists like Victor Vroom, Lyman Porter, and Edwin Locke used cognitive concepts in OB. However, modern theorists and researchers have been increasingly applying the behavioristic approach in OB. They also emphasize the need to integrate the behavioristic and cognitive approaches to develop a comprehensive model of OB. Since the social learning approach incorporates both the concepts, the theoretical foundation of OB is based on the social learning approach.

The model is built based on the fact that the cognitive approach helps in understanding the behavior of human beings whereas the behavioristic approach helps in predicting and controlling human behavior. Edward Thorndike in his book *Classic Law of Effect* explained that the behavioristic approach held that a particular behavior when followed by positive consequences would be reinforced and exhibited frequently in an organization, whereas, a behavior that was followed by an unpleasant consequence would become weak and be exhibited less frequently. Thus, managing the immediate work environment helps managers to predict and control organizational behavior.

The internal causal factors in an organization are cognitively oriented whereas the external environmental factors are behavioristically oriented. Therefore, both the approaches have gained considerable importance in the development of the conceptual model of OB. Hence, social learning that incorporates both the approaches is used in the OB model.

The OB model based on the social learning approach is termed as the SOBC model, where S stands for stimulus, O for organism, B for behavior, and C for consequence.

The S-O-B-C model gives the basic framework rather than a complete explanation of OB.

A Model of Organizational Behavior

S – Stimulus is an environmental variable that depicts the environmental situation, both contextual and organizational.

O – Organism is a cognitive variable that understands organizational participants which link the environmental situation and the resulting organizational behavior.

B – Represents the organizational behavior.

C – Consequence is an environmental variable that depicts organizational and group dynamics and the consequences of previous interactions between environmental, personal and behavioral variables.

Environmental Challenges: Globalization, Information Technology, Total Quality, and Diversity and Ethics

The free movement of goods, services, capital, ideas, and people across the borders has led to the emergence of one-world economy. As the nations get integrated economically, any change in the economy of one affects the rest of the world. In June 2001, Britain reported a slowdown in its industrial production and soon Germany, Japan, and the US also reported a decline in the industrial production in their respective countries. This was a result of the integration of economies across the world.

On the contrary, organizations from developing countries like China, India, and other parts of South-east Asia have begun to offer tough competition to players from the developed world. Global competitiveness has thus become one of the greatest challenges confronting the organizations in the new millennium.

Another significant environmental development is the advancement of information technology. The first generation of *information* age used relatively simple automated data processing, whereas the second generation is characterized by advanced electronic communications systems, decision making capabilities, and information super highway. Electronic mails have speeded up the communication process and also widened the network. Managers are able to take quick decisions using decision support systems. Internet enables organizations to access a wide range of information about the government policies, competitors' strategies, and the industry in general.

Yet another significant environmental challenge being faced by organizations is the revolution taking place in the quality aspect of products and services. The quality of products and services to a great extent determines an organization's competitive position in the world market. While buying a product consumers take into account the price, brand name, design, features, and technical innovation with quality of the product being the top priority. Delivery of quality is especially important in the service sector where the customer does not get any tangible product and his past experiences dictate his future purchase.

Diversity and ethics is yet another factor that has had a significant impact on organizations and management. Women are becoming major part of workforce and people are no longer reluctant to take overseas assignments that match their skills. A diverse workforce may also pose challenges to the management. The management has to do away with all forms of discrimination (age, sex, race, ethnic origin, religion, disability) and provide equal opportunity in terms of employment, compensation, and career advancement to all the people. They also need to address other ethical issues at the workplace such as sexual harassment, work-family relationships, etc.

In addition to the focus on aspects such as attitudes, group dynamics, and leadership, special attention is needed on information technology, total quality, and diversity and ethics for the effective application of OB in organizations.

Challenges and Opportunities for Organizational Behavior

Creation of Global Village

The world has been transformed into a global village as a result of fewer trade barriers between various countries. Further, there is a free flow of factors of production like capital, labor, etc. As a result, managers have to employ a workforce that is highly skilled and diversified with respect to culture, attitudes, behavior, etc. Managers should keep these diversities in mind and think of ways to deal with them. In fact, OB helps them in synchronizing their management style with unknown and unfamiliar cultures.

One of the major challenges that managers in contemporary organizations face is dealing with workforce diversity. Workforce diversity implies the heterogeneity of employees in an organization in terms of gender, race, and ethnicity. A person who differs from the rest of the group in any form contributes to workforce diversity. Traditionally, it was believed that irrespective of their backgrounds, employees automatically adapted or adjusted to the organization they were associated with at some point of time. It was believed that employees did not carry their cultural values and lifestyle preferences to the workplace. However, it is now believed that employees do carry their culture to the workplace and that diversities in the workforce can have a positive impact on organizational performance. Hence, managers need to change their uniform approach and be more responsive to the differences in culture of the employees. For this, managers should be given special training. In the event of a failure on the part of a manager to adapt to the changing environment, an organization might experience high employee turnover, interpersonal conflicts, and ineffective communication.

Improving Quality and Productivity

Organizations today are laying more and more emphasis on improving the quality and productivity of organizational processes. Total Quality Management (TQM) and Re-engineering are two widely used methods that help management in achieving this objective. The philosophy underlying TQM is continuous improvement in all organizational processes. It encourages employees to rethink their actions and also empowers them to participate in workplace decisions. Re-engineering on the other hand involves redesigning the organization from scratch to accommodate latest technological developments and other trends in management practices. However, both the methods require the participation and co-operation of employees to achieve the desired results. OB provides managers with some valuable insights that help them in planning and implementing organizational changes.

Improving People Skills

People skills found in employees such as communication skills, skills to delegate authority, and the ability to build creative teams etc., help managers in enhancing their organizational performance. With the help of OB, managers can help employees improve their people skills. OB helps employees to learn about their own behavior as well as that of others. It also provides useful insights that help employees modify their own as well as others' behavior, thus improving their interpersonal skills and job performance.

Management Control to Empowerment

The superior-subordinate relationship in organizations is undergoing a sea change. Earlier, managers were in charge of the work assigned to employees. Of late, however, managers are assuming the roles of coaches, advisers, sponsors, and facilitators. Employees are increasingly being given complete freedom in their work. Thus, by empowering employees -- i.e., by making them responsible for their actions, managers ensure that the employees are responsible for their work. This has the effect of making the employees more careful while taking decisions.

Stability to Flexibility

Previously, the structure and process of organizations remained constant for long periods and changes took place occasionally. However, in the recent times, change has become a continuous process. Organizations that constantly bring about changes in their processes and structure in tune with the needs of external business environment are more successful. Employees are also required to continuously update their knowledge and skills to cope with the changing business trends. Managers too need to react spontaneously and should be flexible enough to adapt to the changing business conditions. They should also help subordinates cope with

and adapt to such organizational changes. OB helps managers to understand change in a better way and in the long run, to shape the organizational culture.

Improving Ethical Behavior

In the present scenario, organizations function in a fiercely competitive environment that forces them to set stiff targets for their employees. As a result, employees are made to work in an environment of pressure. This in turn makes it more tempting for them to resort to unfair practices to achieve their targets. The employees' superiors may also sometimes encourage them to follow unethical practices to accomplish the tasks. In such cases, these employees face an ethical dilemma on whether to obey the orders of his/her superior or report the matter to the top management. Although characteristics of ideal ethical behavior are not clearly defined, every organization must adopt a policy that ensures the employees at all levels follow ethical practices in the organization.

Models of Organizational Behavior

OB models play a significant role in the management of an organization. Models are frameworks of description of how things work and are also known as paradigms. Every model in OB makes certain assumptions regarding the nature of the people working in the organization. Models of OB not only differ from organization to organization but also from department to department within an organization. The organizational practices are also largely dependent on a manager's personal preferences.

The Autocratic Model

The autocratic model is based on power. Under this model, the person who holds power has the authority to demand work from workers. This model was widely popular during the Industrial Revolution. It is based on the assumption that work can only be extracted by means of pushing, directing, and persuading the employees. The model empowers managers with authority which might be used for unfair practices such as suspending the employees for not obeying the orders, giving low pay, etc. Such a work environment motivates very few employees to exhibit higher productivity. However, the autocratic model works well under certain conditions, particularly in times of an organizational crisis.

The Custodial Model

In the custodial model, the emphasis is laid on providing job security to the employees. It has been observed that employees generally prefer jobs that promise job security. Therefore, employers offer fringe benefits to strengthen the employee's confidence in job security. While this helps in retaining the employees, knowing that they are going to get incentives irrespective of their job performance might cause the employees to be more laid back in their approach toward work.

The Supportive Model

The supportive model emphasizes leadership rather than power or money. Under this approach, leaders promote an environment for the employees to grow while they help in achieving the organization's objectives. Also the support extended by the management motivates the employees to work. The employees are self-motivated to enhance their performance and are not compelled to do so. The model might not be effective for employees whose lower level needs are not satisfied. Nevertheless, the supportive model enhances the relationships between the employee and the employer.

The Collegial Model

In the collegial model, employees are self-disciplined, self-satisfied, and have specific goals which motivate them to improve their performance. In this approach, the superior acts more like a leader who leads the way and motivates employees that to perform at their best. The term 'collegial' refers to a group of persons working for a common purpose. This approach is an extension of the supportive model.

Summary

- OB is the study and application of knowledge about how people as individuals and as groups act within an organization.
- Henry Mintzberg classified the management roles into interpersonal roles, informational roles, and decision roles.
- Managers need to be equipped with skills like technical skills, human skills, and conceptual skills to perform their roles better.
- The OB model is based upon three theoretical frameworks namely cognitive framework, behavioristic framework, and social learning framework. Under the cognitive approach, the emphasis is on people and their thought process. On the other hand, the behavioristic approach focuses on the stimulus-response relationship. Behavior is determined by the consequence of the response. The social learning approach integrates the contributions from both cognitive and behavioristic approaches. In this approach, behavior is a continuous reciprocal interaction among cognitive, behavioral, and environmental determinants. The OB model based on the social learning approach is known as the SOBC model.
- Factors such as globalization, TQM, and reengineering, workforce diversity, ethics, etc., pose various challenges to organizational behavior.
- Models of OB help the organizations and managers to adopt organizational practices that best suit their requirements. Autocratic model, custodial model, supportive model, and collegial model are the various types of models that help managers in managing the organization.