

ORGANISATIONAL BEHAVIOUR

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Organisational Behaviour

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PREFACE

The aim of this book is to give an overview of **Organisational Behaviour** to the students by providing explanation about the concepts and theories of organisational behaviour. This book provides insights about how to create more efficient business organisations. It deals with skill improvement, employee motivation, nature of employees, organisational environment, utilisation of resources and goodwill of the organisation.

This book caters to the need of MBA-I Year students and is designed as per the revised syllabus of Savtribai Phule Pune University. This book will help MBA course students to form a firm foundation of conceptual framework and managerial aspect by providing better understanding of the theories of organisational behaviour.

In this edition of OB at the end of the chapters, MCQs are provided to help students prepare better for their university exams.

Feedbacks and suggestions will be welcomed.

Authors

ACKNOWLEDGEMENTS

I take this opportunity to thank all those who stood by me and instilled in me the faith that I could turn my research knowledge and experience into a “**Organisational Behaviour**” book.

My sincere thanks to Dr. Prafull Pawar, Dean, Faculty of Commerce and Management, Savitribai Phule Pune University, Pune and Dr. Dr. S.N. Tiwari for taking out time from their busy schedule to guide and inspire me for writing this book. My colleague Prof. Karuna Jadhav has supported and encouraged me at every stage of this book. He was always generous enough to stand by me.

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I also wish to express my gratitude towards my wife Mrs. Jayshree Dadas for her kind cooperation and support.

Thank you very much everyone.

Dr. Anand B. Dadas

Thanks to Almighty.

I wish to express deep sense of gratitude to my mom, my husband and my son master Nikhil for their encouragement and support throughout the entire process both by keeping harmonious and helping me.

I would like to give special thanks to **Mr. R.S. Yadav** (President Siddhant Group of Institutions, Sudumbare).

I would also like to place on record my sincere thanks to **Himalaya Publishing House Pvt. Ltd.**, who provided me this opportunity to share my knowledge.

Dr. Smita A. Kumbhar

Being able to understand the various aspects of human behaviour this is my small attempt to help students to understand the concept of organisational behaviour in an easier and effective manner.

I would like to avail this opportunity to express my gratitude to **Hon. Dr. P.D. Patil** – Chairman of Dr. D.Y. Patil Vidya Pratishthan Society, **Hon. Dr. Somnath Patil** - Secretary of Dr. D.Y. Patil Vidyapeeth Society, **Hon. Dr. Smita Y. Jadhav** – Trustee of Dr. D.Y. Patil Vidyapeeth Society, **Dr. S.N. Mali** – Principal Dr. D.Y. Patil Institute of Technology **Dr. Urmila Patil** – Dean Academics Dr. D.Y. Patil Institute of Technology and **Prof. Manoj W. Meghrajani** – HOD, MBA Department Dr. D.Y. Patil Institute of Technology, who have motivated me to write this book of “Organisational Behaviour”.

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Thank You Everyone!!!!!!!!!!!!!!

Prof. Neetu Udgirkar

SYLLABUS

Course Objectives:

1. To gain a solid understanding of human behaviour in the workplace from an individual, group and organisational perspective.
2. To obtain frameworks and tools to effectively analyse and approach various organisational situations.
3. To reflect upon your own beliefs, assumptions, and behaviours with respect to how individuals, groups, and organisations act in order to expand your options of approaches and increase your own effectiveness.

Unit Number	Contents	Number of Sessions
1	<p>Fundamentals of OB: Definition, Scope and Importance of OB, Relationship between OB and the Individual, Evolution of OB, Theoretical Framework (Cognitive, Behaviouristic and Social Cognitive), Limitations of OB.</p>	7 + 2
2	<p>Individual Process and Behaviour:</p> <p>2.1 Personality and Attitude: Definition – Personality, Importance of Personality in Performance, The Myers-Briggs Type Indicator and The Big Five Personality Model, Significant Personality Traits Suitable to the Workplace (Personality and Job Fit Theory), Personality Tests and their Practical Applications, Johari Window Definition Attitude Importance of Attitude in an Organisation, Right Attitude, Components of Attitude, Relationship between Behaviour and Attitude, Developing Emotional Intelligence at the Workplace, Job Attitude, Barriers to Changing Attitudes.</p> <p>2.2 Perception: Meaning and Concept of Perception, Factors Influencing Perception, Selective Perception, Attribution Theory, Perceptual Process, Social Perception (Stereotyping and Halo Effect).</p> <p>2.3 Motivation: Definition and Concept of Motive and Motivation, The Content Theories of Motivation (Maslow's Need Hierarchy and Herzberg's Two Factor Model Theory), The Process Theories (Vroom's Expectancy Theory and Porter-Lawler Model), Contemporary Theories – Equity Theory of Work Motivation.</p>	8 + 2
3	<p>Interpersonal Processes and Behaviour, Team and Leadership Development:</p> <p>3.1 Foundations of Group Behaviour: The Meaning of Group and Group Behaviour and Group Dynamics, Types of Groups, The Five-stage Model of Group Development.</p>	8 + 2

	<p>3.2 Managing Teams: Why Work Teams?, Work Teams in Organisation, Developing Work Teams, Team Effectiveness and Team Building.</p> <p>3.3 Leadership: Concept of Leadership, Styles of Leadership, Trait Approach, Contingency Leadership Approach, Contemporary Leadership, Meaning and Significance of Contemporary Leadership, Concept of Transformational Leadership, Contemporary Issues in Leadership, Contemporary Theories of Leadership, Success Stories of Today's Global and Indian Leaders.</p>	
4	<p>Organisation System:</p> <p>4.1 Organisational Culture: Meaning and Definition of Organisational Culture, Creating and Sustaining Organisational Culture, Types of Culture (Strong vs. Weak Culture, Soft vs. Hard Culture and Formal vs. Informal Culture), Creating Positive Organisational Culture, Concept of Workplace Spirituality.</p> <p>4.2 Stress Management: Work Stress: Meaning of Stress, Stressors, Sources of Stress, Types of Stress, Burnout, Stress Management Individual and Organisational Strategies.</p>	5 + 2
5	<p>Managing Change:</p> <p>5.1 Organisational Change: Meaning, Definition and Nature of Organisational Change, Types of Organisational Change, Forces that Acts as Stimulants to Change.</p> <p>5.2 Implementing Organisational Change: How to Overcome the Resistance to Change?, Approaches to Managing Organisational Change, Kurt Lewin's Three-step Model, Seven-stage Model of Change and Kotter's Eight-step Plan for Implementing Change, Leading the Change Process, Facilitating Change, Dealing with Individual and Group Resistance, Intervention Strategies for Facilitating Organisational Change, Methods of Implementing Organisational Change, Developing a Learning Organisation.</p>	7 + 2

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Fundamentals of OB



Introduction to OB

Organizational Behavior (OB)

Organization Behaviour is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behaviour relates to the expected behaviour of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual.

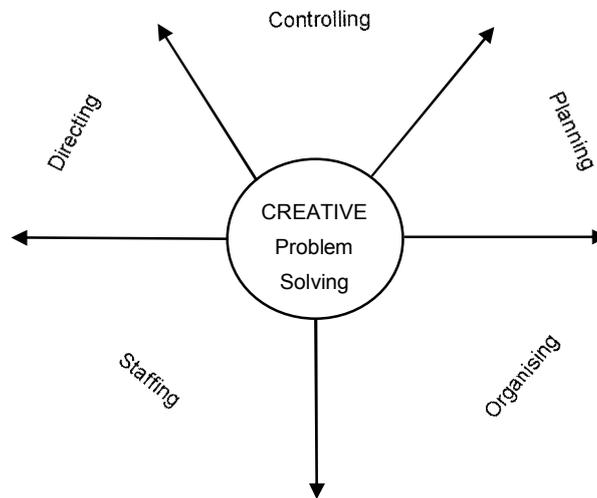
Organizational behavior (OB) is the study of the way people interact within groups. Normally this study is applied in an attempt to create more efficient business organizations. The central idea of the study of organizational behavior is that a scientific approach that can be applied to the management of workers. Organizational behavior theories are used for human resource purposes to maximize the output from individual group members.

While organizational behavior as a field of academic study was not fully recognized by the American Psychological Association until the 1970s, its roots go back to the late 1920s when the Hawthorne Electric Company set up a series of experiments designed to distinguish how changes in environment and design changed the productivity of their employees.

Their various studies, conducted between the years of 1924 and 1933, were broad and meticulously measured over large periods of time. The studies included the effect of various types of breaks (lots of small breaks, a few long ones, etc.) on productivity, productivity in isolation, and productivity in varying levels of light. The most famous finding resulting from the Hawthorne Studies is what is now called the Hawthorne Effect, the change in behavior of a test subject when they know they are being observed.

Functions of Management

Management is problem solving process



1. Management Skills

Technical skills: Technical people. Technical skills are concerned with what is done. These pertain to knowledge and proficiency in activities

These skills involve methods and procedures. It involves working with specific tools and techniques.

Human Skills: It is also referred to as human relation skills, involves working effectively with others on a person-to-person basis for accomplishment of organizational objectives.

Such skills are required to motivate and lead people in the organization in such a way that not only personal satisfaction is achieved but organizational objectives are also achieved.

Conceptual Skills: Conceptual skills, or general management skills, are concerned with why things are done?

This skill refers to the ability to see the whole picture; to recognize significant elements in a situation and to understand the relationships among these elements.

Why such skills are necessary?

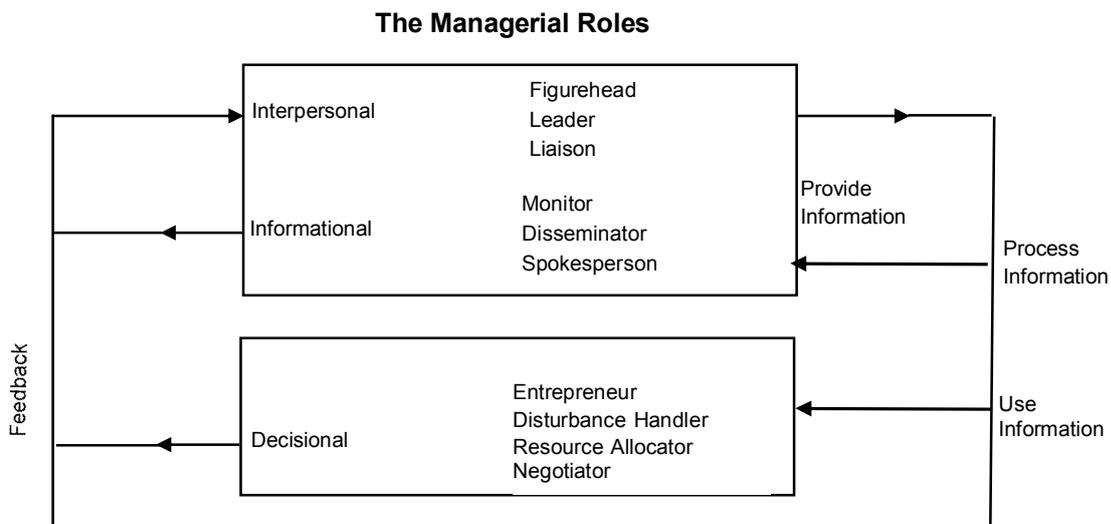
Such skills are necessary to deal with

- Abstractions
 - To set models
 - To formulate plans
1. Thus technical skills deal with things (Supervisory level)
 2. Human skills deal with people (Middle level)
 3. Conceptual skills deal with ideas (Top level executives)

Managerial Roles

To meet many demands of performing their functions, managers assume multiple roles. Henry Mintzberg has identified ten roles, which are common to the work of all managers. These 10 roles are divided into 3 groups

1. Interpersonal role
2. Informational role
3. Decisional role



Before studying organizational behaviour let's see what is an organization.

Ours is a world of organization. Organization plays a leading role in our modern world.

According to Etzioni "We are born in an organization, educated by organizations and most of us spend much of our lives working for an organization."

Peter Drucker observes, "young people today will have to learn organizations the way their forefathers learnt farming."

Our society is composed of many different health, religious, political, industrial, governmental, social and educational organizations. These organizations affect our lives in important ways. Our health, well-being, education, security and standard of living depends on how effectively these organizations achieve these objectives.

Dictionary meaning of organization - An organized group of people, e.g., a business, action of organizing, a systematic arrangement or approach

The term organization is a word that can be used in a number of ways

1. Organization as the activity: It is an important function of management
2. Organization as a process

Work is to be identified and group work has to be performed.

One should define and delegate the responsibility and authority of work.

Also one has to establish proper/smooth relationships for the purpose of enabling people to work most efficiently (together) for accomplishment of objectives

3. We can also speak of an organization as a thing: People who are united for the common purpose.
4. Organization is also viewed as an open system where there is a coalition of shifting interest group that develop goals by negotiation, the structure of coalition, its activities and its outcome are strongly influenced by environmental factors

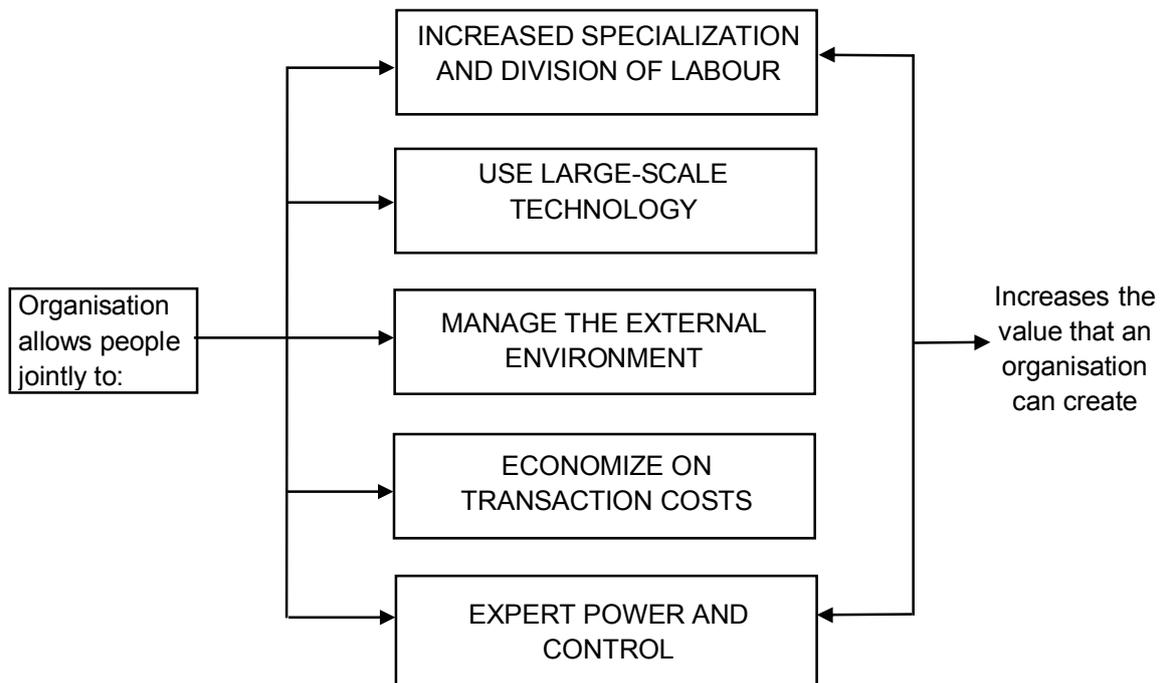
Robbins (1986) defines an organization as a consciously coordinated social unit composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

Who creates these organization?

An individual or a group of people who believes that they possess the necessary skills and knowledge, forms an organization to produce goods and services.

An organization allows people to jointly increase specialization and division of labour use large-scale technology, manage the external environment, economize on transaction costs and exert power and control – all of which increase the value an organization can create.

5. Reason why organization exists



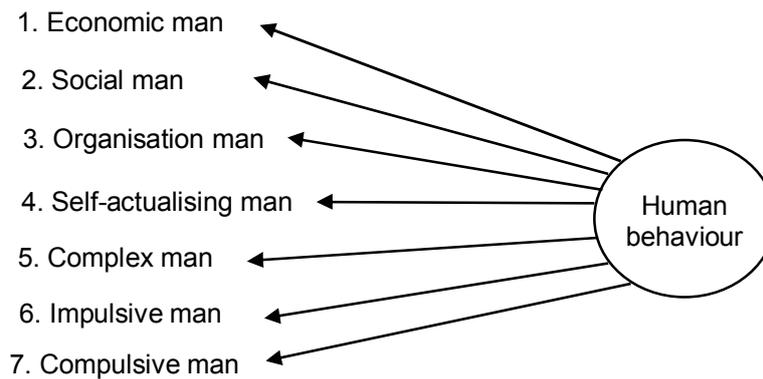
Role of OB

OB helps the organization to achieve effectiveness in their activities.

Organization as stated earlier comprise people and organization behaviour helps in utilizing these resource for achieving organisational effectiveness.

- Why to study human behaviour.
→ Humans are physically alike but not behaviorally.
- Same person behaves differently in different situations. This is due to the influence of various factors.

Man Models



1. **Economic man:** Mans behaviour is based on his income level, salary level.
2. **Social man:** Man lives in a society. Man is a social animal. He creates social relationship with other members.
3. **Organisation man:** People live in a society by cooperating and interacting with each other, while employers in an organization, work and live along with other by cooperating, interacting and associating with others.
4. **Self-actualising man:** Employees are satisfied most, when they achieve and create something special. This man behaves constructively and efficiently
5. **Complex man:** A person who behaves differently and behaviour is not understood by anyone easily. Man behaves according to certain pattern.
6. **Impulsive man:** Acting without thinking ahead (immediate and quick action)
7. **Compulsive man:** Does not act or react quickly, various factors are considered and behaves in more desirable way

Our society is composed of different organisation, these are

1. Health
2. Religion
3. Political
4. Industrial
5. Governmental
6. Social
7. Educational organisation

Nature of Man

People may be similar or dissimilar with each other in

1. Physical features like
 - (a) Height
 - (b) Weight
 - (c) Body structure
 - (d) Facial dimension
2. Psychological factors like
 - (a) Attitudes
 - (b) Values
 - (c) Opinion
 - (d) Perception
 - (e) Leadership
3. Social factors like
 - (a) Activities
 - (b) Shyness
 - (c) Interactive
4. Human resources like
 - (a) Skill
 - (b) Knowledge
 - (c) Abilities
 - (d) Commitments
 - (e) Beliefs

Factors Affecting Individual Difference

- Individual differs from one to another. Individual behaviour is a complex phenomenon.

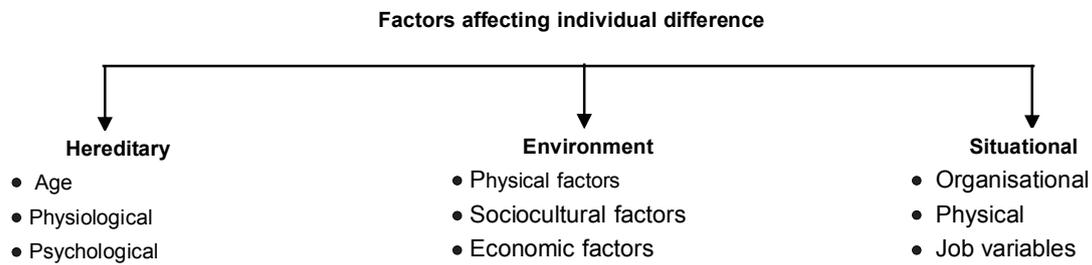
We should understand the total human being by studying the total man concept.

E.g. Some individuals prefer challenging and risky jobs while other prefer routine and secure jobs.

Similarly people differs in tolerance for

1. Tension
2. Stress
3. Ambiguity

Thus, individuals differ from each other within a broad spectrum i.e., entire range of belief ideas.



1. Hereditary factors: People do not have identical hereditary factors.

Hereditary factors include

- (a) Height
- (b) Weight
- (c) Skin and other physiological factors and psychological factors

2. Environmental factors:

It includes

(a) Physical factors: Include climate, demographical factors, etc.

The body structure and facial, skin colour, hair, etc., vary from one geographical area to the other. Structure of a people vary, is based on the physical factors eating habits, dressing habits depends on cultural factors.

(b) Sociocultural factors: Sociocultural factors include the family, neighbourhood school, college, university, working place and other social groups and institutions transmitting sociocultural values. Attitudes, likes and dislikes, aspirations, moral standards, living habits, eating habits, dressing and habits of treating others.

(c) Economic factors: Economic position of a person influence different aspects of his development, i.e.,

- (i) Physical
- (ii) Motivational
- (iii) Emotional
- (iv) Social
- (v) Educational
- (vi) Living
- (vii) Career and Interacting with each other

(c) Situational factors: Situational variables are affecting individual difference which includes:-

- (i) Types of organisation or institute
- (ii) Types of supervision
- (iii) Training received

- (iv) Type of incentives
- (v) Social and cultural environment at workplace method of work, work design, condition of equipment and machinery and physical work environment.

Implication: A conclusion that can be drawn from something, a possible effect, inducement in something conclusive.

Implications of Individual Difference

The individual difference result in variations in individual behaviour and performance in terms of

1. Perception
2. Personality
3. Motivation and Other behavioural issues.

Different Job Needs Different Behaviour

Individual with different behavioural patterns are essential to perform the jobs which need varied behaviour.

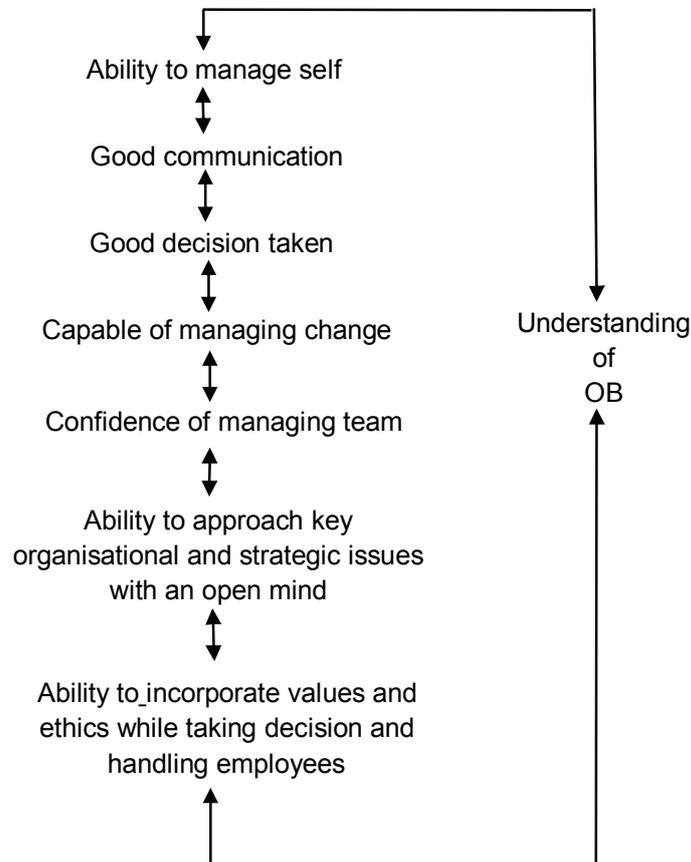
There is a research study conducted at Texas Instruments establishes that different types of individuals prefer different behavioural and managerial patterns.

They are

1. **Tribalistic:** This category of people prefer directive, strong leadership from their boss.
2. **Egocentric:** This category of people desire to work alone in their own entrepreneurial style.
3. **Socio-centric:** This category people seek social relationship from their job.
4. **Existential:** This people strive for satisfying the growth and self-fulfilment needs from their jobs.

Management should understand the individual difference in order to understand their behaviours and assign appropriate jobs to the individual based on their behaviour.

Skills Necessary to Understand OB



What is Organisational Behaviour?

According to the views of top executives the single biggest reason for managerial failure is poor, interpersonal skills it is found that many senior managers have some types of difficulty with people.

The discipline, which studies interpersonal skill or peoples skill is widely known as organizational behaviour.

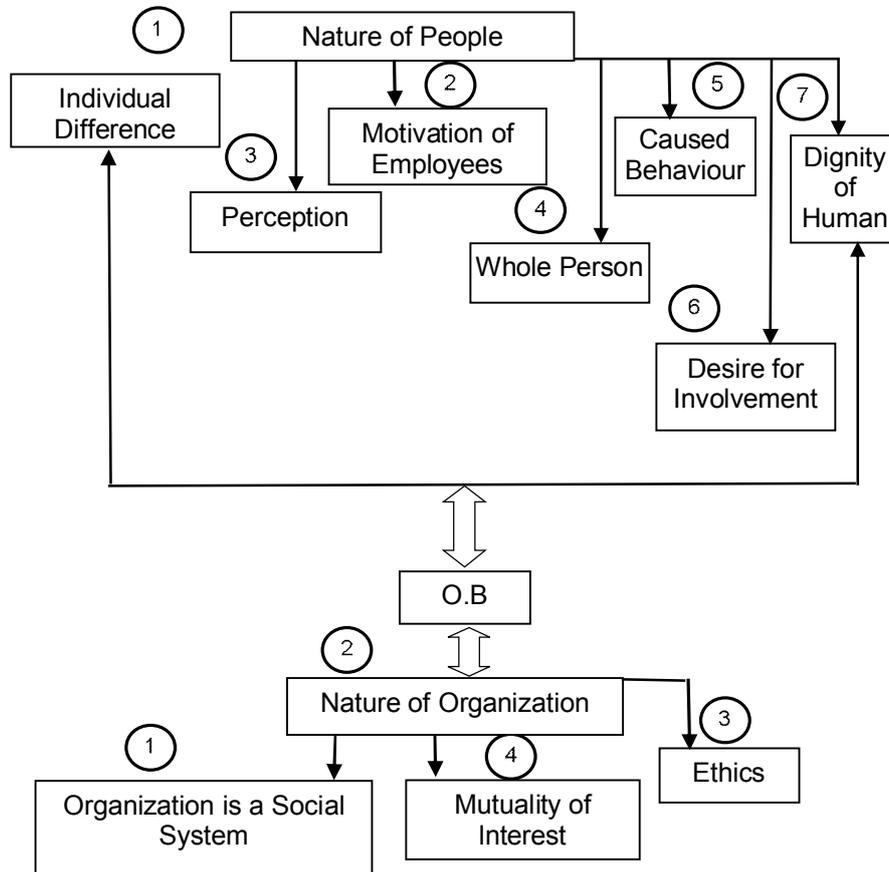
In today's world, competition at workplace is increasing, managers cannot succeed on their technical skills alone to develop good people skill.

Robert Katz has identified 3 management skills

1. Technical skill
2. Human skill
3. Conceptual skill

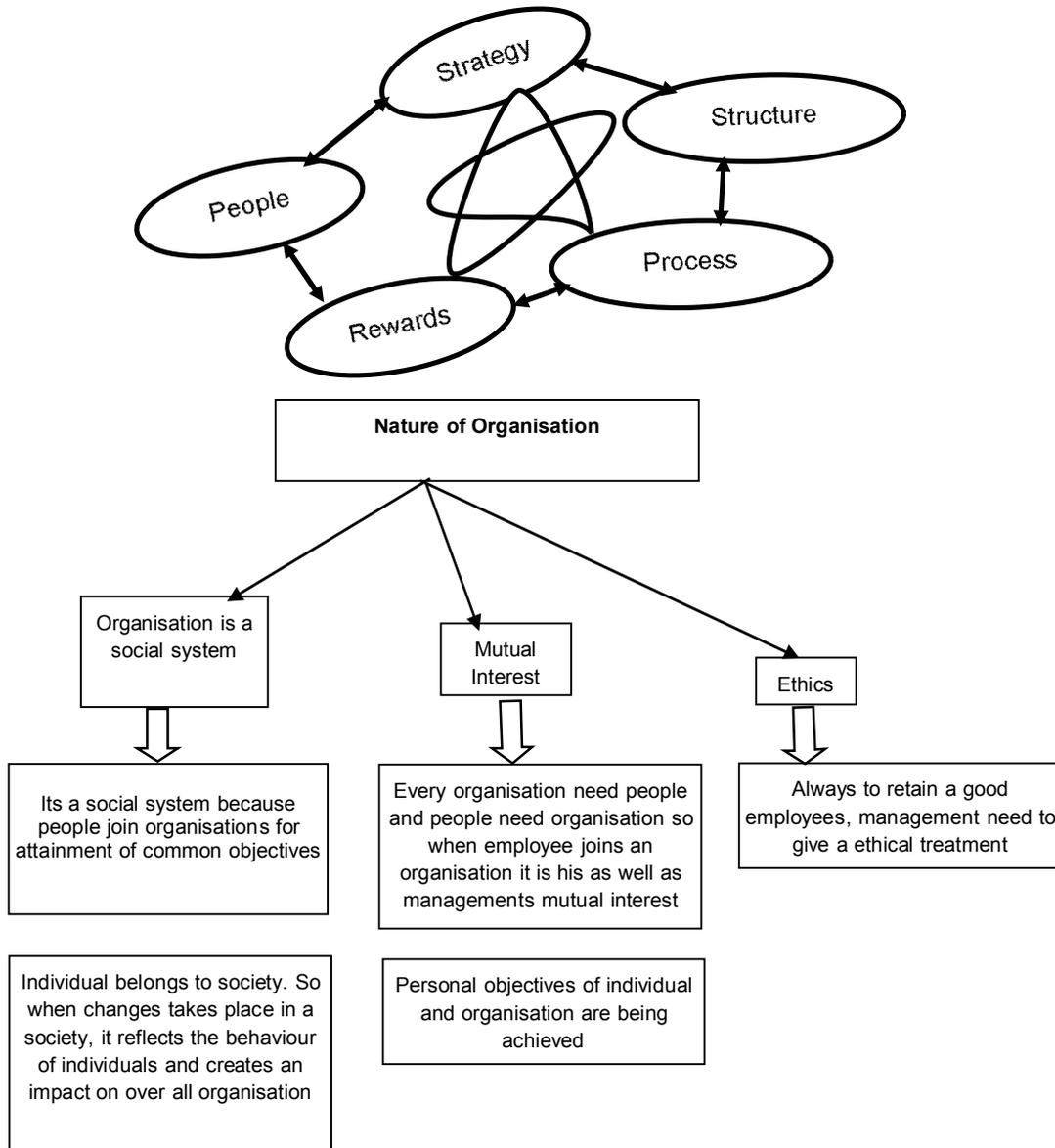
Fundamental Concept of OB

OB begins with fundamental concept which moves around the organizations peoples nature.



Nature of OB

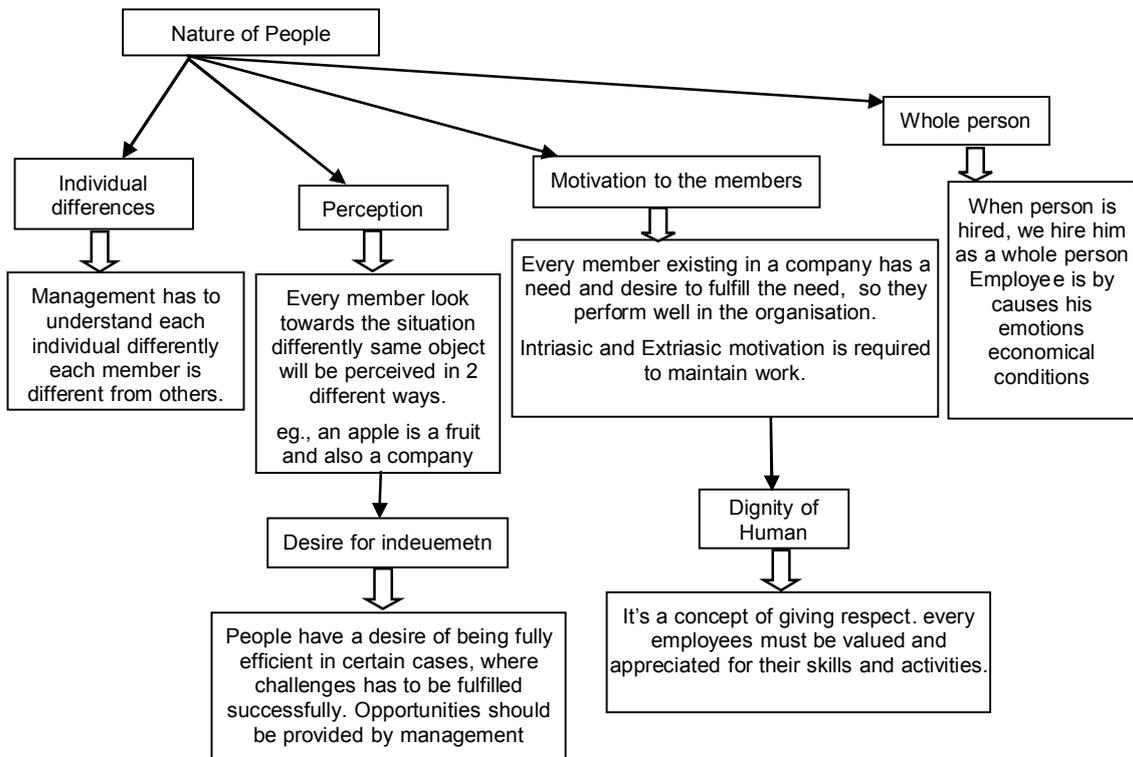
In any organisation, main goal of business is to succeed. Organizational behaviour studies have become more important today than in previous years because corporation must learn to adapt to the rapidly changing business cultures that have stemmed from a competitive and fast paced market. In todays business world, managers are paying more attention to how employees react to situations rather than if they respond. They are beginning to view OB as intricate piece of training and development of the workforce. Since a manager needs to get his job done by the others, to have an OB skill becomes a valuable talent. As the environment of business is going on changing. The role of managers have become more sensitive.



The discipline of OB is concerned with identifying and managing the attitudes and actions of individuals and groups, looking particularly at how people can be motivated to join and remain in the organisation.

Organisational Behaviour is to understand, predict and control human behaviour at work.

- Fred Luthans



Importance of OB

Understanding of self and others.

1. Individual Behaviour
2. Interpersonal Behaviour
3. Group Behaviour
 - Motivation of human resources
 - Effective communication (Behavioural science helps to improve communication)
 - Effective organizational climate.: According to Campbell, “Organisational climate can be defined as a set of attributes specific to a particular organisation that may be induced from the way that organisation deals with its members and its environment. For the individual members within the organisation, climate takes the form of a set of attitudes and experiences which describe the organisation in terms of both static characteristics (such as degree of autonomy) and behaviour outcome and outcome- outcome contingencies.”

Thus, organisational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour and can be described in terms of the value of a particular set of characteristics of the organisation. It may be possible to have as many climates as there are people in the organisation when considered collectively, the actions of the individuals become more meaningful for viewing the total blow upon the climate and determining the stability of the work

environment. The climate should be viewed from a total system perspective. While there may be differences in climates within departments these will be integrated to a certain extent to denote overall organisational climate.

Scope of OB

- Individuals (differs in personality, perceptions, values and attitudes)
- Group of Individuals (group conflicts, communication, structure, power and politics)
- Organisation structure
- Impact of personality on performance
- Employees motivation
- Leadership

1. OB is the study and application of knowledge about how people, individuals and groups acts in an organizations.

2. O.B is a field study that investigates the impact that individual groups and organizational structure have on behaviour within the organization for the purpose of applying such knowledge towards improving organizational effectiveness.

3 main elements

1st OB is an investigative study of individuals and groups.

2nd Impact of organizational structure on human behaviour.

3rd Application of knowledge to achieve organization effectiveness.

These factors are interactive in nature and the impact of such behaviour is applied to various systems so that the goals are achieved.

Why is the nature of OB investigative?

To establish cause and effect relationships.

3. OB is defined as “the study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social system (L. M. Prasad)

4. OB is a systematic study of the actions and attitudes that people exhibit within organization.

- Stephen P. Robbins

3 key levels of analysis in OB

