LEARNING OBJECTIVES

The present module aims at:

- To understand the organization behavior and management functions
- To know the role of managers
- To know the reasons for studying of organization behavior
- To analyze organization behavior from the perspective of learning of an organization.
- To know and understand the basic approaches in organization behavior

“Investing in People is the most important aspect of any modern business.”
—Management Today, October 2004

“Sometimes in business it seems as if people are your greatest liability and that all your problems are people problems. It’s at times like this that it’s worth reminding yourself that people are the cornerstone of everything we do.”
—Guy Browning, Guardian newspaper columnist

“Management is a function, a discipline, a task to be done, and managers practice this discipline, carry out the functions and discharge these tasks”.
—Peter Drucker

“Management is the process by which a cooperative group directs actions towards common goals”.
—Joseph Massie

“Management is a social and technical process that utilizes resources, influences human action and facilitates charges in order to accomplish and organization’s goals”.
—Theo Haimann and William Scott
“Management is the coordination of all resources through the processes of planning, organizing, directing and controlling in order to attain stated goals.”
—Henry Sisk

“Management is the process by which managers create, direct, maintain and operate purposive organizations through systematic, coordinated and cooperative human effort.”
—Dalton McFarland

“Organization behavior is the study and application of knowledge of how people act or behave within an organization”.
—Keith Davis and Newstrom

“Organization behavior is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge towards improving an organization’s effectiveness”.
—Stephen P. Robbins

“People tend to be very effective at managing relationships when they can understand and control their own emotions and can empathize with the feelings of others”.
—Daniel Goleman

CASE 1.1: About TCS

Tata Consultancy Services (TCS) is one of the world’s leading information technology companies. Through its Global Network Delivery Model™, Innovation Network, and Solution Accelerators, TCS focuses on helping global organizations address their business challenges effectively.

TCS continues to invest in new technologies, processes, and people which can help its customers succeed. From generating novel concepts through TCS Innovation Labs and academic alliances, to drawing on the expertise of key partners, it keeps clients operating at the very edge of technological possibility.

Whether TCS is envisioning a business advantage, engineering an IT solution, or executing an outsourcing strategy, it helps its customers experience certainty in their every day business.

TCS reported 2006-07 global revenues of USD 4.3 billion.

People, processes, solution delivery capabilities and infrastructure are critical for a company to succeed in this competitive marketplace. TCS’ key business assets – people, industry and service practices, centers of excellence, network delivery model, alliances and quality frameworks, collaborate to create innovative solutions that bring certainty in a customer’s business.

TCS’ global workforce has been at the core of its innovation and works with customers to deliver real business results. TCS is committed to creating an environment that enables it to attract, develop and retain talent.

TCS’ people-focused way of doing business has won it many recognitions such as the ‘Investor in People’ recognition for setting standards of good working practices in the UK, TCS Hungary being among the top 20 in the ‘Large Company Category’ in the Hewitt Best Employers Survey 2005, and the Dataquest-IDC Best Employer in IT Services in 2005.
Questions

1. Explain the organization behavior in TCS.
2. What are the basic elements involved in TCS?

Source: TCS.

INTRODUCTION

In this module, we shall discuss about an organization and its behavior, Business definition for: Organization behavior, Origins of organizational behavior, Multidisciplinary nature of organization behavior, Organizational behavior’s major goals, Management, The functions of management, what do managers do? Managerial activities in 3 groups or management roles, Interpersonal roles of manager, Informational roles of manager, Decisional roles of manager, Managerial skills of managers, Classifying managers or levels of management, Current organizational issues facing managers, Importance of managers role, Framework for studying organizational behavior, The study of organization behavior, Benefits of studying organization behavior, Key managerial practices of successful organizations, Elements of organizational behavior, Models of organizational behavior, Organization development, Basis approaches in organization behavior and Organizational learning.

What is an Organization?

- An Organization Defined
  * A deliberate arrangement of people to accomplish some specific purpose
- Common Characteristics of Organizations
  * Have a distinct purpose (goal)
  * Composed of people
  * Have a deliberate structure

What is an Organizational Behavior?

- Organizational behavior is the study of human behavior in the workplace, the interaction between people and the organization with the intent to understand and predict human behavior.
- A field of study that investigates the impact that individuals, groups and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization’s effectiveness.
- It is the study of human behavior, attitudes and performance within an organizational setting.
- Management and organization behavior draws on theory, methods and principles from various disciplines to learn about individual perception, values, learning capacities, action of people in an organization.
• Management and organization behavior analyzes the external environment’s effect on the organization and its human resources, missions, objectives and strategies.
• A consciously coordinated social unit composed of a group of people, which functions on a relatively continuous basis to achieve a common goal or set of goals.
• OBM is the use of behavior analysis principles to help an organization and its members better achieve its goals and mission.
• Behavior analysis principles are techniques derived from the science of human behavior, as it first defined by Skinner in 1953.
• Organizational Behavior (OB) is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach. That is, it interprets people-organization relationships in terms of the whole person, whole group, whole organization, and whole social system. Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.
• “Organization Behavior is concerned with the study of what people do in an organization and how that behavior affects the performance of the organization.”

**CASE 1.2: About Wipro Technologies**

Wipro Technologies is the No. 1 provider of integrated business, technology and process solutions on a global delivery platform.

Wipro Technologies is a global services provider delivering technology-driven business solutions that meet the strategic objectives of our clients. Wipro has 40+ ‘Centers of Excellence’ that create solutions around specific needs of industries. Wipro delivers unmatched business value to customers through a combination of process excellence, quality frameworks and service delivery innovation. Wipro is the World’s first CMMI Level 5 certified software services company and the first outside USA to receive the IEEE Software Process Award.

**Fast Facts**
- The largest independent R&D services provider in the world.
- Over half billion revenue from R&D.
- Among the top 3 offshore BPO services provider in the world.
- A strategic partner to five of the top ten most innovative companies in the world.
- Only Indian company to be ranked among the top 10 global outsourcing providers in IAOP’s 2006 global outsourcing 100 listing.

**Questions**
1. Explain the organization behavior of Wipro.
2. What are the fast facts of Wipro?

*Source: Wipro.*
Business Definition for Organization Behavior

- The study of human and group behavior within organizational settings. The study of organization behavior involves looking at the attitudes, interpersonal relationships, performance, productivity, job satisfaction, and commitment of employees, as well as levels of organizational commitment and industrial relations. Organization behavior can be affected by corporate culture, leadership, and management style. Organization behavior emerged as a distinct specialty from organization theory in the late 1950s and early 1960s through attempts to integrate different perspectives on human and management problems and develop an understanding of behavioral dynamics within organizations.

- Organizational Behavior (OB) is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach. That is, it interprets people-organization relationships in terms of the whole person, whole group, whole organization, and whole social system. Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

- Organizations are social inventions for accomplishing common goals through group effort. Organizational behavior is concerned with the attitudes and behaviors of individuals and groups in organizations and can be understood in terms of three levels of analysis: the individual, the group, and the organization.

- It is study and application of how employees behave within organizations.

Organizational Behavior (OB) is

- It is the study of human behavior in the workplace,
- It is the interaction between people and the organization,
- And the organization itself.

Organizational Behavior—What is it?

- Explaining,
- Understanding,
- Predicting, maintaining, and
- Changing employee behavior in an organizational setting.

CASE 1.3: History of Infosys

1981
Corporate performance — Establishment in India.
1987
Global Initiatives — First international office in US.
1993
Corporate performance — Successfully completed IPO in India.
<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate performance</th>
<th>Globalization initiatives</th>
<th>Quality initiatives</th>
<th>Strategic initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>ISO 9001/TickIT certification.</td>
<td>Best Annual Report Award from ICAI (every year from ’95).</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1996</td>
<td>Infosys Foundation to focus on contributing back to the society.</td>
<td>Set up first office in Europe in Milton Keynes, UK.</td>
<td>—</td>
<td>e-business practice (Infosys Internet Consulting Practice).</td>
</tr>
<tr>
<td>1997</td>
<td>—</td>
<td>Set up office in Toronto, Canada.</td>
<td>—</td>
<td>e-business practice (Infosys Internet Consulting Practice).</td>
</tr>
<tr>
<td>1999</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>Enterprise solutions practice (packaged applications).</td>
</tr>
<tr>
<td>2000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>Combined the dedicated e-business practice with rest of the organization.</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>Opened new offices in UAE and Argentina.</td>
</tr>
</tbody>
</table>
**Organization Behavior**

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate performance</th>
<th>Globalization initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
<td>Establishes subsidiaries Infosys China and Infosys Australia.</td>
</tr>
<tr>
<td>2004</td>
<td>Crossed US $1 billion in annual revenue.</td>
<td>Launches Infosys Consulting Inc.</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>Largest international equity offering of US $ 1 billion from India.</td>
</tr>
<tr>
<td>2006</td>
<td>50,000+ Employees. Revenues crosses $2 billion. Celebrates 25 years.</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Infosys.*

**ORIGINS OF ORGANIZATIONAL BEHAVIOR**

Many of the important contributions to Organizational Behavior have come from Psychology. Psychological theories have helped us explain and predict individual behavior. Many of the theories are dealing with personality, attitude, learning, motivation, and stress have been applied in Organizational Behavior to understand work-related phenomena such as job satisfaction, commitment, absenteeism, turnover, and worker well-being.

Sociologists, studying the structure and function of small groups within a society have contributed greatly to a more complete understanding of behavior within organizations. Taking their cue from Sociologists, scholars in the field of Organizational Behavior have studied the effects of the structure and functions of work organization on the behavior of groups, as well as the individuals within those groups.

Many of the concepts and theories about groups and the processes of communication, decision-making, conflict, and politics used in Organizational Behavior, are rooted in the field of Social Psychology.

The field of Political Science has helped us understand how differences in preferences and interests lead to conflict and power struggles between groups within organizations.

Economics has assisted students of Organizational Behavior in understanding how competition for scarce resources both within and between organizations leads these organizations to increase their commitment to efficiency and productivity (with concomitant influences on the behavior of individuals and groups).
Furthermore, Organizational Behavior draws on the field of Anthropology for lessons about how cultures and belief systems develop in organization.

**MULTIDISCIPLINARY NATURE OF ORGANIZATION BEHAVIOR**

To gain further insight into the field of Organizational Behavior, we will examine the multidisciplinary origins of the subject.

- **Psychology** — PSYCHOLOGY: study of the individual
- **Sociology** — SOCIOLOGY: study of small group behavior
- **Anthropology** — ANTHROPOLOGY: study of cultures (corporate culture)
- **Economics** — ECONOMICS: rational decision-making
- **Political science** — POLITICAL SCIENCE: power and conflict; coalitions and alliances

**ORGANIZATIONAL BEHAVIORS: MAJOR GOALS**

Major goals are listed below:

- Explain, predict, and control behavior of worker in an organization.
- It is the study of human behavior in the workplace, interaction between people and the organization, and the organization itself.
- It is the study of how employees work to become assets of organization and how leadership works to assist them in doing so in organization.
- It is study of the interaction between individuals and groups (may include reactions).
- It is the study of people’s work habits, ethics, and how people conduct their day-to-day tasks...how leaders can oversee work in an organization.
- It is the study of interactions between various employees within the organization with encompasses various levels of management, chain of command within organization and interactions between employees and their superiors.
- It involves action taken by a group of people in an organized way...pre-thought in order to have actions done at peak performance of group.
- It is based on relationships and interactions between different people with similar or different roles, inside the organization, and their relationships with outside stakeholders.
- It includes the way an enterprise condones doing business. Ethics are the guide to achieve goals in organization.
- It primarily focuses on attitudes, customs and beliefs that a company/organization holds.
- It is expected for certain ways of business. The way people think and act in an organized manner. The way corporations will gear its thinking or actions toward other companies or people.
- It is the way in which you function and interact with fellow employees in a business setting.
- It is an attitude and judgment of those within an organization.
MANAGEMENT

- “Management is a function, a discipline, a task to be done, and managers practice this discipline, carry out the functions and discharge these tasks”.
  —Peter Drucker

- “Management is the process by which a cooperative group directs actions towards common goals”.
  —Joseph Massie

- “Management is a social and technical process that utilizes resources, influences human action and facilitates charges in order to accomplish and organization’s goals”.
  —Theo Haimann and William Scott

- “Management is the coordination of all resources through the processes of planning, organizing, directing and controlling in order to attain stated goals”.
  —Henry Sisk

- “Management is the process by which managers create, direct, maintain and operate purposive organizations through systematic, coordinated and cooperative human effort”.
  —Dalton McFarland

THE FUNCTIONS OF MANAGEMENT

The functions of management are important for business survival and success whether you lead a small business or a major corporation. Management is creative problem solving. This creative problem solving is accomplished through four functions of management: planning, organizing, leading and controlling. The intended result is the use of an organization’s resources in a way that accomplishes its mission and objectives.

Planning is the ongoing process of developing the business’ mission and objectives and determining how they will be accomplished. Planning includes both the broadest view of the organization, e.g., its mission, and the narrowest, e.g., a tactic for accomplishing a specific goal.

Organizing is establishing the internal organizational structure of the organization. The focus is on division, coordination, control of tasks and the flow of information within the organization. It is in this function that managers distribute authority to job holders.

Staffing is filling and keeping filled with qualified people all positions in the business. Recruiting, hiring, training, evaluating and compensating are the specific activities included in the function. In the family business, staffing includes all paid and unpaid positions held by family members including the owner/operators.

Directing is influencing people's behavior through motivation, communication, group dynamics, leadership and discipline. The purpose of directing is to channel the behavior of all personnel to accomplish the organization’s mission and objectives while simultaneously helping them accomplish their own career objectives.

Controlling is a four-step process of establishing performance standards based on the firm’s objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary in an organization.
Each of these functions involves creative problem solving. Creative problem solving is broader than problem finding, choice-making or decision-making. It extends from analysis of the environment within which the business is functioning to evaluation of the outcomes from the alternative which are implemented. Management combines many different skills and abilities and requires dedication, compassion, and the willingness to work with others in order to be successful.

Exhibit 1.1: Functions of Management

Planning — Consider and describe what needs to be done and how you will do it.
Organizing — Assign work and arrange resources to attain goals.
Directing — Put your plan into action by telling people what to do.
Controlling — Review performance results (of programs and people) against stated goals and use problem solving and decision-making to make any necessary changes.

WHAT DO MANAGERS DO?

Management Roles Approach
- Managers roles
- Interpersonal roles

Figurehead, Leader, Liaison
- Informational roles

Monitor, Disseminator, Spokesperson
- Decisional roles
- Disturbance handler, resource allocator, negotiator

A manager is the organizational member who integrates and coordinates the work of others.

A manager can be directly responsible for the work of one person, for a group of people in a department or office, or a team composed of people from several departments, or even for a team composed of people from different organizations.

It is important to note that managers may have other work duties that are unrelated to overseeing the work of others.

Managerial Activities in Three Groups or Management Roles

A role is a set of organized behaviors. Managers must assume multiple roles to meet the demands of the functions mentioned earlier in this chapter.

Roles common to all managers can be divided into three groups, interpersonal, informational, and decisional:
- Interpersonal — figurehead, liaison, leader.
- Informational — monitor, disseminator, spokesperson.
- Decisional — entrepreneur, disturbance handler, resource allocator, negotiator.
Figure 1.1 highlights the managerial activities are classified in three groups are listed below:

- Interpersonal Roles
- Informational Roles
- Decisional Roles

**Interpersonal Roles of Manager**

The direct relationships with people in the interpersonal roles place the manager in a unique position to get information.

Figure 1.2 indicates the interpersonal roles of managers. They are listed below:

- Manager as Figurehead
- Manager as Leader
- Manager as Liaison

**Manager as Figurehead**

Manager as symbolic head; obliged to perform a number of routine duties of a legal or social nature.

- It symbolizes the organization and what it is trying to achieve.

Manager as inspirational nature.
- Activities not central to the job.

**Manager as Leader**

- Responsible for motivation and activation of subordinates in organization.
Organizational Behavior

- Responsible for hiring, staffing, training and associated duties in organization.
- Focal point for the organization of group.
- Effect an integration between individual needs and organizational goals.
- It involve to train, counsel, mentor and encourage high employee performance.

Manager as Liaison

- Maintains self-developed network of outside contacts and informers who provide favors and information.
- Develops horizontal relationships.
- By virtue of authority is able to establish special kind of external linkage system.
- Link and coordinates people inside and outside the organization to help achieve goals.

Informational Roles of Manager

Associated with the tasks needed to obtain and transmit information for management of the organization.

The Three Informational Roles:
- Receiving and collecting information.
- Transmitting special information throughout the organization.
- Disseminating information from the organization outward.

Figure 1.3 deals with informational roles of manager. They are listed below:
- Manager as Monitor
- Manager as Disseminator
- Manager as Spokesman

Manager as Monitor

- Seeks and receives information to develop through understanding of organization and environment.
  - Internal Operations
  - External Events
• Analyses
• Ideas and Trends
• Pressures
• Processing information and transferring it.
• It analyzes information from both the internal and external environment.

**Manager as Disseminator**

• Transmits information received from environment to members of organization.
• Processes information that is sometimes factual, sometimes needing interpretation and integration of diverse influences.
• Distributes information from official and unofficial channels, manager transmits information to influence attitudes and behavior of employees.

**Manager as Spokesperson**

• Directs some of work-related persons outside own work unit.
• Transmits information outside of organization.
• Calls upon to speak on behalf of organization.
• May lobby for organization.
• Uses information positively to influence the way people in and out of the organization respond to it.

**Decisional Roles of Manager**

Associated with the methods, managers use to plan strategy and utilize resources to achieve goals.

*The Four Decisional Roles:*

• Initiating change.
• Dealing with threats to the organization.
• Determining how the organization will expand its resources.
• Negotiating on behalf of the organization.

![Fig. 1.4: Decisional roles of manager](image)
Figure 1.4 indicates the decisional roles of manager as mentioned below:

- Manager as Entrepreneur
- Manager as Disturbance Handler
- Manager as Resource Allocator
- Manager as Negotiator

**Manager as Entrepreneur**

- Searches organization and its environment for opportunities and initiates “improvement projects” to bring about change
- Supervises design of certain projects in terms of:
  - Delegation
  - Authorization
  - Supervision
- Ensures viability and improves reputation of organization
- Decides upon new projects or programs to initiate and invest.

**Manager as Disturbance Handler**

- Responds involuntarily to high pressure disturbances that threaten to disrupt proper functioning of the organization
  - Conflicts between subordinates
  - Exposure difficulties between one organization and another
  - Resource losses or threats
- Responsible for correct action when organization faces unexpected disturbances
- It assumes responsibility for handling an unexpected event or crisis.

**Manager as Resource Allocator**

- Responsible for allocation of organizational resources like people, information, money, equipment, space
- Determines how much of units’ financial, personnel and resources will be allotted in terms of
  - Scheduling of Time
  - Programming Work
  - Authorizing Actions
- Involves complex choice-making behavior
- It assigns resources between functions and divisions, sets budgets for lower managers.

**Manager as Negotiator**

- Confers with individuals and groups inside or outside the unit for facilitating agreement on complex or controversial issues.
- Responsible for representing the organization at major negotiations with clients.
- It seeks to negotiate solutions between other managers, unions, customers, or shareholders.

**Managerial Skills of Managers**

Managers must be skilled to perform the functions of management. The three skills that are essential for successful management skills like technical, human, and conceptual.

There are three skill sets that managers need to perform effectively. Technical, human and conceptual skills are considered as skills approach.

**Technical skills**
- Technical skills involves the knowledge and proficiency in a specific field.
- The job-specific knowledge required to perform a task. Common examples include marketing, accounting, and manufacturing.

**Human Skills**
- The ability to work well with other people
- The ability to understand alters, lead, and control peoples behavior.

**Human Relations**
- Human Relations means getting along well with the people associated with your business and inspiring them to get along with each other.

**Conceptual Skills**
- The ability to think and conceptualize about abstract and complex situations concerning the organization.
- The ability to analyze and diagnose a situation and find the cause and effect.

**Conceptual**
- Conceptual skills refer to an ability to see the end product or the big picture.

All three skills are enhanced through formal training and practice.

**Classifying Managers or Levels of Management**

The extent to which managers perform the functions of management that varies by the level in the management hierarchy.
Managers can be found at all levels in an organization.

**First-line Managers**
- First-line managers are at the lowest level of management and manage the work of non-managerial employees.

First line managers, at the lowest level of management, are often called supervisors. For example:
- In a manufacturing plant, the first-line manager might be called a foreman.
- On an athletic team, the coach would be considered a first-line manager.
- First-line managers or supervisors direct the actual work of the organization and serve as a point of contact between the employees and the middle and top managers.

**Middle Managers**
Middle managers manage the work of first-line managers.

- Middle managers include all levels of management between the supervisory level and the top level of the organization.
- Managers in the middle may have titles such as department head, project leader, plant manager, unit chief, division manager, or similar title.
- Middle managers implement the goals set by the top managers, evaluate the performance of the organization and recommend changes if necessary. In other words, they perform the control function.

**Top Managers**
- Top managers are responsible for making organization-wide decisions and establishing plans and goals that affect the entire organization.
Top managers are responsible for making decisions and for establishing policies and strategies that affect the entire organization. These managers may have titles such as president, managing director, president, chief operating officer, chief executive officer, or chairman of the board. Top managers spend most of their time planning and organizing.

A manager’s level in the organization depends on the skills he or she possesses. A manager’s level in the organization is often determined by the skills required.

Supervisors need technical skills to manage their area of specialty.

Top-level managers use conceptual skills in planning and dealing with ideas and abstractions. All levels of managements need human skills in order to interact and communicate successfully with other people. The supervisor, middle manager, and top manager all perform these managerial roles but with different emphasis. Supervisory management is more focused and short-term in outlook. The leader role is among the most important of all roles at all levels of management.

### Current Organizational Issues Facing Managers

Current organization issues are facing by managers are listed below:

- Explain how a strong culture affects whether an organization is ethical.
- Describe the characteristics of an ethical culture.
- List some suggestions for creating a more ethical culture.
- Describe the characteristics of an innovative culture.
- Explain six characteristics of a customer-responsive culture.
- Discuss the actions managers can take to make their cultures more customer-responsive.
- Define workplace spirituality.
- Explain why workplace spirituality seems to be an important concern.
- Describe the characteristics of a spiritual organization.
- Discuss the criticisms of spirituality.
- The environment
- Define the external environment as specific and general environment.
- Describe the components of the specific environment.
- Describe the components of the general environment.
- Define and discuss environmental uncertainty and its two dimensions.
- Define stakeholders.
• Identify the most common organizational stakeholders.
• Explain why stakeholder relationship management is important.

**IMPORTANCE OF MANAGER ROLE**

Manager role is very important in the following circumstances:

• The operative tasks and the execution of work.
• Managers make resource allocation.
• Managers make decisions which other people must implement.
• Managers usually have formal authority—the right to decide how those who work for them can use resources needed to accomplish objectives.
• The manager must be concerned with the effective use of human resources as well as physical resources.
• Managers are responsible for the work of other people.
• Managers work very hard, feel compelled to work hard.
• They are constantly exposed to one problem after another, and most of these need an immediate solution.
• Managers tend to do the more active, current, and interesting parts of their work first and set aside the routine parts for later.
• They are more interested in current information than historical data and more concerned with specific rather than general issues.
• Managers use different ways to communicate (mail, memo, phone, face-to-face meetings, etc.), managers prefer to use.
• They are primarily concerned with understanding the basic task of management and of developing guidelines, or principles, on how to manage effectively in an organization.
• Activities executives perform in whole or part that make up the managerial job.
• Making decisions about the most effective course of action to take in achieving organization goals and formulating general policies or guides to help in implementing plans.
• Acquiring and assembling resources in the proper relation to each other to achieve objectives. Ensures that activities, when carried out, conform to plans so that objectives are achieved.
• General guides to handling the problems that an executive encounters in work situations. The systematic and scientific analysis of individuals, groups, and organizations; its purpose is to understand, predict, and improve the performance of individuals and, ultimately, the organizations in which they work.
Framework for Studying Organizational Behavior

Figure 1.6 represents the framework for studying organizational behavior.

![Framework for Studying Organizational Behavior](image)

The study of Organizational Behavior involves in the following ways:

- Consideration of the interaction among the formal structure (organizational context in which the process of management takes place)
- The tasks are to be undertaken for studying of the organization behavior
- It focuses on technology that employed and the methods of carrying out work in an organization
- To know the behavior of people with an organization
- It analyses the process of management in an organization
- The external environment.

Understanding the Organizational Behavior

Figure 1.7 depicts the understanding the organizational behavior:

![Understanding the Organizational Behavior](image)
For understanding of organization behavior we shall know the following issues in an organization:

- Individual differences
- Fundamental consistencies
- Intuition and
- Systematic study

**The Study of Organization Behavior**

Figure 1.8 describes the study of organization behavior.

![The Study of Organizational Behavior](image)

**Why Study Organizational Behavior?**

Reasons for studying organization behavior:

- Chart the evolution of management thought on the nature of the organization
- Understanding of the organizational factors that influence work
- Understanding of how the work environment shapes organizational performance

To facilitate the study of Organizational Behavior, we will look at human behavior in the organization from three perspectives.

![Study of Organization Behavior into Three Perspectives](image)
Figure 1.9 discusses the study of organization behavior into three perspectives as outlined:

1. First, we will examine human behavior from a psychological perspective. This level of analysis will permit us to examine human traits and characteristics with a view to understanding how elements of personality may influence an individual’s responses to his or her organizational environment.

2. Second, we will look at how individuals interact in small group or team environments (a sociological perspective).

3. Finally, it will be necessary to examine the impact of larger or wider organizational factors on the individuals within that organization.

In summary, to understand behavior in the organization, we must examine the interaction of individuals with the various factors the individuals encounter in that organizational setting. The behaviors encountered in the organization are, of course, very diverse. The diversity of personalities interacting with varied organizational environments results in considerable variation in concomitant behavior.

**Fig. 1.10: Study the individual behavior in the organization**

- Employees expect respect and meaningful work.
- The organization expects its employees to follow the rules and policies of the firm and to perform the required tasks.
- It may be useful, in an introduction to Organizational Behavior, to ask some questions about what human beings expect from an organization. The answers are, of course, as varied as the people in organizations are diverse. However, some generalizations will be made. Employees generally expect respect. Furthermore, employees want meaningful work that uses their skills and respects their ability to use their minds in efforts to organize their work.
- The organization, having a mission or mandate, has certain expectations of its
employees. Most importantly, employees are hired to enable the firm to meet its production, service, and economic objectives.

- So the Organizational Behavior specialist provides the expertise needed to manage the firm’s human resources.

**Benefits of Studying Organization Behavior**

Major benefits of studying organization behavior are listed below:

- Develop skills to function effectively in the workplace.
- Grow personally through insight into human behavior.
- Enhance overall organizational effectiveness.
- Sharpen and refine common sense.

**Key Managerial Practices of Successful Organizations**

Key managerial practices of successful organizations are outlined:

- Employment security to employees who are working in an organization.
- High standards in selecting personnel in an organization.
- Extensive use of self-managed teams and decentralized decision-making in an organization.
- Comparatively high compensation based on performance and it is useful to human resource in organization.
- It provides extensive employee training in an organization.
- Reduction of status differences between higher management and other employees in an organization.
- It involves to information sharing among managers and other workers.
- It helps employees promotion within an organization.

**Elements of Organizational Behavior**

Major elements of organizational behavior as outlined:

- The organization’s base rests on management’s philosophy, values, vision and goals.
- This in turn drives the organizational culture which is composed of the formal organization, informal organization, and the social environment.
- The culture determines the type of leadership, communication, and group dynamics within the organization.
- The workers perceive this as the quality of work life which directs their degree of motivation.
- The final outcomes are performance, individual satisfaction, and personal growth and development.
- All these elements combine to build the model or framework that the organization operates from.
- Designing and developing your organization roles and responsibilities.
- Employing all kinds of people—ensuring a diverse workforce in an organization.
Managing your people effectively and efficiently with productive results for accomplishments of goals and objectives.

Developing your people skills and motivate them in an organization for reaching their mission and vision of an organization.

Paying and rewarding your people in an organization.

How to develop policies and systems to improve Comprehensive Performance Assessment (CPA) results.

Pool information, ideas and resources around workforce issues.

Models of Organizational Behavior

Figure 1.11 deals with models of organization behavior. There are four major models or frameworks that organizations operate and as outlined:

1. **Autocratic:** The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need of subsistence is met. The performance result is minimal.

2. **Custodial:** The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security benefits and dependence on the organization. The employee need of security is met. The performance result is passive cooperation.

3. **Supportive:** The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need of status and recognition is met. The performance result is awakened drives.

4. **Collegial:** The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline. The employee need of self-actualization is met. The performance result is moderate enthusiasm.

Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models.

The first model, autocratic, has its roots in the industrial revolution. The managers of this type of organization operate out of McGregor’s Theory X. The next three models begin...
to build on McGregor’s Theory Y. They have each evolved over a period of time and there is no one “best” model. The collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

**Exhibit 1.2: Organization Behavior Model**

**Organization Development**

Organization Development (OD) is the systematic application of behavioral science knowledge at various levels, such as group, inter-group, organization, etc., to bring about planned change. Its objectives are—higher quality of work-life, productivity, adaptability, and effectiveness. It accomplishes this by changing attitudes, behaviors, values, strategies, procedures, and structures so that the organization can adapt to competitive actions, technological advances, and the fast pace of change within the environment.

There are seven characteristics of OD:

1. **Humanistic Values:** Positive beliefs about the potential of employees (McGregor’s Theory Y).
2. **Systems Orientation:** All parts of the organization, to include structure, technology, and people, must work together.
3. **Experiential Learning:** The learners’ experiences in the training environment should be the kind of human problems they encounter at work. The training should not include only theory and lecture.

4. **Problem Solving:** Problems are identified, data is gathered, corrective action is taken, progress is assessed, and adjustments in the problem solving process are made as needed. This process is known as Action Research.

5. **Contingency Orientation:** Actions are selected and adapted to fit the need.

6. **Change Agent:** Stimulate, facilitate, and coordinate change.

7. **Levels of Interventions:** Problems can occur at one or more levels in the organization so the strategy will require one or more interventions.

### Exhibit 1.3: Understanding Organizational Events in an Organization

### BASIC APPROACHES IN ORGANIZATION BEHAVIOR

There are four approaches are studied under the organization behavior.

### Exhibit 1.4: Basic Approaches in Organization Behavior
Exhibit 1.4 indicates the basic approaches in organization behavior as listed below:
  • Human Resource Approach
  • Contingency Approach
  • Results Oriented Approach
  • Systems Approach

**Human Resource Approach**
  • Human resource approach is one of the important developmental approaches in organization behavior.
  • It concerns with the growth and development of human resource in an organization towards higher levels in terms of competency, creativity, efficiency and productivity in work.
  • It is one of the traditional approaches, in this approach, managers can be decided what should be done and then closely manage and controlled by employees in this way to ensure task performance in an organization.
  • In this approach, organization and its management always give directives and controlling tool to managers to effectively management of organization.
  • It is also considered as supportive approach in an organization.
  • It helps to employees to better prospectus and responsible in an organization and will be provided a work environment that helpful to employee enhance their individual contribution to organization.
  • In totally, this approach influence to employee growth and development that are encouraged and provided support to meet task.

**Contingency Approach**
  • Different managerial behaviors are required in an organization by different environments for effectiveness.
  • In this approach, managers try to search for problems and apply their knowledge for solutions of that problems.
  • Each stages in problem clearly defined and make step by step solution for problem for effectiveness in task performance.
  • This approach encourages managers in organization to analysis of each situation prior to action.
  • It is interdisciplinary and more system oriented along with the more research oriented than the traditional approach.
  • It help managers to use and analysis of current trends about people in an organization.

**Results Oriented Approach**
  • It is one of important approaches in an organization behavior for studying about results.
• It is result oriented approach which is always considered to be set task and goals which can be getting result in a right time.
• It compare with the multiple inputs and productive outputs in an organization.
• It is measured in terms of economic inputs and outputs with special reference to human and social inputs also play vital and significant role in this approach.
• It focuses for total quality management to get 100% result in projects.

**Systems Approach**

Here, we shall study the major fundamental elements of the systems approach as outlined:

• There are many variables within a system (organization).
• The part of the system (organization) are interdependent.
• There are many subsystems contained within larger systems (organization)
• Systems (organization) generally require inputs which are engaged some process and make outputs.
• It is the input and output process cycle mechanism and self sustainable itself.
• The systems (organization) produce either positive or negative results.
• The systems (organization) either produce intended and unintended problems and results.
• The consequences of the system (organization) may be short or long or both term.
• It is based on the holistic in an organization behavior.
• It measures cost and benefit analysis of systems input and output process normally in an organization.

**ORGANIZATIONAL LEARNING**

It is the process of developing new knowledge that changes an organization’s behavior to improve current and future performance.

**What are Organizations?**

Groups of people who work interdependently toward some purpose it involves:

– Structured patterns of interaction
– Coordinated tasks
– Work toward some purpose

• Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.
• Learning organizations are characterized by total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or principles.
• The learning organization: Handling knowledge and modifying behavior.
A Learning Organization is an organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge.

Note the three parts:
- Creating and Acquiring Knowledge
- Transferring Knowledge
- Modifying Behavior

Major importance of learning of an organization as listed below:
- To learn about yourself and how to deal with others
- You are part of an organization now, and will continue to be a part of various organizations
- Organizations are increasingly expecting individuals to be able to work in teams, at least some of the time
- Some of you may want to be managers or entrepreneurs
- Learning is the study of human action in organizations. It is the systematic analysis of individual and group processes and characteristics.
- The learning organization has objective of organizational behavior is to understand, predict, and improve the performance of organizations and individuals.
- Creating and Acquiring Knowledge
- Transferring Knowledge
- Modifying Behavior
- Understand Organizational Events
- Organizational Behavior Research
- Influence Organizational Events
- Predict Organizational Events

**Emerging Trends in OB**

Emerging trends are listed below:

- Globalization
- Changing work force
- Emerging employment relationships
- Information technology and OB
- Teams and more teams
- Business ethics
- Business environment
- Strategic alliances
- Mergers and acquisitions
- Designing the organization structure
We shall know the organization and its approaches. We shall discuss about Satyam case study, it will provide valuable output to MBA students and managers in organization in this way to understand organization behavior.

CASE 1.4: About Satyam

DELIVERING WHAT BUSINESS DEMANDS

Satyam Computer Services Ltd. (NYSE: “SAY”) is a leading global consulting and IT services company, offering a wide array of solutions customized for a range of key verticals and horizontals. From strategy consulting right through to implementing IT solutions for customers, Satyam straddles the entire IT space. It has excellent domain competencies in verticals such as Automotive, Banking and Financial Service, Insurance and Healthcare, Manufacturing, Telecom-Infrastructure-Media-Entertainment-Semiconductors (TIMES). As a diverse end-to-end IT solutions provider, Satyam offers a range of expertise aimed at helping customers re-engineer and re-invent their businesses to compete successfully in an ever-changing marketplace.

Satyam’s network spans 55* countries, across 6 continents. Nearly 40,000* dedicated and highly skilled IT professionals, work in development centers in India, the USA, the UK, the UAE, Canada, Hungary, Singapore, Malaysia, China, Japan and Australia and serve over 558* global companies, including over 163* Fortune 500 corporations.

We have strategic technology and marketing alliances with over 90* top-notch companies that help us provide end-to-end services to our customers.

Satyam’s need-driven deployment of domain and technology expertise brings to customers a range of solutions and products that enhance performance and competitiveness.

Our unique RightSourcing™ delivery model allows us to leverage local competencies to offer global competitiveness to our customers.

Our consulting and IT solutions have resulted in technology-intensive transformations that have met the most stringent of international quality standards. We have developed a unique quality hallmark, called eSCMSM (eSourcing Capability Model), for IT Enabled Services (ITES), in collaboration with Carnegie Mellon University and Accenture.

We follow a specially developed Business Continuity Model (BCM), which allows us to continue mission critical operations of our customers, even in the most challenging of times.

SM eSCM is a Service Mark of Carnegie Mellon University.

* Figures as per quarter ended March 31, 2007.

CORPORATE PROFILE/ORGANIZATION PROFILE

Satyam: An end-to-end IT services provider

Satyam Computer Services Ltd. (NYSE: “SAY”), is an end-to-end IT solutions provider. It operates in 55* countries, with a customer base of over 558* global companies, including over 163* Fortune 500 corporations.
Satyam’s highly skilled, dedicated IT professionals, its subsidiaries and Joint Ventures provide customized IT solutions for several industries using our range of technical expertise and experience.

**Satyam’s range of expertise**

- Software Development Services
- Engineering Services
- Systems Integration
- ERP Solutions
- Customer Relationship Management
- Supply Chain Management
- Product Development
- Electronic Commerce
- Consulting
- IT Outsourcing

**Industry Verticals**

- Automotive
- Banking and Finance Services
- Energy and Utility
- Government
- Healthcare
- Insurance
- Manufacturing
- Non-Profits
- Process Industry
- Real Estate and Construction
- Retail
- Telecom
- Travel and Transportation

Satyam’s subsidiary Satyam Infoway provides Internet Access and Hosting services and Network and Network-enabled services.

Satyam’s BPO subsidiary Nipuna provides a host of Business Process Outsourcing services.

Satyam’s range of consulting and IT skills have helped businesses re-engineer and re-invent their products, services and processes to compete successfully in an ever-changing marketplace.

Satyam’s state-of-the-art software development centers in India, the USA, the UK, the UAE, Canada, Hungary, Singapore, Malaysia, China, Japan and Australia* work with a variety of business and technology partners to design and implement projects onsite, offshore and offsite.

The organization emphasizes on acquiring an in-depth knowledge of the customer’s context and needs, and designs solutions fine-tuned to these needs. Satyam’s ideas and products have resulted in technology-intensive transformations that have met the most stringent international quality standards.
Simultaneously, Satyam teams proactively work on turning new ideas into products that answer global market needs. One such product is VisionCompass, a web-enabled collaborative enterprise management software.

Satyam has developed strategic alliances with leaders in several technical areas. Through a web of over 90 technology and business partnerships, Satyam offers clients comprehensive, cutting-edge solutions.

Satyam’s SEI CMM® Level 5 assessment reflects its commitment to Quality processes and products.

**Core Values**
- Belief in people
- Pursuit of excellence
- Entrepreneurship
- Customer orientation

These values have led to the creation of a unique organizational structure, with every functional unit designated as an independent business enterprise, each responsible for its own resource management and its profits and losses.

**Questions**
1. Explain organization structure in Satyam.
2. What are the core value of Satyam?
3. Discuss the development and learning of organization behavior in Satyam?

**Questions for Discussion**
1. What is an organization?
2. What is an organizational behavior?
3. Explain the origins of organizational behavior
4. Discuss the multidisciplinary nature of organization behavior
5. What are the organizational major goals?

*Source: Satyam*
6. What is management?
7. What are the functions in management?
8. Comment on what do managers do in an organization?
9. Discuss the manager roles in an organization?
10. What is interpersonal role of manager?
11. What is informational role manager?
12. Explain the managerial skills of managers.
13. Explain the levels of managers?
14. What are the current organizational issues facing managers in an organization?
15. Explain importance of managers role.
16. Explain the framework for studying organizational behavior.
17. Comment on the study of organisation behaviour.
18. What are the benefits of studying organization behavior?
19. Explain the key managerial practices of successful organizations.
20. Describe the elements of organizational behavior.
21. Discuss on models of organizational behavior.
22. What is an organization development?
23. Discuss the basic approaches in organization behavior.
24. What is organisational learning?

References: