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Unit – II- Nature, Scope and Importance of OB

Sub: Organization Behaviour
(Skill Component)

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ORGANIZATIONAL BEHAVIOR

(Nature, Scope, Importance, Models of OB)

Organization (Definition) :- A Consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve common goal or set of goals.

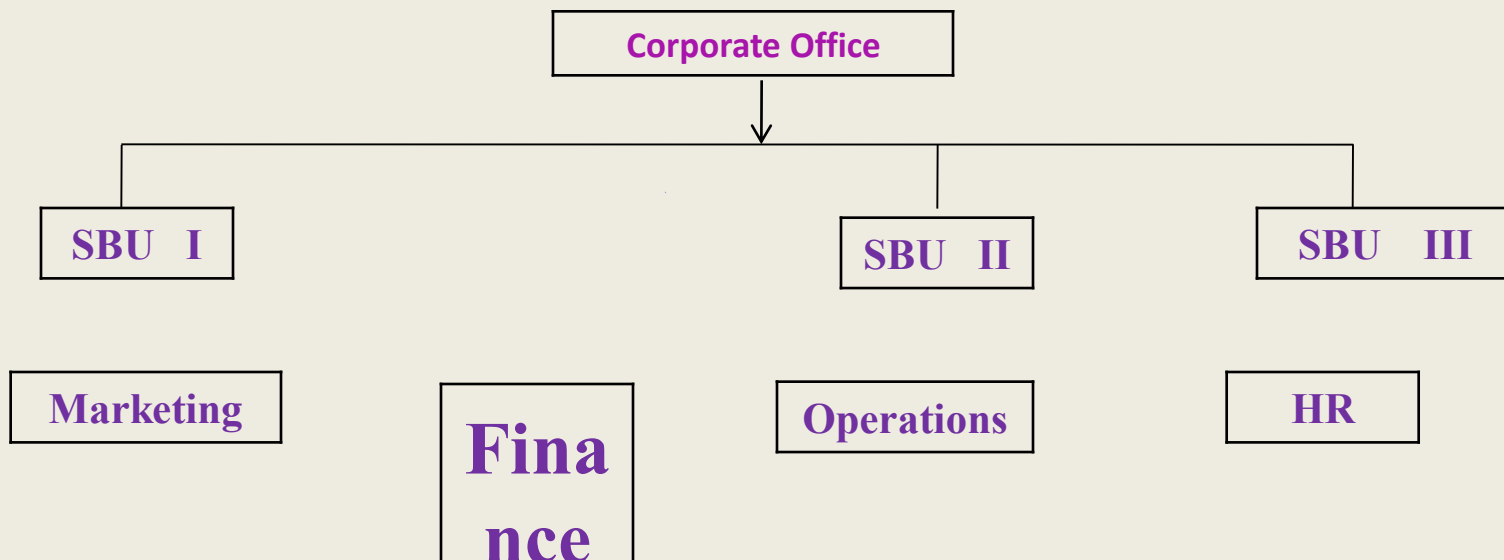
Manufacturing or Service Firms are “Organizations” and so are Schools, Colleges, Hospitals, Retail Stores, Local, State and Central Government Department.

Organization exist to achieve goals., someone has to define these goals and the means for achieving them; management is that someone.

Manager is one who oversees the activities of others and who is responsible for attaining goals. Managers are also responsible for designing an organizations structure. This is called organization function.

Organizing (Definition):- Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decision are to be made.

Typical Organization Structure:-



Organizational Behavior:- (OB)

Definition of OB:

OB can be defined as the understanding, prediction and management of human behavior in organizations.

Thus, OB is a field of study of what people do in an organization and how their behavior affect the organization's performance.

OB applies the above knowledge to make organizations work more effectively & efficiently.

Scope of OB: OB includes the core topics of motivation, leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.

Focus of OB:- OB focuses on how to improve productivity, reduce absenteeism, turnover and deviants workplace behavior, and increase organization citizenship behavior and job satisfaction.

Implication of OB for Managers:

- **Offers both challenges & opportunities for managers.**
- **Offers specific insights to improve a manager's people skill.**
- **Shows the managers how to empower their people, design & implement change programs.**
- **Helps managers to learn ways to stimulate innovation.**
- **Offers guidance in creating an ethically healthy work climate.**

Contributing distilleries to the OB field:-

OB is an applied behavioral science that is built on contributions from a number of behavioral disciplines. The predominant areas are psychology and social psychology, sociology and anthropology.

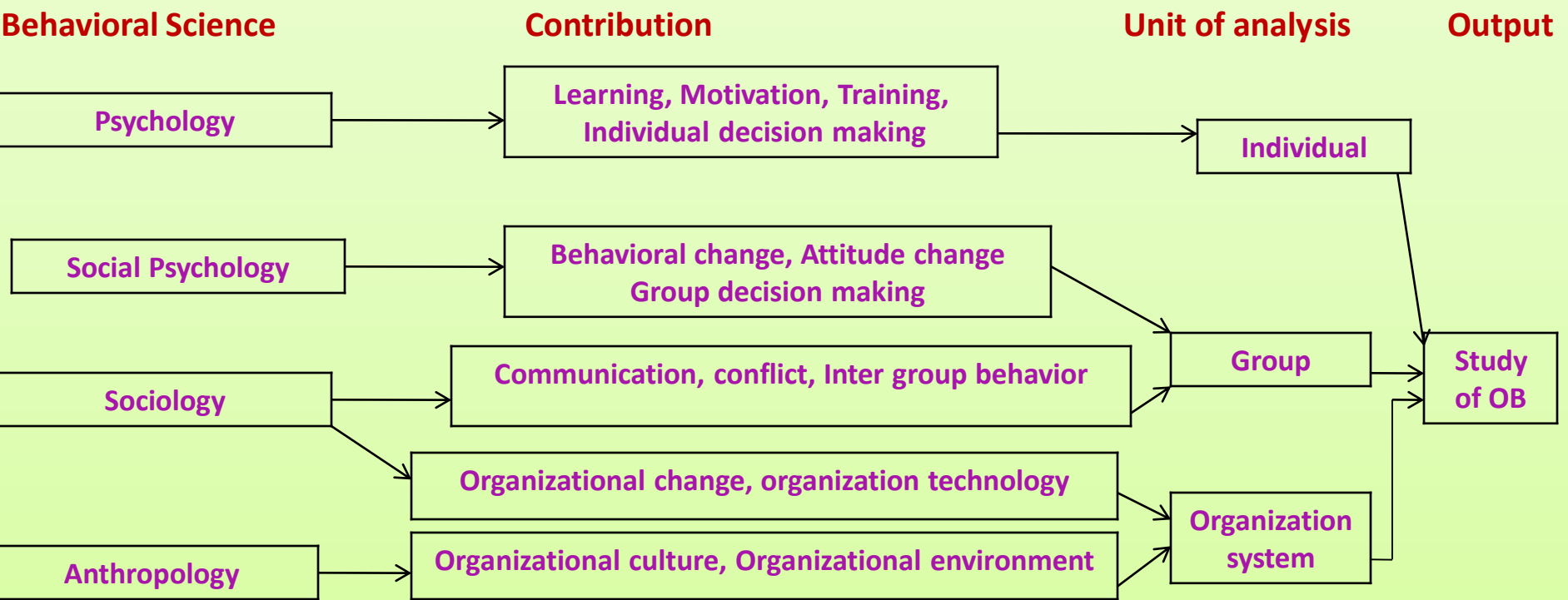
Psychology:- The science that seeks to measure, explain and sometimes change the behavior of humans and other animals.

Sociology:- The study of people in relation to their social environment of culture.

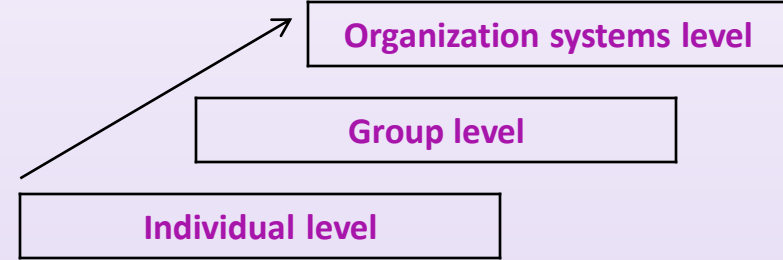
Social Psychology:- An area within psychology that blends the concepts from psychology & sociology that focuses on the influence of people on one another.

Anthropology:- is the study of societies to learn about human beings and their activities.

MAJOR CONTRIBUTING DISCIPLINES TO OB FIELD



Basic OB Model Stage I:



Three basic levels are similar to building blocks; each level is constructed on the previous level.

Group concepts grow out of the foundation laid in the individual section.

Structural constraints are overlaid on the individual & group in order to arrive at OB.

Dependant variables in OB:

Dependant variable is a response that is affected by an independent variable.

❖ Productivity	}	Primary Variables
❖ Absenteeism		
❖ Turn over		
❖ Job Satisfaction		
❖ Deviant Workplace Behavior	}	Other two variables.
❖ Organizational citizenship Behavior		

Productivity:- OB's main concern is productivity. An organization is productive if it achieves its goals and does so by transferring inputs to outputs at lowest cost.

$$\text{Productivity} = \frac{\text{Total tangible output}}{\text{Total tangible input}}$$

If employees work effectively & efficiently, productivity of an organization will be at its best.

Absenteeism:-

Definition:-

Absenteeism is defined as the failure to report to work. Absenteeism is a huge cost and disruption to employers.

Impact of absenteeism:-

- Difficult for an organization to operate smoothly and to attain its objective, if employees fail to report to their jobs.
- Work flow is disrupted.
- Important decisions are delayed.
- In organizations that rely heavily on assembly – line production, absenteeism can be more than a disruption; it can result in drastic reduction in the quality of out put and in some cases, it can bring about a complete shut down of the production facility.
- Levels of absenteeism beyond the normal range in any organization have a direct impact on that organization's effectiveness and efficiency.

Conclusion:-

Organizations will get the real benefit when employee absenteeism is low.

Turn – Over:-

Turn – over is the voluntary and involuntary permanent withdrawal from an organization.

Impact of turn – Over:

- ❖ A higher turnover rate results in increased recruiting, selection and training costs.
- ❖ A higher rate of turnover can disrupt the efficient running of an organization when knowledgeable and experienced personnel leave the firm.
- ❖ If marginal & sub marginal employees leave the organization, it can create an opportunity to replace such bad performers by some one who has higher skills or motivation & who can add new and fresh ideas to the organization.
- ❖ Turn over at times involves loss of some good people whom the organization does not want to lose.

Conclusion

When turn – over is excessive, or when it involves valuable performers, it can be a disruptive factor, hindering organizations effectiveness.

Job Satisfaction:-

Definition:- It is a positive feeling about one's job resulting from an evaluation of its characteristics.

Job satisfaction represents an attitude than a behavior.

Why, then, it is considered as a dependant variable?

Though job satisfaction represents an attitude than a behavior, it is still considered a dependant variable due to its demonstrated relationship to job performance factors which is very important for the effectiveness of the organization.

Job Satisfaction – an important aspect for organizations:-

- ❖ Satisfied employees are more productive than dissatisfied employees.
- ❖ Advanced societies are concerned not only with quantity of life also with its quality.

Therefore, organization have a responsibility to provide employees with jobs that are challenging and intrinsically rewarding by which they will have a job satisfaction.

Deviant workplace Behavior: (DWB)

Deviance can range from someone playing his music loud to violence.

Definition:- Deviant work place behavior (also called antisocial behavior or work place inactivity) can be defined as voluntary behavior that violates significant organizational norms and, in doing so, threatens the well being of the organizations or its members.

Its impact:- Employee playing loud music (against the norms / rules & regulations of the organization), insulting of colleagues / co workmen, stealing, gossiping excessively, or engaging in sabotage – all these can wreak havoc on an organization. Ultimately it ill affect the effectiveness and efficiency of the organizations.

How to overcome DWB?

Deviant workplace behavior is an important concept because it is a response to dissatisfaction. It is very necessary that manager of the company deals with the root causes of problems that result in deviance so that all such issues are sorted out once for all to see to that all employees work in harmony towards the well being of the organization.

Organizational Citizenship Behavior: (OCB).

Definition:- OCB is a discretionary behavior that is not part of an employee's formal job requirements but it promotes the effective functioning of the organization.

Examples:- It is some sort of good citizen ship behavior such as helping other co workmen while working in a team, avoiding unnecessary conflicts, respecting the spirit of rules & regulations of the organization.

Successful organizations need such employees who will do more than their job duties and provide performance that is beyond expectations.

Evidence indicates that organizations that have such employees outperform those organizations that don't possess.

Major determinants of dependant Variables:-

The major determinants of the various dependant variables (namely, productivity, absenteeism, turnover, DWB, OCB, and job satisfaction) are due to independent variables (like individual level variables, group – level variables, organization system level variables).

Independent variables:-

Definition:- Independent variable is the presumed cause of some change in the dependant variables. *(ie. independent variables are the determinants of productivity, absenteeism, turnover, deviant workplace behavior, OCB and job satisfaction.*

Individual – level Variables:- People enter organizations with certain intact characteristics that will influence their behavior at work.

Some are personal or biographical characteristics such as age, gender and martial status; personality characteristics; an inherent emotional frame work; values and attitudes; and basic ability levels.

While management can do little to alter them, yes such basic characteristics have a real impact on employee behavior.

There are four other individual – level variables that will affect employee behavior. They are *perception, individual decision making, learning and motivation.*

Group – level Variables:

The behavior of people in groups is more than sum total of all the individuals acting in their own way.

The people's behavior when they are in groups is different from their behavior when they are alone.

Therefore study of group behavior is an important aspect in the development of an understanding of OB.

Organization Systems and Variables:

Just as the behavior of people in groups is more than sum total of all the individuals, so are the behavior of the organization which is more than the sum of their member groups.

The design of the formal organization; the organization's internal culture, and the organization's human resource policies and practices (such as its selection process, training and development programs, performance evaluation methods) *all will have an impact on the dependant variables.*

Exhibit 1-7

Basic OB Model, Stage II

