

Unit 7 Introduction to Organisational Behaviour

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7.1 Introduction

In the previous unit, you learnt the definition, importance and process of controlling, critical control points and control as a feedback system. You also learnt the prerequisites of effective control and the various control techniques. Over the years, most management discussions have shifted to the term 'organisation' rather than 'industry'. The main reason for this is the acceptance of the increasing role of human beings in organisations. Although this might have always been so, the metamorphosis in the terminology has perhaps come about because of the shift to service based economy i.e., companies involved in services like healthcare, hospitality, insurance surpassing the manufacturing services. IT industry and the need to have knowledge workers at the hub of its functioning is perhaps one of the most important factors that have forced management literature to shift from the term 'industrial' to 'organisational.'

Today we hear of 'organisational psychology', rather than 'industrial psychology' and now of course Organisational Behaviour (OB) as the standard term to explain the role of behaviour in organisations. Organisational Behaviour (OB) OB has replaced most other terms because it focuses on behaviour that results in productivity and all organisations are about productivity. Through this unit you will see the impact of the path

breaking Hawthorne experiment that impacted the way organisations are run. It attempts to explain how OB will affect each management process e.g., how personality will affect decision making and how learning will affect the way we staff or control. Thus the purpose of this unit is not only to introduce OB but also to highlight the symbiotic relation between MP, OB and human relationship management. The study of OB is deeply immersed in psychology and behaviour but because of its focus on productivity, it encompasses and integrates several other disciplines such as sociology, politics and anthropology and because of this integration, OB has emerged almost as an independent discipline.

In this unit, you will learn the historical perspective on OB, approaches to and importance of OB. You will also learn the definition, framework for learning OB, the relation between MP and OB. Further, you will learn the OB-human resources management relationship, limitations of OB, and globalisation and OB.

Objectives:

After studying this unit, you should be able to:

- explain historical perspectives on OB
- differentiate approaches to and importance of OB
- define the definition of OB and framework for learning OB
- explain the intricate relation between MP and OB
- explain the OB-human resources management relationship
- list the limitations of OB
- illustrate the impact of globalisation on OB

Learning Outcomes

After studying this unit, you will be able to:

- explain the historical perspectives on OB
- differentiate between various approaches to OB
- explain the importance of OB
- define OB and the framework for learning OB
- explain the intricate relation between MP and OB
- explain OB-human resources management relationship
- list the limitations of OB
- describe the impact of globalisation on OB

7.2 Historical Perspectives on OB

Management has three major dimensions – technical, conceptual and human. By technical we mean how the machines do the work whether at the factory floor or the computer. The second is conceptual by which we mean the purpose of the organisation, purpose of the work, the logic behind an action, etc. The third is of course human. In earlier units, we have seen that management is nothing but getting work done through people, which means that it is people, and in particular managers, who make the other two dimensions work. But managers usually ignore the conceptual and people dimension and focus on the much easier and inanimate technical dimension. Most managers think that their employees are lazy and are interested only in money and that if you could make them happy in terms of money, they would be productive. If such assumptions were true, then human problems in the workplace would be easy to solve. We have to accept that of the ideas of the three dimensions, human behaviour in organisation is rather unpredictable, and therefore more difficult to manage than the other dimensions.

In the unit introducing MP, we have already seen the tenants of scientific management, bureaucracy and the Hawthorne experiment in brief. Out of these it is important to understand the Hawthorne more intimately because much of OB is anchored on this experiment.

Hawthorne experiments refer to a series of experiments conducted in the Western Electric plant in the US. Western Electric was a monopoly supplier to another monopoly AT&T telephone in the US. Though it all started as an experiment because the lighting company supported the lighting of the plant, it claimed that by increasing the lighting, the productivity of making the relays of the telephone can be improved. Later, because of unexplainable observations, several academics including Elton Mayo were brought in. It consisted of four sub-experiments. Let us now learn the sub-experiments.

Part I - Illumination experiments (1924-27)

These experiments were performed to find out the effect of different levels of illumination (lighting) on productivity of labour. The brightness of the light was increased and decreased to find out the effect on the productivity of the test group. Surprisingly, the productivity increased even when the level of illumination was decreased. It was concluded that factors other than light

were also important. Hence to find out more, the experiment was continued by taking other factors into consideration.

Part II - Relay assembly test room study (1927-1929)

Two small groups, each of six female telephone relay assemblers, were selected, one as a control group and another as an experimental group. They were kept in separate rooms performing the same job. For the experimental group, from time to time, changes were made in working hours, rest periods, lunch breaks, etc. They also had the freedom to choose their own rest periods and also to give suggestions to improve productivity. While it was expected that the output will increase in the experimental group, output increased in the control group as well. It was then concluded that not only social cohesion and participatory decision making, but also challenge increased productivity, which is perhaps the reason why productivity increased in the control group.

Part III - Mass interviewing programme (1928-1930)

In this experiment, around 21,000 employees were interviewed in a span of three years. Then it was found that people like to work in a group, have fun and talk about matters that are important to them and when these were permitted, productivity would increase.

Part IV - Bank wiring observation room experiment (1932)

Here, a group of 14 male workers of different work caliber performing bank wiring were given group incentives based on productivity. The productivity and the working of the members were observed for six months. It was expected that the efficient workers will make the less efficient work faster and harder. Interestingly it was found that the group established its own norms for output and social pressure was used to achieve the standard output rather than enhanced output.

The following conclusions were made from the sub-experiments:

- Good physical conditions are insufficient for increasing productivity. Social and psychological factors have a major role in the workers' productivity and job satisfaction.
- The influence of informal relations among workers had a greater impact than formal relations in the organisation.
- If permitted to participate in decision making affecting their interests, employees will perform better.

- When employees believe that the management is interested in their welfare, they work more efficiently.
- Treating employees with respect and dignity leads to performance improvement.
- Besides the financial incentives, social and psychological needs must also be satisfied to increase productivity.
- Good communication between the superiors and subordinates can improve the relations and the productivity of the subordinates.
- Special attention and freedom to express their views will improve the performance of the workers.

So, what is new in all these you might ask? Well, you are right. But if you were living in the 1920s and 30s, then you would have wondered at these findings. Hawthorne has been criticised on several fronts, that his experiments lacked validity because it was conducted under controlled conditions and would not work in real situations, that it gave too much importance to human aspects and that human aspects alone cannot improve production, that it gave excessive emphasis on group decision making and of course that it gave excessive importance to the freedom of the workers and not to the constructive role of the supervisors/managers. Despite these criticisms Hawthorne changed the way factories worked forever. Modern OB is hinged on Hawthorne.

Self Assessment Questions

1. The most unpredictable dimension to manage is _____.
2. Hawthorne experiments refer to a series of _____ sub-experiments conducted in US.
3. Hawthorne experiments proved that good physical conditions is more than insufficient to increase productivity. (True/false)
4. Hawthorne experiments proved that treating employees with respect and dignity leads to _____.

7.3 Approaches to and Importance of OB

Modern approach to organisational behaviour

There are four main approaches to organisational behaviour. They are:

- Human resources approach

- Contingency approach
- Productivity approach
- Systems approach

Let us now study each approach in detail.

Human resources approach

The human resources approach is concerned with the growth and development of people towards higher levels of competency, creativity and fulfillment. People are the central resource in any organisation. Hence it tries to create a work climate for improved abilities. This approach is also known as 'supportive approach' because the manager's primary role changes from control of employees to providing an active support for their growth and performance. Service based economy, where the service provider, the employee and the customer have to work together (e.g., serving food in a restaurant, buying an insurance, etc.) has very high relevance. Here the roles of leadership and the leading process are vital.

Contingency approach

It implies that different situations require different behavioural practices for effectiveness. Hence each situation must be analysed carefully to determine the significant variables that exist in order to establish the more effective practices. This approach ensures or at least encourages analysis of each situation prior to action. Thus it helps to use all the current knowledge about people in the organisation in the most appropriate manner.

Productivity approach

In this approach, the output per unit input is considered. Besides, economic inputs and outputs, we need to have human and social inputs and outputs in workplace, is the premise of this approach.

Systems approach

We have already seen the systems approach. It means that the organisation 'people' employ 'technology' in performing the 'task' that they are responsible for, while the 'structure' of the organisation serves as a basis for coordinating all their different activities. The systems view emphasises the interdependence of each of these elements within the organisation, if the organisation as a whole is to function effectively. This approach also looks

at the organisation and its broader environment i.e., social, economic, cultural and political within which they operate. All these shape the OB.

Contemporary OB - A separate field of study interdisciplinary in nature

OB is now treated as a distinct field of study. It is almost a science. However, it is interdisciplinary in approach. It draws heavily from other disciplines like psychology, sociology and anthropology. It also draws from economics, political science, law and history and integrates the relevant aspects.

Organisational behaviour integrates the relevant contents of these disciplines to make them applicable for organisational analysis. For example, it addresses issues of workplace motivation or conflict which are oriented towards organisational objectives. In fact, organisational behaviour tries to integrate both individual and organisational objectives so that both are achieved simultaneously.

E.g., Mr. Ram is an introverted person and is mostly secluded in his room when at home; but if he has to work as a customer relations manager, he has to be talking and meeting people and interestingly, Mr. Ram does that pretty well. You see how the person is affected by the organisation. This is why it is important to study OB.

Why is OB Important? OB is important for managers because it tries to answer the following questions and many more which would increase the organisational productivity and managerial effectiveness:

1. How the individual differences in personality, personal development and career development affect an individual's and the group's behaviour and productivity?
2. How do people perceive things and what facilitates this? This is important because depending on the perception, the behaviour changes. Thus following of orders and instructions may differ widely depending upon how this has been perceived by two different individuals or groups.
3. Some organisations are called learning organisations and they thrive, while others perish. What influences individuals, groups and organisational learning and the development of individual attitudes toward work?

4. What motivates people to work and how does the reward system affect it in an individual and group capacity?
5. How can we create teams that are efficient and goal oriented?
6. How are effective decisions made in teams and organisations that affect people and their productivity?
7. When and how does communication become effective?
8. How do people use power and how can it be channelled towards productivity?
9. Why are some individuals more effective in negotiations?
10. How can conflict (between groups or between a manager and subordinates) be resolved or managed?
11. How can jobs and organisations be effectively designed?
12. How can managers help workers deal effectively with change?

Self Assessment Questions

5. OB can be learnt from different approaches such as human resources approach, _____, productivity approach and systems approach.
6. The human resources approach is concerned with the growth and development of people towards higher levels of _____, _____ and fulfillment.
7. When a manager gives orders to two different people who are identical in department, status, salary and other organisational factors, the response could be very different and this depends on how each of them _____ the order.

7.4 Definition of OB and Framework for Learning OB

OB can be defined as a systematic study that investigates the impact of individuals, groups and organisational factors on productivity to include effectiveness and efficiency, absentee, turnover, organisational citizenship behaviour and job satisfaction.

- By systematic study we mean looking at relationships and attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

- By productivity we mean a performance measure that includes both effectiveness (achievement of goals) and efficiency (ratio on output versus input required to achieve it).
- By absenteeism we mean failure to report to work especially without informing.
- By turnover we mean voluntary and involuntary permanent withdrawal from an organisation (simply put exiting or quitting).
- By organisational citizenship we mean discretionary behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organisation.
- By job satisfaction we mean a general attitude towards one's job; the difference between the amount of reward the workers receive and the amount they believe they should receive.

The definition also gives us the three frameworks of studying OB i.e., individual level, group level and organisational level. Figure 7.1 depicts a bird's eye view of framework and definition combined.

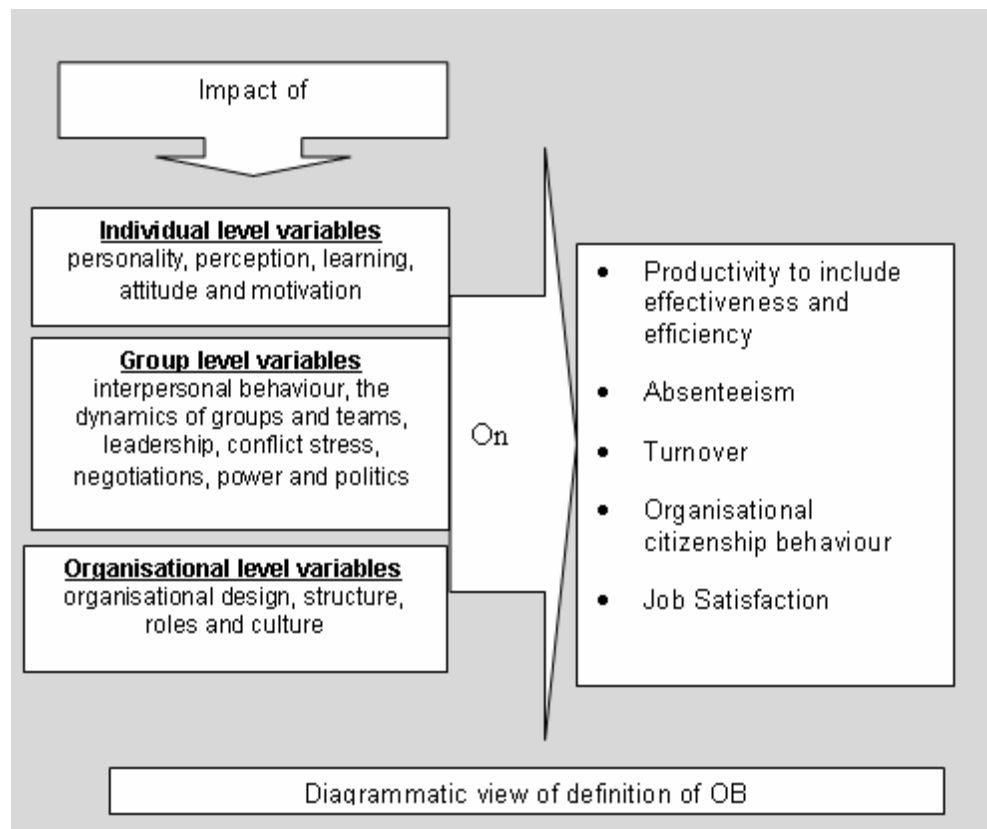


Fig. 7.1: Diagrammatic View of Definition of OB

Self Assessment Questions

8. By systematic study we mean looking at relationships and attempting to attribute _____ and effects, and drawing conclusions based on scientific evidence.
9. The two inherent components in the term productivity are _____ and _____.
10. By organisational citizenship we mean _____ behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organisation.
11. In the OB learning framework we learn about personality, perception, learning, attitude and motivation under group level variables.
(True/False)

7.5 The Intricate Relation between MP and OB

How does OB connect to MP?

We repeat the statement, 'Management is the process of getting work done through people.' That means people are extremely important. In the earlier section we have seen what OB intends to achieve in management. Let us now see how it is connected to the management processes.

Individual OB and its impact on MP

When OB is addressed from this perspective, it covers personality, perception, learning, attitude and motivation. Of course, each of these affect the other and in turn motivation. In a work context, their collective impact on motivation is worth highlighting e.g., people with introverted personality are motivated differently than extroverted ones and those with a positive attitude differently from those with negative attitude. Together it affects how people see things, how they react and how they work. It impacts the planning process as individuals can perceive both opportunity and threat in a situation. Their cautious personality versus an offensive one can affect the decision and being introverted or extroverted can affect the way information is gathered and analysed for planning and decision making. These factors affect the way the organising is carried out i.e., if people are motivated and have the right attitude, the organisations can be more flat, it affects the staffing since more motivated workforce means less people to produce the same, it affects the leading process because highly motivated people need less leading and it affects controlling too because when we are working with highly motivated people such as scientists, it does not require much control and in fact controls can be counterproductive while it can be very effective when we are dealing with those with low motivation.

Group OB and its impact on MP

Under this we study interpersonal behaviour, the dynamics of groups and teams, leadership, conflict stress, negotiations, power and politics. We may study decision making under OB also but for the purpose of this SLM, we have covered it under MP and is not repeated here. The moment we organise, we create teams and groups. They are meant to work cohesively towards the goal. This depends, to a great extent, on the individual. It also depends on the group dynamics. Though people interpret anything at their individual level, they are often modified by group pressures, which are

clearly highlighted in the Hawthorne experiments. Hence group is a force to reckon with in planning since plans created and decided by the group are better executed. When plans are made by managers or others without consulting the group, the productivity is often adjusted to the group norms as we saw in the bank wiring experiment. Norms, cohesion, goals, procedures, communication pattern and leadership within a team directly affect productivity. When managers are considerate, have clear goals, motivate people and set example, then the group too has a different dynamics to productivity. Concept of group is extremely important in MP. Groups are capable of making their own plans and objectives in consonance with the organisational objectives, make extremely good decisions. So far as organising is concerned we saw how groups are the hub and the output of organising and we also saw how formal and informal groups have an impact in the workplace and while organising. When we have very effective groups, we can have a very flat organisation and reduce much of the supervisory cost and consequent motivation can lead to much higher productivity, which in turn leads to reduction in staff and efforts on controlling. Unions are a classic case of groups and its impact on productivity. There are unions, which negotiate very effectively and ensure high levels of productivity and those which will bring the shutters of an organisation down. This gives us an idea of power and politics and conflict in an organisation and how they affect productivity and job satisfaction. You would now be convinced how group aspects of OB affect MP decisively.

Organisational level OB and its impact on MP

Organisational level OB studies organisational design, structure, roles and culture. You can intuitively see that organisational structure overlaps in MP and OB. The design is impacted by the group size, group maturity and individual variables of OB. The roles impact the planning e.g., how many roles can one do and ensure high effectiveness. The role of national and organisational culture and its impact on MP processes need no emphasis. For example, detailed planning is a hallmark of Western culture, which believes in individualism, and people are left to themselves more than it is done in the Eastern culture which believes more in collectivism. So, when a role is defined in the Western culture, it will be highly specific while in India or Japan, it may be more tacit and people may take on ad hoc roles more easily which changes the nature of organising. This applies to the leading

and controlling processes as well. While those from the East may be conforming to a higher degree of control because of their collective beliefs, those from the West may not be. But then again the industry and firm level culture also matters. The IT companies in India probably have a greater leaning towards individualism than collectivism than perhaps a manufacturing firm and even in IT firms, a US based company like Google would have it more than an Indian company.

We are now clear that MP and OB are so intimately related and impact each other so much that it makes sense to study it together.

Self Assessment Questions

12. Perception is an important factor while planning because it _____ the way threat and ----- are seen by people.
13. Though people want to do things their way, their attitude, perceptions and decisions are often modified by _____ pressures. Hawthorne experiment gives us an insight into this.
14. Groups are capable of making their own plans and objectives in consonance with the organisational objectives. Some of them make excellent decisions and follow up with action on the shop floor. A good example of such a group is the _____.

7.6 The OB-Human Resources Management Relationship

This is perhaps one of your first courses in the MBA program and you will also take a course in HRM in your first semester. So, do you call it a day after you write the examination on this SLM and then go ahead. It will be very unfortunate if you do that and we will see why you should carry the knowledge of OB ahead with you?

There are three factors of production namely land, labour and capital. This legacy from the industrial era is true even today but it has undergone several fundamental changes after we embraced the services economy and later knowledge economy and globalisation. First, land, which was conceived as geographically bounded, has undergone conceptual changes to include the virtual area from which business can be done much like amazon.com. Second, buoyed by logistic efficacy and technological innovations, we can disconnect production and consumption centres

geographically. It is possible to lift products from one place to the other cheaply and quickly thus offsetting the importance of being close to the consumer. Thirdly, capital is flexible and mobile today and its availability, for the right reasons, plenty.

What about labour? They are no less mobile. They can shift jobs, shift places, shift career, do multitasking, work from home using computers (telecommute) and do several other things which we could not think of earlier. Because of the unimaginable mobility induced in labour, we have new challenges. Add to this the individual human uniqueness unlike the other two factors. Human beings can be creative and destructive equally well or just plain benchers (people held on payrolls but not doing any specific tasks). They can vary their production, qualitatively and quantitatively, for reasons such as time of day, mood, interest, motivation, season, desire for bargaining, coercion, amount of light, availability of music, team spirit, etc. They need, besides great pay, motivation and meaningful work, empowerment, etc. They need not only high pay but comparative justice in pay (i.e., justice in relation to other's pay) and other factors. They have unique needs which emanate from their family, society and culture, self image, desire to learn and grow and several such intangibles, both predictable and unpredictable. All these challenges make architecting the factor of production called 'Human Resources', the modern variant of the age old 'labour', complex.

When innovation and creativity is lacking in our teams, when our team fails to measure up, when there is discontent in the team, when members seek change, when production is sub-optimal and targets are missed, remember, as a team leader or a manager in whatever department we are, we will be called upon to answer 'why'. And the answer almost always would lie in our competence or otherwise of handling the men charged under our leadership. Equally, when we savour success, exceed targets, enjoy excellent bonuses remember that we did a great job in managing the people charged under our leadership. And when we do all that, remember that it takes only a minute for the people to change their mind about us and undo all that we achieved. No other factors of production do that to us.

Because OB answers most of these, a course in OB and HR would interest the Marketing, Financial, Operations and other functional area managers.

So, a study of managing people is not a mere study intended to sharpen some HR department's skills but it encompasses every one of us without regard to department or functional area.

OB and HR are two sides of a coin. Without one, the other would be invalid. In individual variants of OB, we learn about learning, personality, perception, attitude, emotions and motivation and in HR we learn how to use these for results e.g., how is the salary designed to fulfill the hygiene factor of motivation theory or the equity theory. If we speak of personality, perception and attitude, we check how these fit into the organisation through the selection process. Thus, all OB concepts can be mapped on to HR systems and processes. Knowing this map enables us to understand the OB-HR connection. It follows that you need to revise your OB concepts continually when taking HR decisions and since selection, motivation, etc. are the functions of all managers and not only HR managers, OB is invaluable for all.

Let us illustrate this further. Read the story Google v/s Facebook at http://news.cnet.com/8301-13577_3-20012839-36.html. It is a simple story of how one company tried to procure talent from the other. You may realise that both organisations are similar in innovation, technology savvy atmosphere, work culture, empowerment, etc. If we look at the salary they are really high in both cases and the issue of hygiene (existence of sufficient pay), propounded in the two factor theory of motivation, is not too relevant here. But by merely offering higher salary, the concept of equity becomes unbalanced, leading to a flow of rare talent from one to another.

So, the purpose of these units of course is to enable you to harness the human power to the best of your advantage and through it to the advantage of the organisation, society and the world at large.

Self Assessment Questions

15. Selection process ensures that individual factors such as right personality, _____ and _____ exist in an individual so that the organisation can work smoothly.
16. OB is not a standalone concept. All OB concepts can be mapped to _____ systems and processes.

7.7 Limitations of OB

OB has some important limitations. These are:

- OB is not a remedy for the removal of conflict and frustration but can only reduce them.
- It is only one of the many systems operating within a large social system.
- There is a great danger of OB when in the hands of people who lack system understanding. They tend to look only at the 'behavioural basis', which gives them a narrow view point. This tunnel vision often leads to satisfying employee experiences while overlooking the broader system of an organisation in relation to all its public.
- The law of diminishing returns also operates in the case of organisational behaviour (the law states that at some point increase of a desirable practice produces declining returns and sometimes negative returns when that point is exceeded). For example, too much of freedom and security could lead to less employee initiative and growth after reaching a level and to complacency after that. This relationship shows that organisational effectiveness is achieved not by having more and more of a particular factor but appropriate level of it.
- The ethical standards of those in charge and those who use OB techniques are a great concern. Its knowledge and techniques could be used to manipulate people without regard for human welfare. People who lack ethical values could use people in unethical ways.

Self Assessment Questions

17. If you know your OB, you can completely remove conflict and frustration (True/False).
18. Tunnel vision of OB can lead to satisfying employee experiences at the cost of broader system of an organisation. (True/False)
19. If we give infinite freedom and security to people, productivity is seen to improve. (True/False)

7.8 Globalisation and OB

Globalisation refers to the complex economic network of international competition, resource suppliers and product markets. Most organisations have to achieve high performance within this competitive global

environment. Since environment affects organisational structure and the way we do business, it affects people who create performance for the organisation. Let us see this in some more detail.

Globalisation forces affect OB

Globalisation is affected by several forces such as rapid growth in information technology and electronic communication, movement of valuable skills and investments, increasing cultural diversity, high level of knowledge worker immigration, increased job migration and the multicultural workers. As a result we are exposed to global best practices among people. For example, the use of groups in quality circles emerges from Japan and is quickly copied by all to retain the competitive advantage, hire and fire is mimicked by several Indian companies from the West although it was seldom heard in India as a concept before globalisation, but creating safety valves and higher pay when the times are good is the underlying factor for this policy and that this is not existent in the Indian economy where supply of labour is greater than demand and consequent low compensation is often missed. This in turn leads to strikes and labour unrest which affects productivity greatly. OB has to understand these proactively.

Impact of alliances

Globalisation is contributing to the emergence of regional economic alliances such as European Union (EU), North American Free Trade Agreement (NAFTA), Asia-Pacific Economic Cooperation Forum (APEC). This implies that people and resources can move freely and industries can be set up in these alliances easily. This compels the countries to adjust the organisational structure to remain competitive (e.g., having a flat organisation versus more hierarchical), which in turn affects creation of groups, methods of motivation and managing change.

Globalisation is accelerating outsourcing

Contracting work to outside agencies or organisations rather than accomplishing it with a full-time permanent workforce, off shoring, contracting work to persons in other countries, job migration and movement of jobs from one location or country to another – many of these decisions are based on economy and hence OB has to deal with the acceptance of this change, managing the perception of its employees, their motivation and compensation, and other measures to retain productivity in the home

country. In the host country, OB has to manage these to align the people to the home country which outsources.

Creating global managers

Managers need to know how to conduct business in multiple countries, adapt to the culture, which is their biggest challenge, be able to handle different languages, think with a world view and are able to map strategy in the global context, have a global attitude and global mindset. This implies that we have to learn quickly on adjusting our personality's effect on business processes, change our attitudes and perception about managers and employees from other countries, learn how to work in international groups including virtual groups and be prepared to adjust to a global organisational structure and systems.

Globalisation and culture

Culture is quite hardwired in our mind and globalisation demands it's rewiring as we have to accept the shared way of doing things in a particular society, define boundaries between different groups and affects how their members relate to one another, develop cultural intelligence i.e., the ability to identify, understand and act with sensitivity and effectiveness in cross-cultural situations.

Self Assessment Questions

20. One of the ways global alliances impact OB is that they compel the countries to adjust the _____ to remain competitive.
21. Culture is quite hardwired in our mind and _____ requires that it is rewired.

7.9 Summary

Let us recapitulate the important concepts discussed in this unit:

- OB can be defined as a systematic study that investigates the impact of individuals, groups and organisational factors on productivity to include effectiveness and efficiency, absentee, turnover, organisational citizenship behaviour and job satisfaction.
- Hawthorne experiments refer to a series of experiments conducted in the Western Electric plant in the US. Much of Organisational Behaviour was developed based on these experiments.

- The experiments made it clear that social and psychological factors play a major role in employee job satisfaction and productivity.
- The four major approaches to OB are human resource approach, contingency approach, productivity approach and systems approach.
- OB and management process are interrelated. Management processes focus on getting the work done most effectively and efficiently while OB looks into the individual, group and organisational variables that impact employee productivity, absenteeism, job satisfaction etc.
- OB has certain limitations such as it is not a remedy for conflict, it is only one of many social systems, operation of law of diminishing returns.
- Globalisation also impacts the study of OB.

7.10 Glossary

Effectiveness: A term that is used to indicate that the goals achieved are those intended to be achieved and not something different.

Organisational citizenship: Discretionary behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organisation.

Systematic study: A study that defines the cause and effect relationship between two factors. Usually they have a dependent and independent variable relationship i.e., when the independent variable is increased or decreased, the dependant variable also behaves in a predictable way by increasing or decreasing.

Turnover: Voluntary and involuntary permanent withdrawal from an organisation (simply put exiting or quitting).

7.11 Terminal Questions

1. Elucidate the deductions from the Hawthorne experiments.
2. Differentiate between human resources approach and contingency approach.
3. Justify why OB is an important area of learning for a manager.
4. Define OB and explain the framework for learning OB.
5. Explain the intricate connection between MP and OB.

7.12 Answers

Self Assessment Questions

1. Human
2. 4
3. False
4. Performance improvement.
5. Contingency
6. Competency, creativity
7. Perceives
8. Causes
9. Efficiency and effectiveness.
10. Discretionary
11. False
12. Impacts, opportunities
13. Group
14. Quality circles
15. Perception and attitude
16. HR
17. False
18. True
19. False
20. Organisational structure
21. Globalisation

Terminal Questions

1. Impact of social and psychological factors, informal relations on the workers productivity are some of the learning from Hawthorne experiments. Refer Section 7.2 for more details
2. HR approach was focused on growth and development of people to higher levels of competency and fulfillment. Contingency approach implied different behavioural practices in different situations. Refer Refer Section 7.3 for more details.

3. OB helps managers to learn individual differences affecting individual and group productivity, motivating factors etc. Refer Section 7.3 for more details.
4. Organisational Behaviour is the systematic study of individual, group and organizational factors on productivity, effectiveness and efficiency. Refer Section 7.4 for more details.
5. Management process focuses on getting the work done and OB focuses on the individual, group and organizational factors affecting productivity. Refer Section 7.5 for more details.

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