
UNIT 1 INTRODUCTION OF ORGANISATIONAL PSYCHOLOGY

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1.0 INTRODUCTION

Organisations are an important part of our daily lives. Our society is made up of many diverse kinds of organisations. To name just a few, there are industrial, governmental, non-governmental, political, religious, educational, military, health, and social organisations. Think about the number of organisations that directly affect you: college, social groups, clubs, even family. Now think of the others that affect you indirectly: the local public utilities (electricity company like BSES, or local train services like Metro), the governmental agencies in your community, the RWA (Resident Welfare Association) in your locality, hospitals, retail stores, and so on. These organisations affect you, both in terms of the services received and your health, safety, well-being. Our living standard, security, and even identity depend upon the effectiveness of these organisations.

In the past century, there has been a phenomenal rise in the number, size, diversity, and complexity of organisations. Given the growth of these organisations and the pervasiveness of organisations in our lives, it is not surprising that psychologists have devoted a great deal of effort in the study of organisations. The field of organisational psychology is devoted to this.

In this unit, we will examine what an organisation is, critically examine the various metaphors of conceptualising organisations, closely look at the field of organisational psychology with a brief description of its historical development in the twentieth century. We shall also analyze the scope of organisational psychology, and examine the difference between organisational psychology and organisational behaviour.

1.1 OBJECTIVES

After reading this unit you will be able to:

- Describe the characteristics of an organisation;
- Critically examine various metaphors for conceptualising an organisation;
- Describe the field of organisational psychology;
- Explain the scope of organisational psychology; and
- Differentiate between organisational psychology and organisational behaviour.

1.2 WHAT IS AN ORGANISATION?

As you might recall, in course 13, Block 1, unit 1 (introduction to organisational and industrial psychology), we defined an organisation 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” (Robbins, 1991, p. 4).

In the next section we will examine several ways of conceptualising an organisation, but here we will use a simpler approach to illustrate that organisations have the following five important features (Rollinson & Broadfield, 2002, p. 3):

- 1) **Organisations are artifacts:** Organisations are not natural entities like living beings but are brought into existence by human beings.
- 2) **Goal directed:** As the above definition makes it amply clear, organisations are created to serve some purpose. This however does not mean that everyone in the organisation has a common goal, or even that everyone is aware of and understands the organisational goals.
- 3) **Social entities:** According to the definition, organisations are ‘composed of two or more people’ and as such are social entities.
- 4) **Structured activity:** In order to achieve the purpose or goals of an organisation, it is required that human activity be deliberately structured and coordinated in some way. Hence usually there are identifiable parts or activities in an organisation.

- 5) **Nominal boundaries:** Generally speaking, it is possible to identify nominal boundaries for an organisation. This refers to consensus regarding who or what is a part of the organisation and who or what belongs elsewhere. This in no way means that the organisation is isolated from its outside (remember the organisation as an open system?).

Activity

Think about the school or the college where you last studied as an organisation. With references to the five characteristics of an organisation described above, describe the ways in which it qualifies as an organisation. That is: Is it an artifact? What do you think its goals are? List them. How many people are involved in running the organisation? Can you list the key members? What might be its structure and operating mechanisms? Try to identify its nominal boundaries?

1.3 ORGANISATIONAL METAPHORS

The definition of an organisation provide above is a very general one. There is however, no single way of conceptualising an organisation. Rather, organisations are complex social systems which can be defined and studied in a number of different ways. A significant and useful approach to this has been provided by Morgan (1986).

Through the use of eight different metaphors, Morgan has drawn attention to those features of organisations that the user of the metaphor considers to be the most important. According to him the use of metaphors allows for a better understanding of the “many-sided character of organisational life” (Morgan, 1986, p. 17). Let us now discuss each of these metaphors for conceptualising an organisation.

1.3.1 Organisations as Machines

This suggests that organisations can be designed as if they are machines constructed to do something specific, with orderly relations between clearly defined parts. Viewing organisations as machines entails setting up a structure of clearly defined activities linked by clear lines of communication, coordination, and control, with set goals and objectives.

This metaphor is useful under conditions where machines work well: when the environment is stable and protected, when the task is relatively straightforward, and when precision is vital. Perhaps the best example is fast-food industry like McDonalds. Such a mechanistic approach to organisation also has severe limitations. Such organisations have great difficulty in adapting to change, and can result in mindless bureaucracy. Another problem relates to human consequences. People tend to be viewed as merely components of the total machine, moulding them to fit the requirements of organisations, rather than building the organisation around their strengths and potentials. This can have dehumanizing effects upon employees, especially those at the lower levels of the organisational hierarchy. Such a metaphor also tends to ignore the complexity and diversity of motives that underlie human behaviour, and with the increasing pace of social and economic change, the limitations have become more and more obvious.

1.3.2 Organisations as Organisms

In sharp contrast to the static, mechanistic machine metaphor, organisations as organism metaphor is based on a biological analogy that organisations, like organisms are living entities. In the same way as biological organisms are in constant interaction with their environments and must adapt to the changing external environment to survive, organisations as open systems must achieve an appropriate dynamic relationship with their environment. You would recall that in Course 13, Block 1, Unit 3 (Industrial & Organisational Psychology as related to other disciplines), we introduced the 'open systems approach' (Katz & Kahn, 1966) to conceptualise organisations.

The organism metaphor also accepts that all parts of an organisation are interconnected and have to function in a way that contributes to the whole, implicitly recognizing humans as an important organisational component. Open systems also implies that an effective organisation is open to infinite possibilities; therefore, management's concern should be with achieving good fits among the subsystems. Varied and creative approaches to management are essential.

A primary strength of the metaphor is its shift in focus from things to people as a means to sustainable quality improvement. The biggest weakness lies in the analogy itself: organisational shape and structure is actually more fragile and dynamic than the structure of living organisms. The assumption that all the component parts of an organisation have a unified, common purpose is indeed an oversimplification.

1.3.3 Organisations as Brains

Organisations like brains are inventive and rational, and operate in a manner that provides for flexibility and creativity. Like maps in the brain to outline which part of the brain handles what, organisations too have a structure imposed on it in the form of organisational charts. Using the literature from information processing, cybernetics and self-correcting systems, and organisational learning, Morgan compares organisations to holograms: systems where qualities of the whole are enfolded in all the parts so that the system has an ability to self-organize and regenerate itself on a continuous basis. He lists four principles to create a 'hologram' organisation:

- i) **Functional redundancy:** a kind of excess capacity, not by adding spare parts, but by adding extra functions to each of the operating parts. This can create room for innovation and development to occur.
- ii) **Requisite variety:** the internal diversity of any self-regulating system must match the variety and complexity of its environment it is supposed to control.
- iii) **Minimum specifications:** in addition to a capacity to evolve, systems also need freedom to evolve, i.e. possess a certain degree of 'space' or autonomy that allows appropriate innovation to occur.
- iv) **Build the 'whole' into all the 'parts':** This may be accomplished by using (a) the cultural codes binding an organisation together, (b) networked intelligence, (c) design of organisational structures, and (d) designing of work tasks using holistic teams and work roles.

Such an organisation will have the ability of *learning to learn*: the ability not only to correct actions to goals, but also to question the goals if necessary. The biggest strength of the brain metaphor is that it increases our understanding of organisational learning and autonomy. The most serious weakness is that not only will changes take a very long time to implement, but they also necessitate huge changes in personal beliefs and values to implement it.

1.3.4 Organisations as Cultures

This metaphor sees organisations as complex cultural systems in which members have common beliefs, ideologies, rituals, values and shared assumptions. Organisational culture can be described as a socially constructed, unseen, and unobservable force behind organisational activities. It provides organisational members with a way of understanding and making sense of events and symbols. It also is a powerful lever for guiding organisational behaviour by informally approving or prohibiting some patterns of behaviour.

Perhaps you would agree that organisations have their own distinctive cultures that may become obvious to an outsider as he walks in the company door- through its dress code, language, behaviour, ceremonies. Such surface manifestations are easier to decipher than deep seated basic assumptions. The biggest strength of this metaphor is that it goes well beneath the surface to try to uncover some of the less obvious features of organisations, and how it effects the behaviour of organisational members. One limitation of this metaphor is that not only do cultures differ in their strength, but also that everybody in the same organisation doesn't have the same set of cultural norms: there are 'subcultures' within cultures. These differences and their behavioural outcomes give rise to the political systems metaphor.

1.3.5 Organisations as Political Systems

Organisations are regarded as analogous to a political system composed of diverse groups, each having their own aims and interests. When we see organisations as political systems we draw parallels between how organisations are run and systems of political rule. According to Morgan, business and politics cannot be kept apart.

This metaphor is useful because it recognizes the important role that power play, competing interests, and conflict have in organisational life. It also recognizes the complex nature of human behaviour in organisations. It has implications for organisational change, as in order to work, the change must be supported by a powerful person and coalitions.

The disadvantage of using this metaphor to the exclusion of others is that it can lead to unnecessary development of complex Machiavellian strategies. This can turn organisational life into a political war zone. The political metaphor also neglects the idea that if circumstances are right, then there is also potential for cooperation.

1.3.6 Organisations as Psychic Prisons

This views organisations as socially constructed realities based on unconscious preoccupations of people in the organisation, with the notion that people can actually become imprisoned or trapped by constructions of reality. The psychic prison mentality exists when people begin to hold onto their preconceived notions

and biases in order to handle anxiety and desire that eventually become their reality.

For example, a phenomenon that restricts thinking is groupthink (Janis, 1972). In groupthink, the members of a group develop shared illusions (about say invulnerability and unanimity) as a result of self-affirming processes that produce conformity. This creates a constructed reality with stereotyped views of out-groups and beliefs in inherent morality of one's own group. This leads to faulty decision making with disastrous consequences for the organisation.

The psychic prison metaphor encourages us to dig below the surface to explore the hidden meanings of our taken-for-granted worlds. The psychic prison metaphor alerts us to pathologies that may accompany our ways of thinking and encourages us to question the fundamental premises on which we enact everyday. It is pointless talking about 'learning organisations' or creating desirable organisational cultures if the human dimension is ignored.

1.3.7 Organisations as Flux and Transformation

The universe is in a constant state of flux, with accompanying characteristics of both change and permanence. Organisations similarly can be seen as in a state of flux and transformation. Instead of viewing the organisation as a separate system that adapts to the environment, this metaphor allows us to look at organisations as simply part of the whole environment, with a natural capacity to self-renew, change and organize.

This metaphor is the only one that sheds some light on how change happens in a turbulent world. This view believes that order naturally emerges out of chaos. Although managers can nudge and shape progress, they cannot ever be in control of change. Such a metaphor is limiting as unlike other metaphors, it does not lead to an action plan to follow for change. Order emerges as you go along, and can only be made sense of after the event. This can lead to a sense of powerlessness that is disturbing, but probably realistic!

1.3.8 Organisations as Instruments of Domination

This metaphor addresses the 'ugly face of organisational life' (Morgan, 2006, p. 291). Organisations are often used as instruments of domination that further the selfish interests of elites at the expense of others. Whether we are talking about the military, a multinational corporation, or even a family business, we find asymmetrical power relations that result in the majority working for the interests of a minority. The problems of hazardous working conditions, industrial accidents, occupational disease, practices and structures that promote workaholism, social and mental stress are all examples of organisations as tools of domination.

This metaphor thus provides a useful counterweight to traditional organisational theory, which has largely ignored values or ideological premises. One of the major strengths of the domination metaphor is that it forces us to recognize that domination may be intrinsic to the way we organize and not just an unintended side effect.

These contrasting metaphors provide an interesting perspective on how to view organisations. Metaphors play a paradoxical role: they are vital to understanding and highlighting certain aspects of organisations, while at the same time they

restrict understanding by ignoring others. Further, these metaphors are neither fixed categories nor are they mutually exclusive. Hence there can be no single metaphor that gives an all-purpose point of view.

Self Assessment Questions

Answer the following questions:

- 1) When things are going well we say the organisation is running like a 'well-oiled engine'; when they are not, then communication has 'broken down' and 'things need fixing'. The metaphor that this represents is:
(a) Psychic Prison (b) Cultures (c) Machines (d) Brains
- 2) The metaphor that is concerned with the relationship between organisations and their environments and the ability to survive by being adaptive is:
Psych(a) Brains (b) Organisms (c) Political Systems (d) Machines
- 3) People develop unconscious mechanisms, and construct realities, and that these mechanisms and realities are reflected in organisations. Which metaphor addresses this?
(a) Psychic Prison (b) Flux and Transformation (c) Political Systems (d) Cultures
- 4) The organisational metaphor that recognizes conflict and competition as everyday features of organisational life is:
(a) Psychic Prison (b) Flux and Transformation (c) Instruments of Domination (d) Political Systems

1.4 WHAT IS ORGANISATIONAL PSYCHOLOGY?

As the above section illustrates, organisations are complex social systems that may sometimes perform remarkably and sometimes fail miserably. Organisational psychology is a field that seeks to facilitate a greater understanding of social processes in organisations.

Organisational psychology may be defined as the “*scientific study of individual and group behaviour in formal organisational settings*” (Jex, 2002, p. 2). Organisational psychology not only uses a scientific approach, but is also concerned with the application of scientific knowledge to enhance the effectiveness of organisations- a goal that is potentially beneficial to all.

We have already discussed the historical development of the field of organisational psychology in Course 13, Block 1, Unit 2 (historical perspective of organisational and industrial psychology). Here, we shall briefly touch upon some major events that shaped the field of organisational psychology in the twentieth century (Refer Table 1). Historically, organisational psychology was slower to develop than the industrial side of the field. Industrial psychology originated in the first half of the twentieth century, applying basic psychological theories and principles to the selection process during World War I. It soon extended beyond selection to motivation, leadership, attitudes and job satisfaction, morale, training, and performance management. From about the 1950s onwards, researchers from a number of disciplines, particularly social psychology, began to take an interest

in developing some scientific understanding of modern organisations (Cooper, 1991). The theories and research on interpersonal behaviour, group dynamics, inter-group behaviour, and macro organisational issues formed the basis for extending the field of industrial psychology to organisational psychology.

Table 1: A chronological summary of historical events in organisational psychology (From Jex, 2002, p. 10)

Time Period	Organisational Phenomena of Interest
Early 1990	Scientific management (Taylor); Organisational structure (Weber)
1920s-1930s	Hawthorne Studies; growth of unionisation
1940s-1950s	World War II; Development of 'human relations' perspective; Lewin conducts action research and undertakes work on group dynamics
1960s-1970s	Division 14 of APA is changed to 'industrial/organisational psychology'; Increasing attention to non traditional topics as stress, work/family conflict, etc.
1980s-1990s	Globalisation of the economy; Changing workforce demographics; Redefining the notion of a 'job'

As you might recall, the beginning of the field of I/O psychology can be traced back to pioneers like Hugo Munsterberg, Walter Dill Scott, and Walter Bingham. Most of the work at the time dealt with topics like selection and training, with organisation-level issues largely ignored. Taylor (1911) applied his principles of **scientific management**, including time-and-motion studies, piece-rate compensation, and efficient design of jobs, to study production-related processes. Another pioneer who contributed to the field of organisational psychology was Max Weber, with his notion of **bureaucracy** as an organizing principle. He also wrote extensively on topics like leadership, power, and norms at a time when such topics were largely ignored by psychologists.

The one event that may be considered as the historical beginning of organisational psychology was the Hawthorne Studies. These showed that workers did not respond to the classical motivational approaches like economic rewards as suggested by Taylor. Instead, individual, group and social processes played a major role in shaping worker attitudes and behaviour. This triggered a **human relations movement** in organisational psychology. Employees were no longer considered as just another factor of production, but as individuals who liked to be respected and whose contribution could help in meeting organisational goals.

Organisational psychology gained prominence after World War II, influenced by the Hawthorne Studies and the work of researchers such as Muzafer Sheriff and Kurt Lewin. It is difficult to imagine anyone having a greater impact on the field of organisational psychology as Lewin. He conducted influential research on a variety of topics, such as child development, the impact of social climates, and leadership. He established the Research Center for Group Dynamics at M.I.T. His ideas continue to influence the study of a number of areas in organisational psychology such as leadership, motivation, group dynamics, and organisation development. From the early 1970s into the 1980s, organisational psychology

began to mature as a field of study. During the early 1970s, the name of Division 14 of the American Psychological Association (APA) was formally changed from 'Industrial Psychology' to 'Industrial and Organisational Psychology'. Another important development during this time was the growing recognition that behaviour in organisations is influenced by forces at the group and organisational levels. Naturally, organisational psychologists began to focus on 'nontraditional topics' such as work/family interface, organisational stress and health.

From the late 1980s to the present, a number of significant changes have taken place both in our world of work and the world that we live in. Establishment of free market economies post liberalisation, change in the demographic composition of the workforce, cultural diversity, shift from a stable 'job' to more temporary, project-based work, has greatly impacted the field of organisational psychology.

1.5 ORGANISATIONAL PSYCHOLOGY AND ORGANISATIONAL BEHAVIOUR

A related sub-field of Industrial/Organisational psychology is organisational behaviour. There are obvious similarities and not so obvious differences between organisational psychology and organisational behaviour. The latter will be dealt extensively in the next unit. Moorhead and Griffin (1995) define organisational behaviour as "the study of human behaviour in organisational settings, the interface between human behaviour and the organisation, and the organisation itself" (p. 4). It is in the last part of the definition 'the organisation itself' that we can see the difference between the two fields. Organisational behaviour is concerned not only with individual level behaviour within organisations, but also with macro-level processes, such as organisational strategy, structure and change.

Organisational psychology is also interested in macro-level processes, but only to the extent that it impacts individual behaviour. Herein lies the key difference: organisational behaviour is more **eclectic** in its approach, drawing heavily from a variety of disciplines like management, sociology, economics, anthropology, labour relations, etc, while organisational psychology draws mainly from subfield within psychology (Jex, 2002). Those who specialise in organisational behaviour tend to deemphasize the individual approach and focus more on studying the system in which individual behaviour occurs.

According to Smithers (1988), "Whereas industrial and organisational psychology tends to move from the study of the individual to the organisation, organisational behaviour moves from the organisation to the study of the individual" (p. 5). Having said this, it is important to note that despite conceptual distinctions, the work of these two specialties in the real world becomes quite similar.

1.6 SCOPE OF ORGANISATIONAL PSYCHOLOGY

Historically, organisational psychology developed later than industrial psychology and had a distinct focus, although this distinction is largely artificial and many topics cut across both areas. Today, the fields of industrial and organisational psychology have combined into a relatively newer field of Industrial/Organisational Psychology (I/O Psychology). The 'industrial' side of I/O

psychology has its historical origins in research on individual differences, assessment, and the prediction of performance. The ‘organisational’ side covers group and inter-group issues. Figure 1 provides a comparison of the list of topics that are typically of interest to those in the industrial and organisational sides of the field. The topics listed on the industrial side are by and large associated with the management of human resources in organisations; while the topics associated with organisational side of the field are concerned with understanding and predicting behaviour within organisational settings



Fig. 1: A comparison of topics associated with the industrial and organisational sides of the field of I/O Psychology (From Jex, 2002, p. 4)

While industrial psychology is concerned with use of psychological measurement to help organisations make the best use of their people; organisational psychology uses broad psychological theories to diagnose and correct organisational problems. Organisational psychology utilises scientifically-based psychological principles and research methods to study a variety of topics important to understanding human behaviour in many different types of organisations. Recent books on I/O psychology (for instance, Cooper and Locke, 2000) have covered topics such as leadership, leadership training and development, team effectiveness, job satisfaction, the employment interview, performance appraisal, intelligence/motivation/job performance, recruitment, goal setting, organisational justice, and organisational stress.

Let us look at some of the topics covered in organisational psychology more closely.

1.6.1 Work Motivation

Motivation is the force that energizes an individual to reach a goal. The psychological study of motivation answers the question of why people do what they do. Taylor’s introduction of the piece rate and the bank wiring room study at Hawthorne are two examples of how complex worker motivation is. At the

workplace, it is important for the manager to understand the needs and drives of subordinates and motivate them accordingly.

1.6.2 Job Satisfaction, Organisational Commitment, and Organisational Justice

Job satisfaction, one of the most widely researched topics in organisational psychology, reflects an employee's overall assessment of his/her job. Job satisfaction has theoretical and practical utility and has been linked to important job outcomes including absenteeism, employee turnover, health, organisational effectiveness, and attitudinal variables such as job involvement and organisational commitment.

Commitment refers to (a) a belief in and acceptance of organisation's goals and values, (b) a willingness to exert considerable effort on behalf of the organisation, and (c) a strong desire to remain a member of the organisation (Mowday, Porter, & Steers, 1982). Two classes of variables: individual (such as age, tenure, marital status, education etc) and organisational (for instance, task characteristics, pay, supervision, social support, socialisation practices, etc) have been studied as antecedents of organisational commitment.

Organisational justice, a more recent addition to the field of organisational psychology, deals with the study of people's perception of fairness in organisations, both procedural and relational. Research shows that perceived justice is associated with peoples' feelings and reactions to organisations and their authorities.

1.6.3 Leadership

Leadership is a process of influencing, supporting and motivating others to work effectively towards achieving the organisation's objectives or goal. Organisational psychologists are particularly interested in leadership as it affects the job performances and satisfaction of subordinates. Organisational psychology literature also makes a distinction between leaders and managers. While managers process administrative tasks that organize work environments, leaders conduct those same tasks while also inspiring and motivating the workforce. Managers cope with complexity, leaders cope with change.

1.6.4 Group behaviour

Group behaviour is the interaction between individuals of a collective such as an organisation. The interactions serve to fulfill some need satisfaction of an individual who is part of the collective and helps to provide a basis for his interaction with specific members of the group. A specific area of research in group behaviour is the dynamics of teams. It is increasingly being recognized that a group of people working together can achieve much more than if the individuals of the team were working on their own.

1.6.5 Work Stress

Workplace stress is stress that arises from an interaction between people and their jobs. Research has focused on environmental, organisational, social and individual stressors and their outcomes. The degree of stress experienced and the ways in which a person reacts to it is also influenced by a number of factors that are studied as moderator variables.

1.6.6 Organisational Culture and Development

Organisational culture as a construct is a relatively recent addition to contemporary organisational psychology literature. Culture refers to the commonly held and relatively stable beliefs, attitudes and values that exist within the organisation (Williams et al., 1993). Various forms of culture include rituals, ceremonies, stories, language or jargon, logo and corporate jokes. Organisational culture has been shown to have an impact on important organisational outcomes such as performance, recruitment, retention, employee satisfaction, and employee well-being.

Organisation development is an ongoing, systematic process to implement effective change in an organisation. Psychologists in this area are focused on understanding and managing organisational change to increase an organisation's effectiveness; the change may involve people, work procedures, or technology.

1.6.7 Productive and Counterproductive Behaviour

Productive behaviour is defined as employee behaviour that contributes positively to the goals and objectives of an organisation. There are three common forms of productive behavior in organisations: job performance, organisational citizenship behavior (OCB), and innovation.

Counterproductive behaviour can be defined as employee behaviour that goes against the goals of an organisation. These behaviours can be intentional or unintentional and result from a wide range of underlying causes and motivations. The forms of counterproductive behaviour that have been studied in organisational psychology include ineffective job performance, absenteeism, job turnover, theft, violence, substance abuse, and sexual harassment.

1.6.8 Work-Life Balance

The balance between work and all the other roles (such as family, personal activities, leisure, community, religion, etc) exercised by a person is referred to as work-life balance. An adequate work-family balance could lead to facilitation of positive experiences in both the domains, and conversely, an imbalance could lead to work-family conflict. Such conflict is bidirectional, i.e. spillover may occur from work-to-family and from family-to-work. Research has focused on a number of antecedents of work-family conflict, such as resources, work and family demands, size and developmental stage of the family, gender, etc. The consequences of work-family conflict could be many, such as absenteeism, turnover intentions, career and job dissatisfaction, poor performance, depression, somatic symptoms, unpleasant moods, and psychiatric disorders such as mood, anxiety and substance dependence disorders.

As you would've seen from the list of topics we cover in organisational psychology, not only are it interesting, it is crucial to individual and organisational performance, and it directly affects the quality of people's lives!

1.7 LET US SUM UP

In this unit, we have given an overview of organisations and the field of organisational psychology. Organisations have five important distinguishing

features: they are artifacts; they are goal-directed; they are social entities; they involve structured activity; and they have nominal boundaries. There is no single way of conceptualising an organisation. Rather, organisations are complex social systems which can be understood using eight different metaphors (Morgan, 1986): machines, organisms, brains, cultures, political systems, psychic prisons, flux and transformation, and instruments of domination. These contrasting metaphors aid the understanding of the complex nature of organisational life.

Organisational psychology may be defined as a scientific field that studies individual and group behaviour in formal organisational settings. Historically, organisational psychology was slower to develop than the industrial side of the field. Today, the fields of industrial and organisational psychology have combined into a relatively newer field of Industrial/Organisational Psychology (I/O Psychology). The 'industrial' side is more individual-oriented, while 'organisational' side covers group and inter-group issues. Organisational behaviour, in contrast, has an even more macro-focus focus, emphasizing the system in which individual behaviour occurs. Some the topics that are addressed in organisational psychology include motivation, job satisfaction, organisational commitment, organisational justice, leadership, group behaviour, work stress, organisational culture and development, productive and counterproductive behaviour and work-life balance.

1.8 UNIT END QUESTIONS

- 1) Family is an organisation with its own unique problems of human behaviour. Do you agree with this statement? Discuss.
- 2) Describe the various metaphors for conceptualising organisations. With the help of an example of any organisation that you have been a part of, which metaphor is most prevalent in your organisation. Discuss.
- 3) Define organisational psychology. Differentiate between the scope of industrial and organisational psychology.
- 4) Briefly describe the topics studied in organisational psychology. Discuss their relevance at the contemporary work place.

1.9 GLOSSARY

Bureaucracy	: An organisational design, usually for large organisations, having a clear hierarchy of authority in which people are required to perform well-defined jobs.
Cybernetics	: Science of communications and control in living beings and machines.
Metaphor	: A figure of speech in which an implicit analogy is made between two unlike objects that have something in common (but not literally) in order to suggest a similarity.
Open system	: Is one where there is a relation of dependence between the organisation and its surrounding

environment, such that the organisation receives inputs, transforms these inputs in certain ways, and returns outputs to their environments.

1.10 SUGGESTED READINGS

Jex, S.M. (2002). *Organisational psychology: A scientist-practitioner approach*. New York: John Wiley.

Rollinson, D. & Broadfield, D. (2002). *Organisational behaviour and analysis: An integrated approach*, 2nd Ed. New York: Prentice-Hall.

1.11 ANSWERS TO SELF ASSESSMENT QUESTIONS

- c) Machines
- b) Organisms
- a) Psychic Prison
- d) Political Systems

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UNIT 2 ORGANISATIONAL BEHAVIOUR, DEFINITION AND IMPORTANCE

Structure

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2.0 INTRODUCTION

Good companies understand how organisational behaviour affects an organisation's performance. Characteristics of the organisational system and formal-informal dynamics at work are important environmental factors that influence peoples' behaviour. In order to both manage people as well as to understand work behaviour, managers must continually upgrade their knowledge about all aspects of their businesses, and especially the human side of the enterprise. And this is where organisational behaviour (OB) comes in. The field of organisational behaviour concerns itself with the study of the behaviour of individuals and groups in the context of organisations.

In this unit, we will examine the field of organisational behaviour; we shall critically examine its definition and goals. We will also shed some light on the important characteristics of the field of OB today. We shall also present a brief overview of OB in the Indian context, and lastly examine the importance of organisational behaviour as a field.

2.1 OBJECTIVES

After reading this unit, you will be able to:

- Describe the field of organisational behaviour;
- Define what organisational behaviour is;
- Identify the goals of organisational behaviour;
- Explain the major characteristics of the field of organisational behaviour;
- Identify three phases in the development of OB in India; and
- Critically examine the importance of organisational behaviour.

2.2 THE FIELD OF ORGANISATIONAL BEHAVIOUR

The field of OB concerns itself with the study of the behaviour of individuals and groups in the context of organisations. The following equation provides a fundamental basis for understanding OB (French, Kast, & Rosenzweig, 1985, p. 3):

$$\text{Behaviour} = f(P, E)$$

where P refers to personal characteristics and E represents the environment. Human behaviour thus is a function of the individual's personal characteristics and the environmental context. Our personal characteristics are based on genetic factors plus all the past learning experiences that have shaped who we are. We bring these personal characteristics into the organisational situation, which in turn, affects the way we think and act. Environmental context factors such as the organisational structure, culture, nature of the job, management style, and so on also have a direct influence on our behaviour.

2.3 DEFINITION OF ORGANISATIONAL BEHAVIOUR

In the previous unit, we outlined the distinction between organisational psychology and OB. Some critics have charged that that old wine (organisational psychology) has merely been poured into a new bottle (organisational behaviour). Nonetheless, it is certainly valid to say that the two cannot and must not be equated. OB is concerned not only with individual level behaviour within organisations, but also with macro-level processes, such as organisational strategy, structure and change. There is little doubt that although OB does not portray the whole of management (and neither does it intend to), OB has come into its own as a field of study, research, and application.

Let us now formally define OB with the help of some definitions:

“The study of the structure, functioning and performance of organisations and the behaviour of groups and individuals within them” (Pugh, 1971, p. 9)

“The field that seeks knowledge of behaviour in organisational settings by systematically studying individual, group, and organisational processes” (Greenberg & Baron, p. 6)

“A field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation’s effectiveness” (Robbins, Judge, & Sanghi, 2009, p. 10)

It would be useful to describe three common key aspects of these definitions to understand clearly what is meant by OB.

2.3.1 Systematic Study

OB seeks to develop a base of knowledge using a systematic, empirical and research-oriented approach. A scientific approach is said to be a central defining characteristic of modern OB. Human behaviour in organisations is complex and often difficult to understand, and thus the relevance of the scientific approach. As with any science, OB practitioners seek knowledge to describe, understand, predict, and control behaviour in organisations. We shall discuss these goals in detail in the next section.

OB is scientific because of the information and methodology it represents. Its information results from inquiries carried out according to four scientific core values: accuracy, objectivity, skepticism, and open-mindedness; and its methods consist of the procedures involved in making such investigations.

Concepts and theories in OB invariably arise out of extensive research. It is important to note that theories in OB are much more descriptive than prescriptive. This means that although the subject provides information that gives us a better understanding of human behaviour in organisations, no attempt is made to say what the behaviour *should* be.

2.3.2 Three Levels of Analysis: Individual, Group and Organisation

All the definitions of OB depict that the field focuses on behaviour at three distinct levels of analysis:

Level 1: Individual. Where the focus is on processes/phenomenon such as values, attitudes, beliefs, intelligence, motivation etc. that influence how people behave as individuals.

Level 2: Group. This is more concerned with social and interpersonal aspects, such as group dynamics and leadership.

Level 3: Organisation. The main concern here is the behaviour of an organisation as a whole, for e.g. its culture, structure and processes.

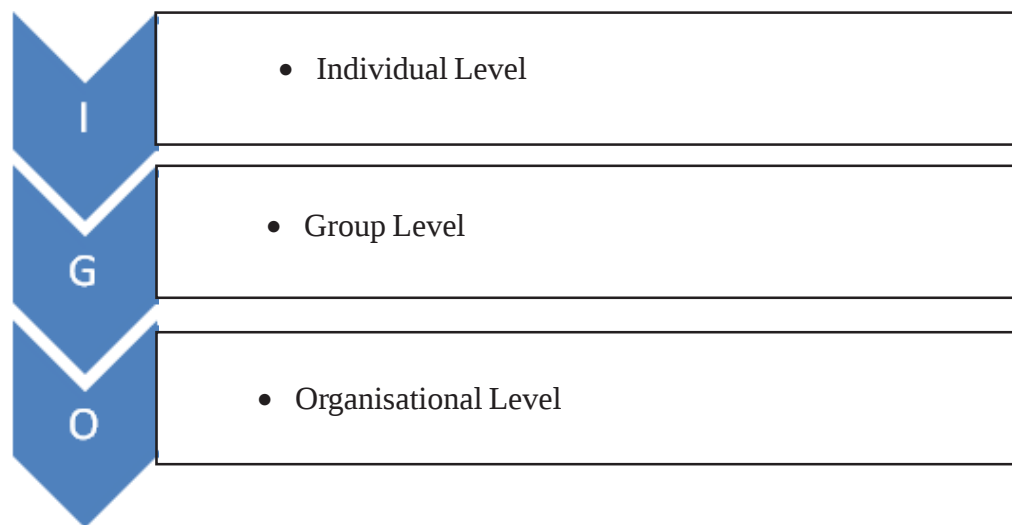


Fig. 1: Three Levels of Analysis used in Organisational Behaviour

The field of OB recognizes that all three levels of analysis must be used to comprehend the complex dynamics of behaviour within organisations. For example, in order to understand a process like job satisfaction, it is important to delve into individual characteristics like one's age, gender, education, etc., group processes such as relations with supervisor and team members, and organisational factors such as organisational culture, structure, etc.

2.3.3 Basic and Application- Oriented

The field of OB is both basic and applied in nature; basic in generating knowledge (research) and applied in using that knowledge (practice). On one hand, it tries to scientifically study individual and group behaviour in organisations; on the other, it addresses the practical task of improving individual and organisational performance and enhanced member satisfaction. OB applies the knowledge gained about individuals, groups and organisations on behaviour to make organisations work more effectively. OB can be understood as a "human tool for human benefit" (Davis & Newstorm, 1989, p. 5).

OB, as a field of study, is more frequently taught to students of business and management than to anyone else, and the intention is that those who want to make their career in organisations should better understand the complexities of human behaviour. OB can be very useful to practicing managers, whatever the type of organisation. OB should help provide present and future managers (which category do you fall in?) with a sounder understanding of the problems actually encountered in managing and working with people. It should also help them realise the alternative solutions available when confronted by human relations problems within the organisation.

2.4 GOALS OF ORGANISATIONAL BEHAVIOUR

There are some goals of organisational behaviour which are as follows:

2.4.1 Describe

The first goal is to describe systematically (in an objective non-prescriptive manner), often in minute detail, how people behave at work under a variety of conditions.

2.4.2 Understand

A second goal is to understand why people behave as they do. Imagine how frustrating it would be for managers if they could talk about behaviour of their employees, but not understand the reasons behind those actions.

2.4.3 Predict

An important reason behind understanding behaviour is that it should help managers to then predict behaviour in various situations. It is often said: 'the best predictor of future behaviour is past behaviour'. Armed with knowledge about human behaviour in organisations, managers should, for example, be able to predict which employees might be committed and productive or which ones might be counterproductive. This would help them to take preventive actions.

2.4.4 Control

The final goal of OB is to control and develop human behaviour at work. Once we know what happens, why it happens and what is likely to happen in the future, we can exercise some control over it. Every organisation has specific goals such as certain levels of profits, customer satisfaction, public responsibility, and so on. It is the job of the management to mobilise and coordinate the human, technical, economic and informational resources available for the purpose of achieving such organisational goals. Managers need to be able to achieve such goals through the actions they and their employees take, and organisational behaviour can help managers meet these goals.

2.5 CHARACTERISTICS OF THE FIELD OF OB TODAY

Now that you have some understanding of what is meant by OB and its goals, let us turn our attention to some of the major characteristics of the field today (Greenberg & Baron, 1995).

2.5.1 OB seeks the Betterment of Human Resources

Consider this grim scenario from the early part of twentieth century: Factories were huge, noisy, hot, and highly regimented-callous and brutal places to work. Bosses demanded more and more of their employees, and treated them like disposable machines, replacing those who quit or died from accidents with others who waited outside the factory gates. The supply of labour was far greater than its supply.

It is obvious from the above that managers back then held very negative views of employees. This traditional view of management was termed Theory X by Douglas McGregor (1960). This philosophy of management assumes that people are inherently lazy, dislike work, and will avoid work if they can. As a result, management needs to closely supervise workers and develop comprehensive systems of control. Beliefs of this theory lead to mistrust, highly restrictive supervision, and a punitive atmosphere.

Now contrast this with the present day scenario: Companies are going out of their way to retain young talent, rushing to fulfill every wish of Generation Y-

from giving them training and developmental opportunities to even gifting them ceiling fans for their homes (Ramnani, 2010). This sums up the Theory Y approach to management that is more optimistic and paints a more positive picture than Theory X (see Table 1 for a summary of differences between Theory X and Theory Y). It is believed that work is as natural to employees as play. Given the right conditions, employees will seek achievement and responsibility and will work hard, without being pushed. Management's job thus is to create those conditions that make people want to perform as desired. McGregor thinks that Theory Y managers are more likely than Theory X managers to develop the climate of trust with employees that is required for human resource development. This would include managers communicating openly with subordinates, minimizing the difference between superior-subordinate relationships, empowering subordinates and allowing them to participate in decision making.

Table 1: Comparison of assumptions of Theory X and Theory Y

Theory X assumes that the average person	Theory Y assumes that the average person
Dislikes work and tries to avoid it	Has a psychological need to work, just as play and rest
Has no ambition, avoids responsibility and would rather follow than lead	May be ambitious, self-motivated, and seeks achievement and responsibility
Is selfish and does not particularly care about organisational goals	Is self directed to meet his work objectives especially if personal goals and organisational goals may be aligned
Is gullible and not really bright	Possesses the ability for creative problem solving
Works only for money and security	Works for self-fulfillment

Theory Y approach is strongly associated with prompting the betterment of human resources, and is clearly the perspective that prevails among those interested in OB. The human resources approach prevalent in OB today is developmental. It is concerned with the growth and development of people toward higher levels of competency, creativity and fulfillment, with the recognition that people are the central resources in any organisation and any society. Unlike the traditional management approach of the 1900s which was directive and controlling, the present approach to management is supportive. It helps employees become better, more responsible persons, and tries to create a climate in which employees make full use of their abilities. The manager's primary role changes from control of employees to active support of their growth and performance.

Self Assessment Questions

- 1) Analyze the following case study and tick mark the answer (*True / False*) in the space provided:

Rekha Chawla, 26, attached to a Gurgaon based BPO, would travel to work in a non-air-conditioned cab everyday. The extreme summer heat

affected her temperament, which in turn had an effect on her dealing with customers. She was becoming cranky and rude. One day, she decided to have a serious discussion over the issue with her manager. Two months later she travels to office in air-conditioned comfort and finds that her productivity has also increased.

- a) Rekha is inherently lazy and wants to avoid work. (True/False).
- b) The manager used a Theory Y approach to management. (True/False).

2.5.2 OB uses a Contingency Approach

Consider the following questions: What is the current inflation rate on India? You can certainly answer this question (or at least find out the correct answer). Now try this: What is the most effective way of designing the workplace? What is the 'one best way' of performing a job? What is the most effective way to design a machine to optimize safety? What is the most effective way of reducing fatigue? It is perhaps possible to answer these questions. Traditional scientific management, and more recently human engineering, seeks to find answers to such questions.

Now consider these: What is the most effective way of motivating people? Is money the best motivator for employees? Which style of leadership works best? Although these questions are reasonable and vital to the functioning of organisations and its workforce, can we answer these questions with a simple 'yes/no' or even a one line answer. The answer to most such questions is 'It depends'. There is no one best way when it comes to understanding such complex phenomena. This is what happens when human factors take the centre stage in our approach (instead of the workplace). When it comes to studying human behaviour at the workplace, there are no simple answers.

Traditional management relied on principles to provide a 'one best way' of managing. This 'best way' was applied regardless of the type of organisation, situation or the kind of people involved. Principles of managing were considered to be universal. No longer is there a best way. The contingency approach to OB implies that different situations require different behavioural practices for effectiveness. Behaviour in work settings is the complex result of many interacting forces. As our knowledge of behaviour on the job becomes more and more complex, it becomes more and more difficult to give straightforward answers (I am not saying here that straight answers are desirable). Rather, it is usually necessary to answer in phrases like, 'If A, then B, under conditions X, Y and Z'.

Let us take the example of work stress to demonstrate the contingency approach. Have you ever wondered why some individuals working in the same company with the same boss find their jobs so stressful that they develop physiological symptoms like say, hypertension; while others cope well with it and even appear cheerful? People at the work place may face a number of stressors: environmental (e.g. political, economic or social), organisational (structure, culture, politics), immediate social context (relations with boss, work group, peers) and individual (for e.g. role conflict). While these may be in part common to some, the degree of stress experienced and the ways in which a person reacts to it is influenced by a number of moderating variables, such as lifestyle, social support available, cognitive appraisal of stressors, life events, biographic actors (like age, gender, and so on), etc. All these together eventually determine what kind of outcomes-

physiological, psychological, cognitive, or behavioural- will the person show and if at all he will develop any such outcomes.

Such an approach characterizes the field of OB. It may be quite frustrating for newcomers in the field not to get simple answers. However to appreciate the role of human factors at the workplace- which are complex, dynamic and not universal- is to understand such an contingency approach to OB.

2.5.3 OB has a Multidisciplinary Focus

OB is a blended discipline that has grown out of contributions from a number of disciplines. In fact, OB may be regarded as even more multidisciplinary than organisational psychology. You may recall from unit 1 that organisational behaviour is more eclectic in its approach, drawing heavily from a variety of disciplines, while organisational psychology draws mainly from subfield within psychology (Jex, 2002).

Among those that have contributed to the study of OB are psychology, social psychology, sociology, engineering, anthropology, management, and even medicine. Let us look at them one by one. Quite obviously, the biggest influence on the field of OB comes from psychology, as psychology is primarily concerned with studying and attempting to understand individual behaviour. If you recall from Course 13, Block 1, Unit 1 (Introduction to Organisational & Industrial Psychology), OB is regarded as one of the sub-fields of I/O psychology. In contrast to industrial that focuses more on individual-level issues, organisational behavior is more concerned with social and group influences. Social psychology has made important contributions to our study of group behaviour, power and conflict.

Similarly, sociology, the study of society, has also made important contributions to knowledge about group and intergroup dynamics in the study of OB. Anthropology, with its even more macro focus on human beings, has contributed to our understanding of organisational culture, organisational environment, and differences among national cultures and its implications for work behaviour. Engineering, in contrast, has made important contributions to our understanding of design of work and organisational goal setting. Lastly, it might surprise you to know that medicine, with its concern for both physical and psychological health, has developed our understanding of industrial health and more recently, occupational health and well-being.

2.5.4 OB recognizes Organisations as Open Systems

The field of OB pays a great deal of attention to the nature of organisations themselves. In studying organisations, OB practitioners recognize that organisations are not fixed, but dynamic and ever changing entities. In other words, they recognize that organisations are open systems (Katz & Kahn, 1966).

The open systems approach to organisation (Refer Figure 2) assumes that organisations operate in a self-sustaining manner, transforming inputs into outputs in a continuous manner. Inputs consist of the human, informational, material, and financial resources used by the organisation. These are transformed by the organisation's technology component. Once the transformation is complete, they become outputs for customers, consumers and clients. Their actions (and others in the external environment) in turn affect the organisation and the behaviour of

people at work. The output thus gets transformed back to input and the cycle continues.

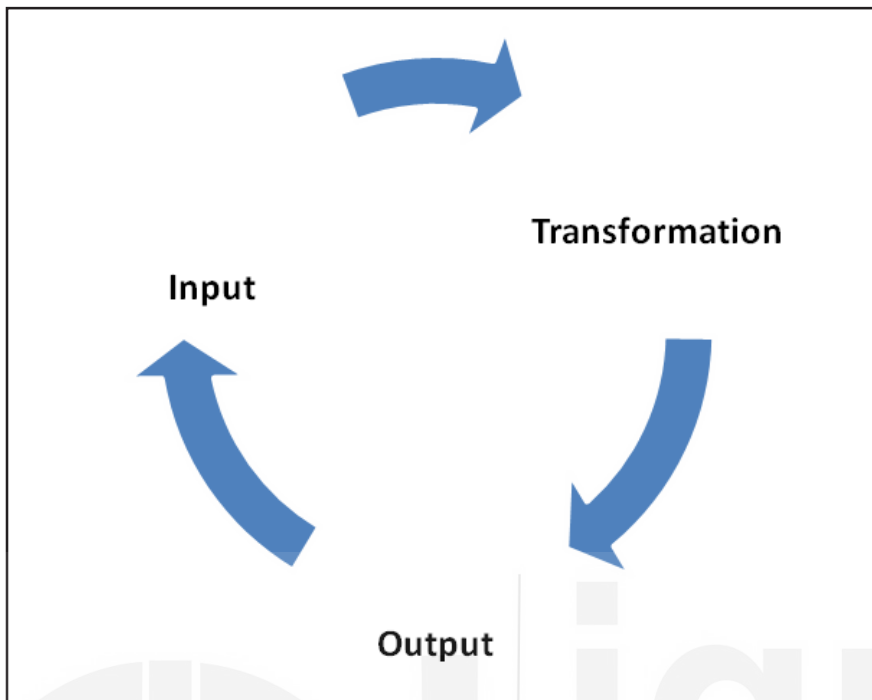


Fig. 1: Open Systems Approach

In an open system, the boundaries of an organisation are permeable to the external environment (such as suppliers, customers, and governmental regulators). In addition to an organisation's external task environment, there are four internal components:

Task: An organisation's mission, purpose or goal for existing.

People: People, both individuals and groups, make up the internal social system in the organisation. People are the living, thinking and feeling beings that created the organisation and try to achieve the objectives and goals.

Technology: The technology imparts the physical and economic conditions within which people work. It comprises the wide range of tools, knowledge, and/or techniques used to transform the inputs into outputs.

Structure: Structure defines the formal relationship and use of people in the organisation. It refers to the manner in which an organisation's work is designed and the different roles that people are given and how they relate to others. In order to coordinate work effectively, it is imperative that people working in an organisation are given different roles and they are related in some structural way to others.

An important implication of the conception of organisations as open systems in OB is the realisation that no social structure is self sufficient or self contained. An organisation is certainly open to its larger external environment making its nature very dynamic.

2.5.5 OB adopts a Cross-Cultural Approach

As the business environment is becoming global or international, a cross-cultural approach to the study of organisational behaviour is increasingly becoming crucial for two main reasons:

There are potential benefits to be gained in performance terms. Each country has its unique cultural characteristics which can provide sources of competitive advantage, and in some situations may also become liabilities.

Workplace attitudes and behaviour between individuals and groups in different cultural context varies. Cultural differences must be understood and managers must be sensitive to them in order to be successful in a global economy. It follows that the key concepts in the field of organisational behaviour may be influenced by national cultures and we should thus re-evaluate models and theories when applying them to other societies.

But first what is culture? Herskovits (1955) designated culture as the man-made part of the environment. Culture is a multifaceted concept (Trompenaars & Hampden-Turner, 1999), comprising an outer layer of artifacts and products (e.g. language, climate, dress, food, etc), middle layer (expressed values, norms, attitudes and behaviours), and a core layer that relates to the deepest assumptions concerning people and nature held by a particular society (e.g. how people see themselves, public versus private space, etc.).

Hofstede (1980) treated culture as the collective programming or software of the human mind. His work is recognized as a significant landmark in cross-cultural research and has important conclusions for organisational behaviour. Using an extensive survey using 116,000 respondents from 72 countries who worked for subsidiaries of IBM, Hofstede identified 4 main cultural dimensions:

Power distance is the acceptance of power hierarchy in institutions.

Uncertainty avoidance denotes the extent to which members of a society feel threatened by uncertainties and ambiguous situations.

Individualism/Collectivism describes people to be individualists, taking care only of themselves and their families. They are collectivists when they distinguish between ingroup and outgroups and expect their ingroups (relatives, clans, organisations) to look after them, in exchange for being loyal to them.

Masculinity/femininity perceives a society as being masculine when it values assertiveness, acquisition of money and things, and feminine when quality of life and caring for others are emphasized.

A fifth dimension, long term/short term orientation, added later (Hofstede, 2001) refers to the fostering of virtues like perseverance and thrift, oriented towards future rewards; as opposed to virtues related to the past and present, in particular, respect for tradition, preservation of 'face' and fulfilling social obligations.

Further, Hofstede asserted that "not only organisations are culture bound; theories about organisations are equally culture bound" (p. 378). For e.g., small power distance cultures such as the United States may be more compatible with the newly emerging flat structures and empowerment dimension of today's

organisations. In contrast, in large power distance cultures like ours, one can notice greater centralisation, hierarchical structures, visible signs of status differences between various levels of the organisation, and even deference and lording behaviour. These cultural dimensions alert us to recognize and understand the impact of national culture for effective management of people, and the study and understanding of workplace behaviour. A cross-cultural approach to OB is thus recommended strongly.

2.6 ORGANISATIONAL BEHAVIOUR IN THE INDIAN CONTEXT

OB made its first appearance in the Indian setting around the 1960s. The reviews of literature (Khandwalla, 1988; Sinha, 2008) identified three phases in the evolving nature of OB in India:

2.6.1 Replication

Initially, Indian studies replicated almost all Western theories, concepts and methods showing their universal validity. Inconsistent findings were simply brushed aside and attributed to lack of rigour in research design, improper methodology, and so on. However, as the number of such inconsistent findings kept increasing, Indian culture was brought in as an explanation. For e.g. Meade (1967) replicated Lippitt and White's study (1943) to demonstrate that because Indian culture is authoritarian, authoritarian leader may be more effective than a democratic one.

2.6.2 Disenchantment

As inconsistent findings kept mounting, Indian scholars began to get disenchanted with Western theories and models. For instance, Maslow's need hierarchy was not found to hold true in Indian organisations. The two-factor theory given by Herzberg also did not receive much support. Theory Y also did not seem to characterize Indians because Indians view work as a duty to be performed for the sake of one's family (Sinha & Sinha, 1990). There consists a culture of *aram* which roughly means rest and relaxation without (being) preceded by hard and exhausting work (Sinha, 1985).

2.6.3 Integration

Gradually, an amalgamative approach emerged that attempted to integrate Western and Indian contents and processes of organisational behaviour. This resulted in a number of streams of OB that tended to get integrated in varying degrees. Chakraborty (1991), for instance, enumerated some of the idealised Indian values rooted in the ancient psycho-spiritual thoughts, such as '*chitta-shuddhi* (purification of mind), self-discipline and self-restraint, etc. He suggested that these psycho-spiritual values have a normative role in transforming work organisations.

In contrast, some Western concepts were found to be relevant in the Indian context. For instance, the psychoanalytic framework has been used to understand the Indian psyche, culture, society and healing traditions (Kakar, 1978). In sum, OB in India has attempted to identify the functional ideas of Western origin and integrated them with indigenous ones.

2.7 IMPORTANCE OF ORGANISATIONAL BEHAVIOUR

Contemporary organisations and their environments are characterized by change. Changing times always pose a challenge for people and organisations. Too much change may lead to chaos; too little change may be stifling and may cause stagnation. Knowledge and understanding of OB during such dynamic times is particularly important for those who manage or even aspire to manage. For such people, a vital part of performing their roles effectively is understanding human behaviour in an organisational context. Theories about OB help managers understand how humans and organisations behave, help them make good business decisions, and guide them about actions to take or refrain from taking.

In particular, knowledge of organisational behaviour equips managers to deal with four critical challenges (Nelson & Quick, 2003):

- 1) increasing globalisation,
- 2) increasing diversity of organisational workforce,
- 3) continuing technological innovation with accompanying need for skill enhancement,
- 4) demand for ethical behaviour at work.

The topics studied in OB involve managers and other employees that are concerned with the efficient operation of an organisation in a rapidly changing world. The scope of OB includes topics such as the formal and informal organisation of the workplace, employee needs and motivation, leadership, interpersonal relations and group dynamics, communication, the work environment, organisational design, delegation of authority, change and change management, creation of a harmonious climate for employee-employer relations, conflict resolution, organisational development and effectiveness, organisational health, stress and its management.

In addition to managers, all of us are also inevitably involved in organisations of some sort throughout our lives. You may recall from unit 1 that in addition to work organisations, our society is made up of many other kinds of organisations, ranging from governmental, non-governmental, political, religious, educational, military, health, and social organisations. Knowledge of organisational behaviour is important as it helps us gain an understanding of how an organisation functions, how it affects our behaviour, and how we, in turn, affect the behaviour of others. To understand this context is part of understanding the world in which we live, and this underlines the relevance of OB.

2.8 LET US SUM UP

In this unit, we have discussed a brief overview of the field of organisational behaviour. The field of OB concerns itself with the study of the behaviour of individuals and groups in the context of organisations. There are three key aspects to defining organisational behaviour: (1) it uses a systematic, scientific and research-oriented approach; (2) it focuses on behaviour at three distinct levels of analysis, individual, group, and organisation; and (3) it is both basic and applied

in nature, basic in generating knowledge and applied in using that knowledge. The field of OB has four goals: to describe, understand, predict and control behaviour at the workplace.

Some of the major characteristics of the field today are: (1) OB seeks the betterment of human resources using a Theory Y approach as opposed to the traditional Theory X approach of management; (2) Instead of recommending a 'one best way' of managing, OB uses a contingency approach, implying that different situations require different behavioural practices for effectiveness.; (3) OB has a multidisciplinary focus, drawing from disciplines like psychology, social psychology, sociology, engineering, anthropology, management, and medicine; (4) OB recognizes organisations as open systems, constantly adapting to their environments through a continuous inflow and outflow of energy through permeable boundaries; and (5) OB adopts a cross-cultural approach, with the recognition that we should re-evaluate models and theories when applying them to other cultures.

Three phases have been identified in the evolving nature of OB in India: replication of Western theories and concepts, (2) disenchantment with them, and (3) integration of Western and Indian concepts of OB. OB is a particularly important field in contemporary times for managers and others who are concerned with the efficient operation of an organisation in a rapidly changing world.

2.9 UNIT END QUESTIONS

- 1) Describe the field of organisational behaviour. What are the basic goals of organisational behaviour?
- 2) Define organisational behaviour. Enumerate the major distinguishing characteristics of the field of organisational behaviour.
- 3) Describe the phases in the development of OB in India with suitable examples.
- 4) Contemporary man is man in organisations. Hence organisational behaviour is a relevant field of study. Discuss.

2.10 GLOSSARY

Open system	: A continuous inflow and outflow of energy through permeable boundaries.
Organisational structure	: The way in which individuals and groups are arranged with respect to how roles, responsibilities and power is delegated, controlled and coordinated, and how information flows between levels of management.
Technology	: The technological aspect of an organisation includes the buildings, machinery, equipment, and tools used by the employees to make different products.
Two-factor theory of motivation	: Postulates that certain factors in the workplace result in job satisfaction and motivation

(motivators like recognition, challenging work), but if absent, do not lead to dissatisfaction but no satisfaction. Conversely, there are other factors (hygiene factors like fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

2.11 SUGGESTED READINGS

Greenberg, J. & Baron, R.A. (2003). *Behaviour in Organisations: Understanding and managing the human side of work*, 8th Ed. New Delhi: Prentice Hall of India

Robbins, S.P., Judge, T.A., & Sanghi, S. (2009). *Organisational Behaviour*, 13th Ed. New Delhi: Pearson-Prentice Hall.

Sinha, J.B.P. (2008). *Culture and organisational behaviour*. New Delhi: Sage.

2.12 ANSWERS TO SELF ASSESSMENT QUESTIONS

1) a) False and b) True

UNIT 3 FUNDAMENTAL CONCEPTS IN ORGANISATIONAL BEHAVIOUR

Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 The Nature of People
 - 3.2.1 Individual Differences
 - 3.2.2 Differences in Perceptions
 - 3.2.3 A Whole Person
 - 3.2.4 Motivated Behaviour
 - 3.2.5 Value of the Person (Human Dignity)
- 3.3 The Nature of Organisations
 - 3.3.1 Social Systems
 - 3.3.2 Types of Organisations
- 3.4 Organisational Paradigm Shift
- 3.5 Organisational Outputs
- 3.6 Holistic Organisational Behaviour
- 3.7 Let Us Sum Up
- 3.8 Unit End Questions
- 3.9 Glossary
- 3.10 Suggested Readings
- 3.11 Answers to Self Assessment Questions

3.0 INTRODUCTION

Earlier you have read about the definition and importance of organisational behaviour. In the present unit we will discuss the fundamental concept in organisation development. It covers the nature of people (i.e individual differences, differences in perceptions, a whole person, motivated behaviour and value of the person) and nature of organisation (i.e social systems and types of organisations).

3.1 OBJECTIVES

After reading this unit, you will be able to:

- Explain the fundamental concepts of organisational behaviour;
- Describe the five basic premises that the field of organisational behaviour makes about people; and
- Describe the two key assumptions regarding the nature of organisations.

3.2 THE NATURE OF PEOPLE

Every field has certain fundamental concepts which guide its development and in a sense, its past, present and future. These concepts do not lend themselves to

the question ‘But why?’ or ‘Why so?’ These are something which have to be accepted by those in the field and not questioned. They are the foundation stones on which the entire edifice of the discipline is developed. Of course some of such ‘fundamental’ concepts may prove to be inaccurate as in the case of ‘Sun revolves around the Earth’. In physics, for example, ‘every action has an equal and opposite reaction’, ‘the law of gravity’ are some fundamental concepts that have stood the test of time. In a similar manner, the field of organisational behaviour starts with a set of fundamental concepts (Davis & Newstorm, 1989) with respect to (1) the nature of people; (2) the nature of organisation; and (3) the result (Refer Figure 1).

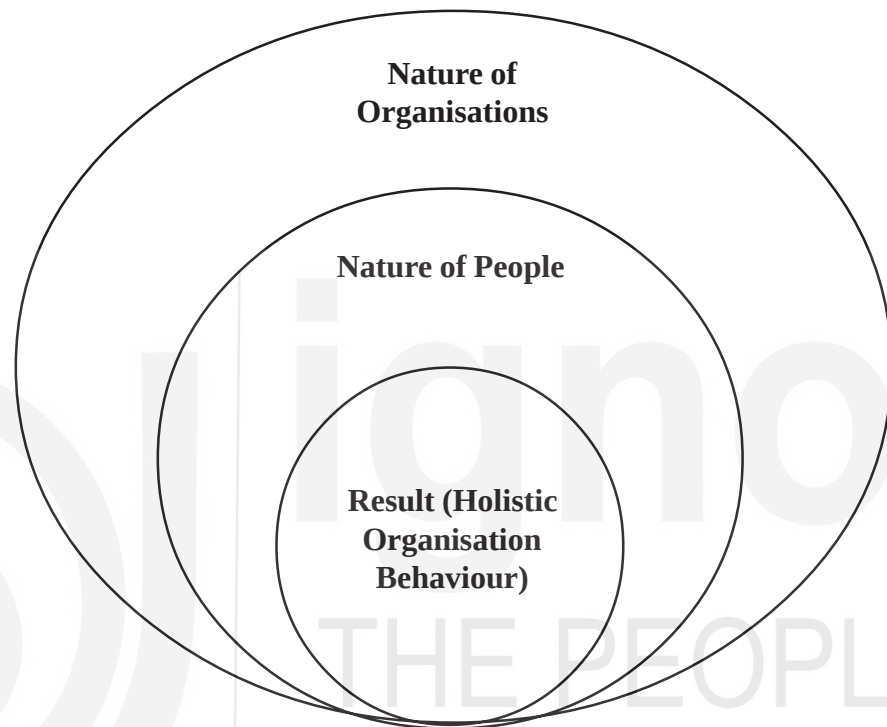


Fig. 1: Basic Concepts in OB

Figure 1 shows overlapping relationships among the basic concepts in organisational behaviour: nature of organisations, nature of people working in the organisations, and the end result in the form of holistic organisation behaviour. When all the fundamental concepts of organisational behaviour about organisation and people are taken together, it provides a holistic concept of the subject. Holistic organisation behaviour interprets people-organisation, relationships in terms of the whole person, whole group, whole organisation, and the whole social system. In order to understand the multiple factors that influence behaviour of people at work, issues should be analyzed in terms of the total situation affecting them rather than in terms of an isolated event or problem.

In this unit, we will examine the fundamental concepts of organisational behaviour which are related to the people, the organisation, and the result.

With regard to people, there are five basic premises that the field of organisational behaviour makes. Let us review them one by one.

3.2.1 Individual Differences

The idea of individual difference comes originally from psychology. Psychology, as you know studies people at three levels of analysis, as articulately summed by Murray and Kluckhohn (1953, p. 35) in their dictum:

“Every man is in certain respects

- a) like all other men,
- b) like some other men,
- c) like no other man.

People do have much in common- we all are capable of loving, we all want to be appreciated. Yet, whom, how or when we chose a love object may differ; what we want to be appreciated for may again differ.

From the day of birth, each person is unique, and individual experiences after birth accentuate these differences. Every individual in the world is different from others. This is a fact also supported by science. Each person is different from all others, probably in million ways, just as each person’s DNA profile (and fingerprints) is different. This belief that each person is different from all others has been termed the Law of Individual Differences.

Throughout history, human beings have been aware of individual differences throughout history and have been attempting to apply this knowledge in various domains. For instance:

Gender differences: hunters=men, gatherers=women

Intelligence differences: caste, education, etc.

Personality differences: occupations, job specialisations

The implications of individual differences at the place of work are manifold. In fact, personnel psychology, the oldest and most traditional activities of I/O psychologists was concerned with individual differences and hence dealt with recruiting, selecting and evaluating personnel. When applied to management, this implies that each individual will say, differ in their motivation level and will also require different techniques of motivation. Can you imagine if everybody was similar, how easy managing employees would be! Management would have to simply come up with an across-the-board way of dealing with employees, and everyone would be satisfied and productive.

3.2.2 Differences in Perceptions

Just as people differ from one another, similarly their perceptions too differ. Individual members have different perceptions of the reality of the organisation. Each member has limited organisational views or horizons based on factors such as past experience, personalities, needs, demographics factors, biases, position, hierarchical level, etc. The real organisation exists in the collective mind of all organisational members.

Perception: The active and complex process through which we select, organize and interpret information about the world around us is perception and this is extremely valuable when it comes to explaining many different types of situations faced in organisations. For example, assume you have applied for a job in an organisation. Your prospective employer tries to make a judgment about you (based on your resume and interview). Would you be committed or insincere? At the same time, you are attempting to form your impressions about your prospective boss and company? Will he be easy to work with? Will the work be interesting? This in turn will influence your behaviour.

The process of perception is especially important to organisational behaviour. In particular, social perception is very crucial in organisations. This process allows people to make reasonably accurate judgments about other person's state of mind, emotions, and intentions. Socially competent people then use these inferences about other people's inner states to make good decisions about how to behave socially in the context of organisations.

Three important applications of social perception for organisational functioning are described briefly:

Employment interview: The impressions prospective employers form of us are based on both verbal and nonverbal communication, including how we dress and project ourselves.

Corporate image: Not only do candidates want to make a good impression on prospective employers, but organisations too want to create a good impression on people. An organisation's overall impression on people, its corporate image, greatly determines its ability to attract qualified job applicants.

Performance Appraisal: The formal evaluation of job performance of another-performance appraisal- is perhaps the most obvious instance in which social perception occurs. Although this process should be rational and objective, it is far from so. For instance, research has shown that people judge as superior those individuals who are similar to them.

3.2.3 A Whole Person

When studying organisational behaviour, it is imperative to remember that organisations are dealing with a whole person, not just his knowledge, skills and abilities (much as employers would like to!). An organisation not only hires a set of hands of a worker but a complete person with all his strengths and limitations. People do not enter organisations as blank slates, plain wax to be molded as per organisational requirements. We all have attitudes, perceptions, and ways of behaving shaped by our heredity and past experience. We also don't ever become totally immersed within the organisation; a substantial part of our lives remains outside if we are to remain emotionally healthy.

With respect to one's socio-cultural preferences and values, Khandelwal (2009) concluded, "It is preposterous to assume that when employees arrive to work they can or should leave at the point of entry their cultural baggage, and pick it up at the end of the workday for use in their non-work life and activities" (p. 215). People function as total human beings. An employee's home life is not completely detached from his work life, and emotions cannot be separated from cognitions. Research (for instance, Frone et al., 1992) has documented a bidirectional spillover effect between work-family conflict such that spillover may occur from *work-to-family* and from *family-to-work*. There is also recognition that positive outcomes can accrue from participation in both work and family roles as work-family facilitation. Similarly, studies have reported significant, positive relationships between job satisfaction and life satisfaction, generally ranging from .31 to .44 (e.g., Rode, 2004).

Imagine that a woman who has to care for her ailing father at home and nurse her infant will be required to leave office early enough to pick up her child before

the day care center closes. She might also be distracted if an official meeting begins late in the evening and might be checking her watch again and again. This will impact her concentration and her working life. If the manager treats her like a whole person, he may be able to empathize with her predicament and take necessary corrective measures. If the whole person is developed, only then will the benefits extend beyond the organisation to the entire society in which the employee lives.

Recognizing this, many companies are using innovative techniques like 'cafeteria-style' or flexible compensation systems (that allow employees to choose from a variety of benefits offered by the company, such as dental plan, pension plan, leave allowance, etc.) or *flexible time* working arrangements, and so on. Many companies now offer facilities like crèches, gymnasiums etc. for their employees. Google, for instance, offers perks like on site hair cuts, video games, and swimming pools, massage rooms, and even allows its employees to bring their pets to the office. Talk about being treated like a whole person!

3.2.4 Motivated Behaviour

Simply put, all behaviour is motivated. Although a few human activities occur without motivation, nearly all conscious behaviour, particularly that at the workplace, is motivated or caused. We are motivated to satisfy certain needs and have skills and aspirations. Each of us tends to develop certain motivational drives as a product of the cultural environment in which we live, and this affects the way we view our jobs and approach our lives. In the case of needs, people are motivated not by what we (or their managers) think they ought to have but by what they themselves want. A manager's job is to identify employees' needs and drives, and channel their behaviour towards task performance.

Managers can use two basic ways to motivate people: one, it can show them how certain actions will lead to their need fulfillment (for instance, increasing company sales will result in a good commission which in turn will satisfy self-esteem needs). Two, managers can threaten decreased need fulfillment if they engage in undesirable behaviours (for instance, if they do not increase company sales, they may be fired, which in turn will threaten self-esteem and even security needs). Undoubtedly, the first approach is a better one to motivate employees.

The role that motivation plays in creating productive organisations can be illustrated with the help of the following equations (Davis & Newstorm, 1989):

Knowledge x skill = ability

Attitude x situation = motivation

Ability x motivation = performance

Performance x resources = organisational productivity

Thus, knowledge and one's skill in applying it constitutes ability. Motivation results from a person's attitudes reacting in a specific situation. Motivation along with ability together determines a person's potential performance in any activity. It is also reasonable to assume that if employees have been selected in organisations after rigorous screening, their abilities will be nearly similar. What makes the crucial difference in contributing to their performance is then their motivations. Finally, performance coupled with resources (economic, material

and technical such as materials, tools, funds, etc.) results in organisational productivity.

3.2.5 Value of the Person (Human Dignity)

This is more an ethical premise rather than a scientific one. It asserts that people want and should be treated differently from other factors of production (land, capital, labour), because they are of a higher order in the universe. For this reason, they want to be treated with respect and dignity from their employers and society.

Every job, no matter how simple or menial, entitles the people who do it to proper respect and recognition of their unique aspirations and abilities. The concept of human dignity rejects the old notion of seeing employees as merely economic tools (recall McGregor's Theory X, the management philosophy that prevailed more than a hundred years ago!)

The metaphysical recognition that life has an overall purpose and that each individual has an inner integrity underlines the importance of ethics. In order to attract and retain valuable employees in an era in which good workers are constantly required, ethical treatment is imperative. To succeed, organisation must treat employees in an ethical fashion. Every Company is required to establish codes of ethics, publicize statements of ethical values, provide ethics training, reward employees for notable ethical behavior, publicize positive role models, and set up internal procedures to handle misconduct.

Self Assessment Questions

Answer the following questions:

- 1) The nature of people is:
 - (a) Basic differences (b) Joint differences (c) Individual differences
 - (d) Family differences
- 2) Which one of the following premises about people is NOT held in the field of organisational behaviour?
 - (a) Part person (b) Differences in perception (c) Human dignity
 - (d) Motivated behaviour

3.3 THE NATURE OF ORGANISATIONS

There are two key assumptions regarding the nature of organisations, that they are social systems and that they are formed on the basis of mutual interest. Let us discuss these two premises now.

3.3.1 Social Systems

Organisations are contrived social systems and not just a collectivity of individuals. Organisations are created, maintained, and frequently disbanded by people. Consequently their activities are governed by social and psychological laws. They have social roles and status. Their behaviour is influenced by their group as well as their individual drives. In fact, in organisations two types of social systems exist side by side. One is the formal social system, and the other is the informal social system. You may recollect the classic Hawthorne studies where the norms imposed by the informal social system led to restriction of output by group members in the bank wiring room study.

A social system is a complex set of human relationships interacting in many ways. Within an organisation, the social system includes all the people in it and their relationships to each other and to the outside world. Organisation environment in a social system is dynamic. All parts of the system are interdependent. The behaviour of one member impacts, either directly or indirectly, the behaviour of others. Also, the social system does not have rigid boundaries in that it exchanges goods, ideas, culture, etc. with the environment around it. Thus, the organisation is influenced not only by other parts of the organisation, but the society at large as well. All the employees who constitute the organisation are members of the society from which they come. Any organisation that has an inconsistent value system with the external society may not last over a long period of time.

The idea of a social system provides a framework for analyzing organisational behaviour issues. Individual factors are understood in conjunction with interpersonal, group and intergroup relationships, and broader system-wide characteristics.

3.3.2 Types of Organisation

There are different types of organisations and these are

- Short term / intercultural organisations
- Long term development organisations
- Conservation / environmental organisation
- Recruitment / placement organisation
- Relief / Emergency organisations

Short term intercultural organisations are ones that encourage responsible, responsive international volunteering. It contains lists of questions to help the person concerned to make use that they have thought about the issues raised and that they know they are important. By signing it, the person concerned can show that they support the principles that they set out.

The long term development organisation have their focus on empowering local people and involves some kind of skills transfer, and require specific educational or professional qualifications.

The conservation / environmental organisation is primarily concerned with conservation and environmental work. They have been classified separately, as there is an increasing number of organisations that works in this area whose emphasis is slightly different to the intercultural exchanges. The term is used to cover all organisations that list their primary activity as relating to conservation/ environmental work.

The recruitment /. Placement organisation is concerned with placements or programmes but that are not themselves involved in organising or running volunteer programmes. This category is used to cover organisations that match volunteers with placements or programmes, but that are not themselves involved in organising or running volunteer programmes. Such organisations may be for-profit or not-for-profit, and may or may not charge a fee for their services.

The focus of this work is on emergency situations, which could arise as a result of conflicts or natural disasters.

In addition to them above organisations are also formed and maintained on the basis of some mutuality of interest among organisational members. Even the definition of an organisation says that it is “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” (Robbins, 1991, p. 4). Clearly then, mutuality of interest between organisations and people is necessary.

Organisations need people and people in turn need organisations. People satisfy their personal needs through organisation and organisations accomplish their goals through people. Mutual interest provides a super ordinate goal that integrates the efforts of individuals and groups, resulting in superior organisational performance and effectiveness. It must be borne in mind that the organisational and employee interests are deeply intertwined in such a way that if the interests of one suffer, the interests of the other too will suffer. Both the employees and the organisation can only prosper if they help each other to prosper.

3.4 ORGANISATIONAL PARADIGM SHIFT

From traditional hierarchic paradigm it shifts to flexible networks. For instance from dependence to interdependence, from attendance to commitment, from obedience to involvement and from impersonal to personal.

Current macro issues facing organisations include globalisation which includes mergers and takeovers, banking and financial systems, competition and marketing.

Another macro issue facing organisation is the organisation design which includes downsizing, re engineering and teams.

The third macro issue facing organisation includes empowering employees which involves treating them as partners or associates, and not as employees. Another issue under this is to care for the employees rather than keeping them at a distance from self .

Here the personal side of the employee is important.

The fourth issue is speed in the sense that how fast the products and services can be delivered to customers. In other words it is the customer driven system.

The fifth issue is the communication technology which involves instant communication, a communication which will be flexible in terms of groups and tasks and the downsizing of the organisation.

The two fundamental concepts in organisational behavior include that organisations are only as good as the quality of their managers. The key competitive issues are the employee motivation, employee education, and Human resources issues.

Organisation is defined as a social entity that is consciously coordinating to achieve selected goals. The nature of organisations can be considered in terms of social system, that is activities governed by social and psychological laws. The

internal environment of the organisation is forever changing and the organisation needs people and people need organisations.

The definition of management is achieving organisational goals through and with the efforts of others and helping others to achieve their goals. Management may be considered successful if managers spend most of their time managing the behavior or performance of others. Management is intensely interpersonal.

Management processes involve planning, organizing, leading and controlling. Thus a basic management model would involve coordinating the behaviour of individuals, groups and organisations. All these would eventually lead to production, satisfaction and efficiency.

The modern management is a composite of models. This would include the systems model, the process model, the contingency model and the effective modern management model. For all these, the skills that managers need are (i) interpersonal skills (ii) Technology skills (iii) conceptual skills.

The manager development process includes the training and experience, organisational goals and characteristics which all lead to management skills such as the core skills, administrative skills, interpersonal skills, personal skills and conceptual skills. In turn these lead to better performance of managers which tends towards a positive high performance and goal achieving environment.

How to get the manager empower the work force? This is a question that needs an answer. This can be done if managers are prepared to give up controls and workers are prepared to accept responsibility on their part. Successful managers are good behavioural scientists.

Organisational behavior provides the building blocks for advanced study in:

Leadership

- Performance management
- Strategic human resource management
- Organisational theory
- The manager and worker interface.

Organisational behavior is concerned with the following: (i) individual differences (ii) fundamental consistencies (iii) intuition (iv) systematic survey.

Organisational Effectiveness is also a central concern of organisational behavior. It is directed towards individual effectiveness, group effectiveness and organisational effectiveness.

3.5 ORGANISATIONAL OUTPUTS

Just as people do not act without a reason, organisations also do not exist without purposive activities. They must *do something* that result in various types of outputs. For instance, organisations might develop a car, motorcycle, garment, detergent, healthy patients, educated and informed students, or any other product or service. No study of organisational behaviour can be complete without looking at the issues of performance and output.

Most organisations try to be productive. Productivity is a ratio that compares units of output with units of input. Although productivity is generally measured in terms of economic inputs and outputs, but human and social inputs and outputs are equally important. For example, if team building activities in an organisation's training program lead to a by-product of more cohesive citizens even within a community, a valuable social output has occurred.

Katz and Kahn (1978) have classified different types of organisations on the basis of its primary activity:

Productive or economic: This is concerned with the creation of wealth, the manufacture of goods, and the provision of services for the general public.

Maintenance: This, for instance, schools and other educational institutions, concerned with the socialisation of people to fulfill roles in other organisations and in society.

Adaptive: Research establishments, concerned with the pursuit of knowledge and the development and testing of theory.

Managerial or political: Government departments or trade unions. These are concerned with adjudication, coordination, and control of resources (both physical and human) and other sub-systems.

Of course, such a distinction lacks refinement and not all organisations fit neatly into one classification. For instance, most universities combine research with teaching. The important thing to remember then is that organisations exist to achieve *some* results.

In addition to short-term output, as organisational behaviourists, we are also concerned with *development* processes. This implies building a better organisation that allows individuals, groups, and the total organisation to maximize their potentials and to improve performance over the long run.

3.6 HOLISTIC ORGANISATIONAL BEHAVIOUR

This refers to interpreting people and organisational relationship in terms of the whole person, whole group, whole organisation and the whole system. When the eight fundamental concepts of organisational behaviour are considered together, they provide a holistic view of the subject of organisational behaviour. An across the board view of people in organisation and a total situation focus rather than a sample event or sample problem.

According to Davis and Newstrom (1989), "holistic organisational behaviour interprets people organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system" (p. 13).

Because the subsystems of any organisation are interdependent, managers must take a holistic view of the organisation in order to manage organisational behaviour. A holistic view encompasses the culture and the dominant coalition, as well as the people, tasks, structure, and information subsystems.

Basic approaches to organisational behavior consists of

- HR approach
- Contingency approach
- Productivity approach
- Systems approach.

The Human Relations approach is concerned with employee growth and development and considers this as very important. As for contingency approach, it is concerned with differing environments and goals that demand different behaviours. Systems approach however is concerned with all parts of an organisation which all interact with each other in a complex manner.

Organisational behavior requires a mixture of all the above four approaches

Let us see some of the major characteristics of organisational behavior and these are given in the table below:

Major characteristics of organisational behaviour

3 Levels of Analysis	Individual, Group and Organisation
Interdisciplinary	Psychology, sociology, anthropology and political science
Humanistic orientation	Attitudes, perception, needs and emotions
Performance orientation	The ultimate goal of organisational behavior is to improve, sustain and encourage effective performance
Recognition of external environment	Technology, law, competition, economy
Practical application	Organisational behavior knowledge must be useful to practicing managers
Organisations as social systems	Relationship among individuals and groups in organisations. Create expectations for the behavior of individuals
Contingency approach	There is no one best way, best depends on the situation
Structure and process	Both play key roles in understanding organisational behavior.

Let us now consider the relationship of organisational behavior to other closely related disciplines. These are given in the table below.

Relationship of organisational behavior to other closely related disciplines

Theoretical	OT (Organisational Theory)	OB (Organisational Behaviour)
Application	OD (Organisational Development)	P/HR (Personal / Human Resources).

In addition to the above, there is also a typical model of organisational behavior and this is given in the table below.

A model of Organisational Behaviour			
Management's	Organisational culture	Leadership	Quality of worklife
Philosophy		Communication	
Values		Group dynamics	Motivation
Vision			
Goals			Outcomes
	Social environ		Performance
			Individual Satisfaction
	Formal Orgn	Informal Orgn	

Every organisation has a psychological and an economic contract. These two are given in detail below in the boxes.

The psychological contract		
Loyalty	Expect (unwritten exchange)	Job security
Creativity		Fair treatment
Extra effort		Rewarding relationships
		Developmental opportunity

The Economic contract		
Time	Expect (Written exchange)	Wages
Talent		Hours
Energy		Reasonable working condns

Organisational behavior is influenced by a large number of variables and these are given in the box below.

Variables influencing individual behaviours		
The person		The environment
Skills		Organisation
Abilities		Work group
Personalities	Behaviour	Job
Perceptions		Personal life
Attitudes		
Values		
Ethics		

Organisational behavior as a contingency model

Universal / Contingency view

Universal view = Same managerial principles apply to every situation

Contingency view = Appropriate managerial action depends on the situation.

Major dependent variables in Organisational Behaviour: Determinants of productivity, absenteeism, turnover, job satisfaction and citizenship

Major independent variables in organisational behavior: Determinants of productivity, determinants of absenteeism, determinants of turnover, determinants of job satisfaction and determinants of citizenship.

3.7 LET US SUM UP

In this unit, we have discussed some fundamental concepts in the field of organisational behaviour. Every field of social science, or even physical science, has a philosophical foundation of basic concepts that guide its development. There are some certain philosophical concepts in organisational behaviour also. These are related to the nature of people, the nature of the organisation, and the result.

With regard to the nature of people, the field of organisational behaviour rests on five basic premises: (1) each person in the world is individually different from all others; (2) Peoples' perceptions of other people and even work too differ, and are determined by our past experiences, personalities, needs, demographics factors, and biases; (3) organisations employ a whole person, rather than certain characteristics, since people function as total human beings; (4) normally, human behaviour is motivated, i.e. it has certain causes, and such motivation is essential to the operation of organisations; and (5) People should be treated with respect and dignity, no matter how menial the job might be, because human beings are the highest creation of God.

With regard to the nature of organisations, the two key concepts are that (1) organisations are social systems, with all parts of the system being interdependent and subject to influence by any other part; and (2) the interests of organisations and its people are mutually intertwined. People see organisations as a means to help them reach their goals, while organisations need people to help reach organisational objectives. Just as people do not act without a reason, organisations also do not exist without purposive activities. The results of organisations (generally measured in performance terms) make the study of organisational behaviour complete. When all these fundamental concepts of organisational behaviour are considered together, they provide a holistic view of the subject. The field of organisational behaviour uses a systems approach, that is, it interprets people-organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system.

3.8 UNIT END QUESTIONS

- 1) Critically examine the fundamental concepts that form the basis of organisational behaviour. Which concepts, in your opinion, are more important than the others? Explain.
- 2) Discuss the implications of the assumptions regarding the nature of people for managers.

- 3) Consider the assumption of mutuality of interests between an organisation and its people. Is it equally true for all organisations? Give examples where this might and might not hold true.

3.9 GLOSSARY

Flexible time	:	A system of work which allows employees to start and finish work between a flexible range of total hours, as long as they work a fixed amount of hours each day or week. For example, an employee may be required to work eight hours a day, but may start work at any time between 7 am and 9 am and finish work eight hours later, between 3 pm and 7 pm.
Social perception	:	The processes through which we use available information to form impressions and understand other people and groups of our social world, to assess what they are like.
Super ordinate goal	:	These are goals that get people who have individual goals (normally in opposition to each other) to come together, cooperate and work toward a common end result.

3.10 SUGGESTED READINGS

Davis, K. D. & Newstrom, J. W. (1989). *Human behaviour at work: Organisational Behaviour*, 8th Ed. New Delhi: McGraw-Hill.

Mullins, L. J. (2005). *Management and organisational behaviour*, 7th Ed. New Delhi: Prentice Hall.

3.11 ANSWERS TO SELF ASSESSMENT QUESTIONS

- c) Individual differences
- a): Part person

UNIT 4 DIFFERENT MODELS OF OB (AUTOCRATIC, CUSTODIAL, SUPPORTIVE AND COLLEGIAL, ETC.)

Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Models of Organisation
 - 4.2.1 The Autocratic Model
 - 4.2.2 The Custodial Model
 - 4.2.3 The Supportive Model
 - 4.2.4 The Collegial Model
- 4.3 Comparison of the Models of Organisational Behaviour
- 4.4 Conclusions about the Models
 - 4.4.1 The Models Are, In Practice, Subject To Evolutionary Change
 - 4.4.2 The Models Are Based On Incremental Values
 - 4.4.3 The Models Are a Function of Prevailing Employee Needs
 - 4.4.4 There Is a General Trend towards Newer Models
 - 4.4.5 Contingent Use of All Models
- 4.5 Let Us Sum Up
- 4.6 Unit End Questions
- 4.7 Glossary
- 4.8 Suggested Readings
- 4.9 Answers to Self Assessment Questions

4.0 INTRODUCTION

As you already know by now, organisational behaviour is the study and application of knowledge about how people, individuals, and groups act in organisations. It does this by taking a *system approach*, that is, it interprets people-organisation relationships in terms of the whole person, whole group, whole organisation, and whole social system (as we saw in Unit 3). Its purpose is to build better relationships by achieving human objectives, organisational objectives, and social objectives. All these elements combine to build the model or framework that the organisation operates from.

In contemporary times, managers confront many challenges and opportunities. These challenges are the result of environmental changes occurring due to factors such as globalisation, information technology, quality consciousness, workforce diversity, and ethics. Organisational behaviour models help managers to face these challenges and take appropriate actions.

The model that a manager holds depicts the assumptions that he or she makes about people and influences his/her interpretation of events. Understanding of such models therefore provides a powerful albeit unconscious guide to managerial

behaviour. These models are also helpful in understanding the context of the manager-employee relationships. This includes how employees may respond to the various orientations of managers, the general behavioural climate that prevails in the manager-employees relationship, etc. Various models of organisational behaviour have been postulated by several scholars, most notably Keith Davis (1967). Many models of organisational behaviour have emerged during the last 100 years or so, and four of them are significant in contributing to our understanding of frameworks that organisations operate out of. These are Autocratic, Custodial, Supportive, and Collegial.

In this unit, we will discuss and critically examine the aforementioned models of organisational behaviour, namely, autocratic, custodial, supportive, and collegial. In the order mentioned above, the four models represent a historical evolution of management thought and practice during the last 100 years or so. These models show the evolution of the thinking and behavior on the part of both management and managers. They also express the shift in the outlook of managers in viewing their employees and the resultant organisational environment. Davis states that managerial practices have been evolving from the autocratic model to a custodial model and then to a supportive one. The autocratic model predominated about 75 years ago. In the 1920s and 1930s it yielded ground to the more successful custodial model. In this generation, the supportive model has been the most popular. In this unit, we shall also compare these four models along with their various facets.

4.1 OBJECTIVES

After reading this unit, you will be able to:

- Describe the four models of organisational behaviour, viz. autocratic, custodial, supportive, and collegial;
- Critically examine the four models of organisational behaviour; and
- Compare the various models of organisational behaviour.

4.2 MODELS OF ORGANISATION

There are different types of organisational behavior models and these are described in this unit. Organisations differ in the quality of the systems they develop and maintain and in the results they achieve. Varying results are substantially caused by different models of organisational behavior. These models constitute the belief system that dominates management's thought and affects management's actions in each organisation. Therefore, it is highly important that managers recognize the nature, significance, and effectiveness of their own models, as well as the models of others around them, four models of organisation behaviour.

These are as follows:

- 1) Autocratic
- 2) Custodial
- 3) Supportive
- 4) Collegial

Let us take each of the models and discuss.

4.2.1 The Autocratic Model

"Might is right" is the motto of the theory. It depends upon power. Those who are in command must have power to demand. Employees are to follow their boss. Management thinks that employees are passive and resistant to organisational needs. It is just like theory developed by McGregor. Under autocratic conditions the employee orientation is obedience to a boss, not respect for a manager. The psychological result for employee's orientation is dependence on their boss, whose power to hire, fire, etc., is almost absolute. The boss pays minimum wages because minimum performance is given by employees. They are willing to give minimum performance though sometimes reluctantly because they must satisfy subsistence needs for themselves and their families.

The autocratic model has existed for thousands of years. During the Industrial Revolution, it was the prominent model of organisational function. The managers of this type of organisation operate mostly out of Mc Gregor's Theory X. As you might recall, this philosophy of management assumes that people are inherently lazy, dislike work, and will avoid work if they can. As a result, management needs to closely supervise workers and develop comprehensive systems of control. Beliefs of this theory lead to mistrust, highly restrictive supervision, and a punitive atmosphere.

The model depends on power with a managerial orientation of authority- those who are in power act autocratically. The message to employees is- '*You do this, or else*', meaning that employees who do not follow orders are penalised, often severely. In an autocratic environment the managerial orientation is formal, official *authority*. This authority is delegated by right of command over the people to it applies. The employees in turn are oriented towards obedience to a boss, not respect for a manager. The psychological result for employees is dependence on their boss, whose power to hire, fire, and "perspire" them is almost absolute.

The employee need that is met is *subsistence* (for themselves and their families). The boss pays minimum wages because minimum performance is given by employees. Some employees give higher performance because of an internal achievement drive, because they personally like the boss, because the boss is a natural leader, or because of some other situational factor; but most of them give only minimal performance.

When an autocratic model of organisational behaviour exists, the measure of an employee's morale is usually his compliance with rules and orders. Compliance is "unprotesting assent without enthusiasm" (Hicks, 1971, p. 186). The compliant employee takes his orders and does not talk back.

The autocratic model uses one way downward communication emanating from the top down to the workers. Management believes that it knows best. Employees are obligated to follow orders. Management does the thinking; employees have to obey the directives. Under such conditions, the "worker's role is *obedience to management*" (Zastrow, 2009, p. 260).

Although modern writers have an inherent tendency to condemn this model, it is actually very effective in some settings, for instance it works well especially in times of an organisational crisis. Military organisations throughout the world are based on this model. This view of work built great railroad systems, operated

giant steel mills, and produced the spectacular industrial civilisation in the United States. It, however, also has a number of disadvantages. Workers are often in the best position to identify shortcomings in the structure and technology of the organisational system, but downward communication prevents feedback to management. The model fails to generate commitment among workers to accomplish organisational goals. Lastly, the model fails to motivate workers to further develop their skills- skills that might even help the employer. It often has disturbing side effects- employees feel insecure, frustrated, and may even have feelings of aggression towards the management. Since employees could not vent these feelings directly, sometimes they vented them on their families, friends and neighbours, leading to the suffering of the entire community.

Large commercial organisations have moved away from hierarchical organisations to models where there are relatively autonomous groups of front line staff, supported by the technical staff and management. Control is exercised by the users/consumers and their requirements, translated through information and operational systems that highlight the degree to which consumer demand is being successfully met. The demands of a 'Just in Time' system of production, for example, provide the structure and discipline to front line staff formerly supplied by hierarchical managers. The manager's task in this case is to assess variances in performance and ensure the system is integrated effectively. This thinning of hierarchies and distributing of responsibility to front line teams has been termed heterarchical where there are many nodes of power and responsibility. Another version is provided by The Visa Company (jointly owned by its member banks) which developed what its founder Dee Hock called a 'chaordic' organisation, combining organisation and chaos. For social innovation, such models are particularly applicable to large charities and to public services.

Many social ventures try and avoid strict hierarchical structures by remaining small and by sub-dividing (like cells) or collaborating with other similar ventures. Some have adopted a franchised model, to allow each unit to remain relatively small, while benefitting from economies of scale for the group of ventures as a whole. This is the basis for the expansion of Riverford organics, which franchises distributors of its organic produce, while involving 12 sister farms in a co-operative of regional producers. This structure was intentionally adopted by the founder of Riverford, Guy Watson, to keep his venture small, and production local. The resulting network now delivers 47,000 organic food boxes a week.

Different development stages of the innovation will require different forms and styles of leadership and management. In the initial stages, leadership is that of a pioneer. As the organisation develops, leadership needs to take on the skills of adapting, listening and learning. Management is not only about the giving of orders, but it is about seeding multiple centres of activity and initiative and building forums to allow this mosaic of energy to interact, channelling debate and tension into further innovation.

There is commonly a tension between the demands of continuing operations and the venture's ability to maintain innovation. The financial and managerial demands of innovation may put pressure on existing business. There are different management styles that may be appropriate for innovation and operations. Spin offs are one way of managing this tension. Careful succession planning is another, permitting the initial innovators to move on to the new tasks.

4.2.2 The Custodial Model

Workers being managed under the autocratic model often feel insecurity and frustration. They may even show aggression towards their boss and their families and neighbours. That is why progressive managers felt that there must be some way to develop better employee relationships so that insecurity and frustration could be dispelled. The custodial model provides for employees' dependence on organisation rather than dependence on their boss. The model emphasizes economic reward, security, organisational dependence, and maintenance factors. The custodial approach leads to employee dependence on the organisation. Rather than being dependent on their boss for their weekly bread, employees now depend on organisations for their security and welfare.

Employees working in a custodial environment become psychologically preoccupied with their economic rewards and benefits. As a result of their treatment, they are well maintained and contented. However, contentment does not necessarily produce strong motivation. It may produce only passive cooperation. The result tends to be that employees do not perform much more effectively than under the old autocratic model.

As already mentioned, the managers using an autocratic model operate mostly out of McGregor's Theory X. The next three models, starting from the custodial model, begin to build on McGregor's Theory Y. The Theory Y approach to management is more progressive and paints a more optimistic picture of employees than Theory X. Managers holding the custodial model believe that if the insecurities, frustrations, and aggressions of employees could be dispelled, they might feel like working. Development of the custodial model was aided by psychologists, industrial relations specialists, and economists.

The custodial model of organisational behaviour takes into consideration the security needs of employees. A custodial environment gives a psychological reassurance of economic rewards and benefits. The basis of this model is economic resources with a managerial orientation toward money to pay wages and benefits. Clearly, if an organisation does not have the wealth to provide pensions and pay other benefits, it cannot follow a custodial approach.

A successful custodial approach depends on economic resources. Since employees' physical needs are already reasonably met, the employer looks to *security needs* as a motivating force. To satisfy employees' security needs, many companies began to provide welfare programs, such as pension plans, child-care centers at the workplace, health and life insurance.

However, researchers found that the custodial approach leads to employee *dependence* on the organisation. Rather than being dependent on their boss for their weekly bread, employees now depend on organisations for their security and welfare. Employees working in a custodial environment become psychologically preoccupied with their economic rewards and benefits. Employees working under such a model tend to focus on economic rewards and benefits. As a result of their treatment, they are certainly happier and more content than under the autocratic model, but they do not have a high commitment in helping the organisation meet its goals.

Contentment does not necessarily produce strong motivation; it may produce only *passive cooperation*. This results in the employees producing substantially below their capabilities. They are still not motivated enough to advance to higher capacities. It is important to point out here that unlike cows, happy and contented employees are not necessarily the most productive ones!

It is imperative to point out here that one great benefit of the custodial model was that it brought security and satisfaction to workers, something that was a welcome change from the times of managers holding the autocratic model. At the same time, due to their contentment and passive cooperation, they cannot even afford to quit.

4.2.3 The Supportive Model

The basic idea behind this theory is that leadership motivates the people to work and not the power of money as in custodial model. Through leadership management provides a climate to help employees grow and accomplish in the interest of the organisation, the things of which rather than to simply support employee benefit payments as in the custodial approach.

Under the supportive model, the workers feel a sense of participation and task involvement in the organisation. The manager's role is one of helping employee solve their problems and accomplish their work. This model has been found to be effective in affluent countries where workers are more concerned about their higher level needs affiliation and esteem. This model has limited application under Indian conditions because a vast majority of operative workers are more concerned about their higher level needs affiliation and esteem.

The supportive model of organisational behaviour seeks to create supportive work environment and motivate employees to perform well on their job. The basis of this model is leadership with a managerial orientation of support. The supportive model depends on leadership instead of power or money.

In fact, this model has its roots in Likert's principle of supportive relationships: *"The leadership and other processes of the organisation must be such as to ensure a maximum probability that in all interactions and all relationships with the organisation each member will, in the light of his background, values, and expectations, view the experience as supportive and one which builds and maintains his sense of personal worth and importance"* (Likert, 1961, p. 102-103).

Through leadership, management provides a climate to help employees grow and accomplish in the interests of the organisation the things of which they are capable. Just as Theory Y philosophy, it is believed that work is as natural to employees as play. Workers are not by nature passive and resistant to organisational needs, but that they are made so by an inadequately supportive climate at work. Given the right conditions, employees will seek achievement and responsibility and will work hard, without being pushed. They will take responsibility, develop a drive to contribute, and even try to improve themselves if management will give them half a chance. Management orientation, therefore, is to support the employee's job performance rather than to simply support employee benefit payments as in the custodial approach.

The employees in turn are oriented towards job performance and participation. The employee need that is met is *status and recognition*. Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in the organisation. Employee may say “we” instead of “they” when referring to their organisation. Employees are more strongly motivated than by earlier models because of their status and recognition needs are better met. The performance result is *awakened drives for work*.

The supportive model works well with both employees and managers, and has been widely accepted at least in principle, though it is not easy to translate it into practice. One advantage of this model as you can see is that, supportive behaviour is not the kind of behaviour that requires money. It is a part of management’s lifestyle at work, that reflects in the way that it deals with other people. This model tends to be very effective particularly in developed nations because it awakens employee drives toward a wide array of needs. It is less applicable in developing nations like ours, because employees might still be trying to meet their sustenance needs. As their needs for material rewards and security become satisfied, employees here might also demand a more supportive approach, as has already started to happen.

4.2.4 The Collegial Model

A useful extension of the supportive model is the **Collegial model**. The term **Collegial** relates to a body of persons having a common purpose. The collegial model, which embodies a term concept, first achieved widespread applications in research laboratories and similar work environments. The collegial model traditionally was used theory is based on the principle of mutual contribution by employer and employees. Each employee should develop a feeling that he is a part of the whole and contributing something to the whole and recognizes the others contribution. Management is supported to be joint contribution and not the boss.

The managerial orientation is toward teamwork. Management is the coach that builds a better team. The employee response to this situation is responsibility. The collegial approach for the employee is self-discipline. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self actualisation, even though the amount may be modest in some situations. This self-actualisation will lead to moderate enthusiasm in performance.

The term ‘collegial’ literally means a body of people having a common purpose. An extension of the supportive model, the collegial model relates to a body of people working together cooperatively feeling a commitment to achieve a common purpose. Some organisations, for e.g., most human service organisations have a goal of creating a collegial atmosphere to facilitate achieving their purposes.

The basis of this model is partnership with a managerial orientation of teamwork. Management is akin to the coach that builds a better team. Managers are seen as joint contributors rather than as bosses. Since the management nurtures a feeling of partnership with its employees, the employees feel themselves as an asset to the organisation. They feel needed and useful. The employee’s response to this situation is responsibility. They feel that managers are contributing also, so it is easy to accept and respect their roles in their organisation. For example employees

produce quality work not because management tells them to do so or because the supervisor will reprimand them or worse even fire them if they do not, but because they feel inside themselves an obligation to provide others with high quality. They also feel an obligation to uphold quality standards that will bring credit to their jobs and company.

The psychological result of the collegial approach for the employee is *self-discipline*. Feeling responsible, employees discipline themselves for performance on the team much in a similar same way that the members of a football team discipline themselves to training standards and the rules of the game.

The employee need that is met is *self-actualisation*. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self-actualisation, even though the amount may be modest in some situation. The performance result is *moderate enthusiasm*. If the sense of partnership is established, employees produce quality work and seek to cooperate with coworkers, not because management directs them to do so, but because of their internal obligation to produce high quality work.

Self Assessment Questions

Analyze the following case study and tick mark the correct answer:

- 1) Organisation XYZ Solutions was dealing with problems of employee turnover, absenteeism, and stress related problems. A survey showed that employees, a lot of them young mothers (many single) had huge problems arranging for quality child care that lead to the above mentioned problems. The company decided to subsidize an on-site day care center, which very soon became filled to capacity. It required huge economic investment from the Company- about Rs. 12, 40, 000 per year- and created organisational dependence. This can be seen from a comment made a young mother, “It would really take a mind-blowing job offer from another company now for me to leave XYZ”.

Which model of organisational behaviour is operating in Organisation XYZ Solutions?

(a) Autocratic (b) Custodial (c) Supportive (d) Collegial

- 2) Organisation ABC Electronics recently abolished the use of reversed parking spaces for executives, as was the earlier practice. Now every employee has an equal chance of finding a parking space close to the workplace. It has eliminated the use of terms like ‘bosses’ and ‘subordinates’, feeling that such terms simply create perceptions of psychological distance between management and managers. It also sponsors team building activities, such as river rafting trips in Rishikesh and requires managers to spend a week or two annually working in factory locations.

Which model of organisational behaviour is operating in Organisation ABC Electronics?

(a) Autocratic (b) Custodial (c) Supportive (d) Collegial.

4.3 COMPARISON OF THE MODELS OF ORGANISATIONAL BEHAVIOUR

Different Models of OB
(Autocratic, Custodial,
Supportive and Collegial,
Etc.

The following table (Davis, 1967) presents a comparison among the four models of organisational behaviour with regard to its basis, the predominant managerial orientation, the predominant employee orientation, psychological result for the employee, the needs of the employees that are met, and the ultimate performance result.

Table 1: Comparison among four models of organisational behaviour (from Davis, 1967, p. 480)

	Autocratic	Custodial	Supportive	Collegial
Basis of model	Power	Economic Resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obedience	Security and benefits	Job performance	Responsible behaviour
Employee psychological result	Dependence on boss	Dependence on organisation	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualisation
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

Activity

Consider an organisation where you now work or have worked in the past. Which model of organisational behaviour does (did) your immediate supervisor follow? Is (was) it the same as the top management's model? Reflect on your experience.

4.4 CONCLUSIONS ABOUT THE MODELS

4.4.1 The Models Are, In Practice, Subject To Evolutionary Change

As you would have probably understood by now, each of the four models described in this unit have evolved over a period of time. The first model, autocratic, had its roots in the industrial revolution. The managers of this type of organisation operated mostly out of McGregor's Theory X. The next three models began to build on McGregor's Theory Y. No one particular model is the permanently 'best' one that will endure over the long run. Eventually the supportive model may also fall to limited use. Even the collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm. The primary challenge for management is to critically examine itself and identify the model it is *actually* using and then assess its current effectiveness. The manager thus has two key tasks- to acquire a new set of values as models

evolve over a period of time, and apply the behavioural skills that are consistent with those values.

4.4.2 The Models Are Based On Incremental Values

Organisations behaviour models produce *incremental* as opposed to *allocative* effects. Economic values with respect to allocation of scarce resources are generally allocative- for e.g., if Organisation A has a fixed budget of Rs. 1 million that must be shared amongst its four branches, if the first branch is allocated half a million, no other branch can be allocated that much. This can be thought of as similar to a zero-sum game, a situation in which a participant's gain or loss is exactly balanced by the losses or gains of the other participant(s). If the total gains of the participants are added up, and the total losses are subtracted, they will sum to zero.

In sharp contrast, human values such as growth, fulfillment or actualisation are incremental. Incremental values are self-generated, being created within individuals and groups as a result of their attitudes and lifestyles. In order to build say, job satisfaction in department A, you do not have to take it from department B. There is enough job satisfaction for everyone (in fact one department's job satisfaction may even help you to build up job satisfaction for another department. Isn't satisfaction contagious?)

4.4.3 The Models Are A Function Of Prevailing Employee Needs

The four models presented in this unit are closely related to human needs. New models have been developed to serve the different needs that became important at the time. The autocratic model, for instance, reasonably serves subsistence needs, but does not meet needs for security. The satisfaction of employees' security needs is addressed by the custodial model. Similarly the supportive model is an effort to meet employees' other needs, such as affiliation and esteem, which the custodial model is unable to serve. Lastly, the collegial model makes an attempt to satisfy employees' self-actualisation needs.

It must however be kept in mind that emphasis on any one model of organisational behaviour does not mean an automatic rejection of other models. It also does not mean that other needs are not important. What it does mean is that employees have progressed to a condition in which newer needs dominate. For instance, adoption of a supportive approach does not mean abandonment of custodial practices that serve security needs. It simply implies that employees' subsistence and security needs are reasonably met by a suitable structure and security system, and that their esteem and/or affiliation needs are more important and need addressing.

4.4.4 There is a General Trend towards Newer Models

As organisations today become more complex with rapid advances in computers and management information systems, top managers cannot afford to be authoritarian and use the autocratic model. In addition, as literacy, education and professional orientation of employees grows; they are no longer readily motivated toward creative tasks by the autocratic model. Keeping this in mind, it seems that the trend toward the supportive and collegial models will continue.

An emerging model of organisation behavior is the *system model*. It is the result of a strong search for higher meaning at work by many of today's employees, who want more than just a paycheck and job security from their jobs. Since they spend many hours of their day at work, they want a work context that is ethical, infused with integrity and trust, and provides an opportunity to experience a growing sense of community among coworkers. To accomplish this, managers must increasingly demonstrate a sense of caring and compassion, being sensitive to the needs of a diverse workforce with rapidly changing needs and complex personal and family needs.

In response, many employees embrace the goal of organisational effectiveness, and reorganize the mutuality of company-employee obligations in a system viewpoint. They experience a sense of psychological ownership for the organisation and its product and services. They go beyond the self-discipline of the collegial approach until they reach a state of self-motivation, in which they take responsibility for their own goals and actions. As a result, the employee needs that are met are wide-ranging but often include the highest-order needs (e.g., social, status, esteem, autonomy, and self actualisation).

Because it provides employees an opportunity to meet these needs through their work as well as understand the organisation's perspectives, this new model can engender employees' passion and commitment to organisational goals. They are inspired and they genuinely believe in the usefulness and viability of their system for the common good.

4.4.5 Contingent Use of All Models

Although there are four clear separate models, almost no organisation operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models. Although one model may be used at any one point in time, some appropriate uses will remain for other models. Some jobs may require routine, low-skilled, highly programmed work that will provide mostly material rewards and security (autocratic and custodial conditions). Other jobs will be unprogrammed, intellectual and unstructured, requiring team work and self-motivation. They generally respond to the supportive and collegial approaches.

You might be wondering at this juncture: "Which model is the 'best' one?" This question is actually incorrect. A better question 'which model should be applied in order to obtain the highest productivity' is also not that obvious. It depends on the task to be completed and on employee needs and expectations. For e.g., the autocratic model works well in military operations, where quick decisions are needed to respond to rapidly changing crises, but it does not work well in say NGOs where employees expect collegial approach.

4.5 LET US SUM UP

Organisations differ in the quality of organisational behaviour that they develop. These differences are substantially caused by various models of organisational behaviour that influence the management's thought in each organisation. Models of organisational behaviour help the managers to adopt organisational practices that best suit their requirements.

In this unit, we presented and critically examined four models of organisational behaviour, namely, autocratic, custodial, supportive, and collegial. In the order mentioned above, these models show the evolution of the thinking and behaviour on the part of both management and managers. They also express the shift in the outlook of managers in viewing their employees and the resultant organisational environment.

The autocratic model is based on power. Under this model, the person who holds power has the authority to demand work from his/her employees. It is based on the assumption that work can only be extracted by means of pushing, directing, and persuading the employees. In the custodial model, the emphasis is on providing job security (and fringe benefits that strengthen employees confidence in security) to the employees. The supportive model emphasizes leadership rather than power or money. It enhances the relationships between the employer and employees. In the collegial model, employees are self-disciplined, self-satisfied, and have specific goals which motivate them to improve their performance.

Models of organisational behaviour not only differ from organisation to organisation, but may also differ from department to department within an organisation. The point is that one model of organisational behaviour is not an adequate label to describe all that happens in an organisation.

The evolving nature of models of organisational behavior makes it very clear that change is the normal condition of these models. As our understanding of human behaviour changes or as new social and organisational conditions evolve, our organisational behavior models are also likely to change.

4.6 UNIT END QUESTIONS

- 1) Examine the trends in the models of organisational behaviour as they have developed over time. Examine why the trends have moved in the direction that it has.
- 2) Is the autocratic model the least useful in contemporary times? Examine the situations where it might be especially appropriate to use.
- 3) Is the collegial model the 'best' to use with all employees? Discuss.
- 4) Outline the similarities and differences among the four models of organisational behaviour.

4.7 GLOSSARY

Downward Communication	:	A flow of information from the top of the organisational management hierarchy, from the superiors to the subordinates.
Self-actualisation	:	The desire for self-fulfillment, the desire to become more and more what one is, to become everything that one is capable of becoming, and ultimately the full realisation of one's potential.

Zero-sum

: A competitive situation which involves a constant sum where the benefits and losses to all players sum to the same value of money (or utility). For e.g., cutting a cake is zero- or constant-sum, because taking a larger piece reduces the amount of cake available for others.

Different Models of OB
(Autocratic, Custodial,
Supportive and Collegial,
Etc.

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4.9 ANSWERS TO SELF ASSESSMENT QUESTIONS

1) b: Custodial

2) d: Collegial

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