

Course Name: Organizational Behaviour: Individual Dynamics in Organization

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Week – 01

Lecture – 01

Lecture 1: Understanding organizational behaviour: Tracing the evolution-1

Hello folks! Welcome to the first session of Organizational Behavior, Understanding Organizational Behavior and Tracing the Evolution Part 1.

I am Dr. Abraham Cyril Issac, I am here an Assistant Professor at the School of Business, IIT Guwahati.

So, as the first lecture, as I have already introduced you to the topic in the introduction video. First lecture, we will always look into how it originated. But before this, as it is a practice in all my lectures, I start always with a quote or a word or a phrase. So, this time it's "individual differences".

What do you mean by individual differences? We many a time hear that differences are there within individuals, differences are there within the groups, but they all came to a consensus. So, suggesting or taking a cue from that, individual differences are known to exist in any system. And this makes the entire organization more robust. Many a time here that it takes all types of people to make the world. From that point, I would like to start today's session which is tracing the evolution.

Now, if individuals are different, they also behave differently. This behavioral pattern has raised many a time differences in opinions, differences in understanding, difficulties in analyzing this behavior, etc. etc. So, we tend to understand this from an intuitive perspective. That is when we get wrong.

So, we basically we go into a situation where we look into systematic study. Systematic study is nothing but introducing the topic, understanding the interactions or relationship between different elements, different actors associated with it, trying to understand cause and effects or trying to attribute the causes and effects of those particular relationships and finally making conclusions which are based on scientific evidence. So, I will just like to add on this. Systematic study. So systematic study as we have seen is where we try to understand the relationship, attribute those relationships to different causes and

effects and try to make predictions based on the available scientific evidence.

Second, we also try to look into from an evidence-based perspective or evidence-based mechanism. Let me ask you a simple question. Now when we used to get fever, we used to go to a doctor, he would prescribe a medicine. But during the COVID times, you know, fever was the first symptom. So, if you visit a doctor, it is very hard to get even a paracetamol.

So basically new evidence has come into picture and based on those scientific evidence available presently with the doctors, they tend to make decision.

How is management different? Management is also a science. So, this is where evidence-based mechanism comes into picture. Evidence-based mechanism looks into the available scientific evidence of the present-day scenario and tries to bring up solutions. As we commonly say, modern day problems require modern day solution and this is the reason why we bring evidence-based mechanism into picture.

Now having seen systematic study and evidence-based mechanism in management, we also don't discredit, we also consider intuition. Intuition is where you have a certain gut feeling that this is how it is going to happen. So, every single decision in terms of organization is based with respect to these three elements. Systematic study, evidence-based mechanism and intuition. Amalgamation, a combination of all these three mechanisms will show that any behavior displayed by individuals in the organization is having a consistency and that consistency could be captured with these mechanisms.

So basically, we are trying to understand organizational behavior where there are individuals who behave in a different way, individual differences persist but we are trying to see consistency and we are trying to predict organizational behavior. So, this is where I would try to invoke Fred Luthans who had said that, "organizational behavior is basically to understand, to manage and to predict individual behavior". So that's the introductory note for today's session.

Straightaway moving into today's session, we will introduce the concept of organization. Now we know the organization is a term which we loosely use for any set of people, group of people who have a common objective. Now tracing that, we look into some of the thinkers. Max Weber, the German sociologist who looked into bureaucracy, looked into rationalization. He says that, "organization is a social entity that is rationally organized and coordinated to achieve specific goals and objectives". Now Chester Bernard who is also an American theorist says that, "a system of consciously coordinated activities or forces of two or more persons", something which is very particular is two or more persons achieve specific goals, coordinated activities, coordinated objectives. So specific goals, coordinated activities, two or more persons, we tend to see these

functional words getting repeated again and again in their definition.

We will also look into what Henry Fayol has to say. “A group of people working together to achieve common goals”. Now here also it is very particular that a group of people is coming into picture, a common goal is coming into picture. Now, Carl Weick is of also a similar opinion where he gives sense making structures that help individuals make sense of their environment. So, this is more of the SOR stimulus operation that is happening where individual is behaving with respect to an external stimuli.

And finally the management consultant Peter Drucker says that, “an instrument for turning resources into results”, quite intriguing. Whatever resources it is available with us, within the organizational context, how we are changing into results that is what makes an organisation existent. So, these are some of the earlier understandings of an organisation has evolved. We now see that a lot of work structures, different work from home techniques, different organisational structures, social contracts, organisational contracts have changed or I will use the term evolved. So based on that we will see that an organisation is specifically a consciously coordinated social unit. It could be such that there is a group that has come up together to form a particular, has established around a set agenda or to establish or achieve something. For example, an organisation of let us say couple of people to take up an activity or let us say college festival or it could be technical event or it could be a political association where the intention is to grab power or there will be a set of collective people who have come to oppose somebody else or there could be a set of initiatives where you have come together to establish a scientific organisation to build rockets or let us say an organisation where you have made your existence into the world of education, where you are trying to include more and more people into the purview of education or an organisation where you are closely associated with the people from a separate sect or a separate religion. So all these are organisations, but it is consciously coordinated social unit. Now hardly there will be any organisation that has happened randomly. There could be some instances where ideologies bring together people, there will be instances where objectives bring together people, but mostly in an organizational behaviour context we see that organisations are consciously coordinated social unit. Now it is composed of people. We are not looking into the brick and mortar; we are not looking into the infrastructure. Organisation is essentially established by its people, by the individuals, by the employees.

We will take any example. Let us take an example of any corporate. It is known by its people. Let us say any Tata company, any Reliance company or any company that is associated with government PSU. Every organisation is known by its people. So, organization is made by people, it is composed of people. Now, it functions continuously.

Organisations are not something which is formed for an agenda, it is made and disposed of. No, that would be groups, that would be teams, but organizations work consistently, work continuously. This is what makes organisations exist, this is what makes organisations strive, this is what makes organisations critical. And finally, the main agenda behind any organisation is to achieve common goals. So, all the definitions which you have seen from Weber to Fayol, everything is ear marked by common goals. There are some mutual objectives which we are looking at which we are stating specifically in the vision and mission of an organisational structure. This is what organisation is all about. So that makes us understand what organisation is specifically.

Now coming to organisational behaviour. Organisational behaviour as I have already mentioned is to basically understand, manage and predict what is going to happen or what is going to happen with respect to individual behaviour.

Now let us look into what behaviour is. Behaviour is the internally coordinated responses, very critical functional word, internally coordinated responses which could be actions or inactions of whole living organisms, individuals or groups to internal or external world stimuli, excluding responses more easily understood as developmental changes. Quite a few words, very much intriguing definition. Let us break it down. Let us break it down and understand word by word. I will try to make it very simple.

It is an internally coordinated response. That means behaviour should come from internal motivation. It should actually happen with respect to internal response. But then actions or inactions. Sometimes inactions are also actions. I repeat sometimes inactions are also actions. I remember that there was a statement by one of our earlier Prime Ministers that why you generally do not take an action on something. Basically, his words were quite interesting. Not taking an action is also an action. So sometimes we see in organisational context, in the context of life, in the context of our set up, in terms of work culture, in terms of what we are involved in everyday day to day activity, organisation, internal responses, it could be inactions also be a response to the external stimuli. We can also definitely have actions. So basically, it is internal coordinated responses of whole living organisms. It could be individuals or groups.

Now behavioral tendency is something which is very critical in terms of individuals as well as group. Let me take an example. The way one person behaves in two different contexts is different. Similarly, two people performing in the same context is different. I repeat, let us take a person. Let his name be Ramesh. Now Ramesh performing in a context A and context B is different. Similarly, let us take two people, John and Smith. John and Smith performing in the same context is also different. Now this is something that has not anything got to do with the behavioral per se but also the context. So, you have to understand it from the individual or as well as the group behaviour and also to internal and external stimuli. The context also is critically relevant when it comes to

organisation.

Let us look into the further part, excluding responses more easily and understood as developmental changes. Developmental changes are more slow. They are more ontogenetic. They are controlled by the genes you are made up of. So basically, if you are looking into any behaviour, it might not come under the developmental changes purview for the simple reason that those are literally slower changes, those are literally guided by your genes, ontogenetic. So, in other words, behaviour refers to how an individual or group acts when it is interacting with others, as simple as that. How me, you or any other person is interacting with any other individual is behaviour.

I will also give an example. Let us say every single individual, this is what organisational behaviour interesting. This is what makes the behavioral part in organisation typically interesting. Let us look into any situation we are in. We look into every other individual. We see how they behave, how they react, how they respond to different stimuli. Please introspect within yourself. From this moment, every move you are making to the outside world, you are either focusing on somebody, looking into how he or she is reacting to external stimuli. This is what makes behaviour interesting. This is what makes organisational behaviour more critical and more relevant.

Now let us look into something which is more scientific, how Kurt Levin has simplified the model of human behaviour. Individual's behaviour, let us assume it as B , is a function of the person P including their personality. The persona is important, the personality and motivation and their environment which includes their physical as well as social surroundings. Now this can be broken down to a simple equation. B is a function of P and E . P is the personality of the individual and E is specifically the environment. But easily said than done, what we have to understand is that personality could be made of different traits, different attitudes, different personality, different dispositions, etc.

Again motivation, motivation could be intrinsic, could be extrinsic. Sometimes I go to a food item because of intrinsic motivation, because I am hungry. Sometimes the food becomes so attractive or food is so tasty. So, I go to that food because of some extrinsic motivation, because that food or the caterer or the person who is serving them is well known, well reputed for the taste, so I will go to him. So basically, this is what motivation is. It could be either extrinsic or intrinsic.

Also we are looking into environmental. Environment could be the context you are in. You are in an organisational setup, very rigid, very strict in terms of let us say you have a mobile no use policy. So basically, you have to surrender your mobile phones or let us say there are companies which actually mask your cameras and cell phone cameras etc. when you get into the organisation. So that could be a policy where you are looked upon on a basis of speculation, on a basis of doubt. Those are situations where you do not have

a freedom. So, this environment or that context modifies your behaviour. Otherwise, cool person you are or otherwise a person who is very jovial, very much excited and very much extrovert you are, you tend to be in a restrictive mode. You tend to keep restrained over things which otherwise you would not have because of the environment.

Let us look into the same person. Let us take an example of a person Anuradha who is coming into an organisation who is supposedly very introvert, shy etc. but seeing the organisation, a flat structure within the organisation there is hardly any hierarchy, any bossing around that is happening then people tend to be, she tends to turn her behavioral pattern into something different.

Organisational behaviour is quite dynamic. As I have introduced the topic, I have already mentioned individual differences. It takes all types of people to make the work. But to see the consistency, again going back to the first point, to see the consistency we have to look it into from an evidence-based perspective. We have to look it from a systematic angle where you tend to look into the relationship, the associations, try to attribute it to the causes and reasons and then predict it based on the available scientific evidence. So, this is what Kurt Levin says, “behaviour is a function of your personality as well as environment”. Interestingly I will also tend to repeat environment when it comes to personality, it is both personality as well as motivation.

Now what do you mean by environment in physical surrounding? It could be such that social surrounding I have already clarified with respect to the person you are. You are in an environment which is more democratic, more consultative, more interestingly active. It brings the different person inside from within you and you change altogether. But let us look into a possibility where you are in a work condition which is very hot, humid, very difficult to work in such situation. It could be the physical surrounding. There too you will have a change in behaviour. So, environment does not mean that it is only associated with your social surrounding. It also has an implication to your physical surrounding.

Now coming to organisational behaviour as a discipline. It has different dimensions but I would say it emerges into a common body of knowledge. I repeat it emerges into a common body of knowledge which is organisational behaviour.

Let us break it down. Let us break it down to behavioral science contribution unit of analysis output. It heavily takes from psychology, it heavily takes input from psychology where the contribution comes in learning, motivation, personality, emotions, perception, training, leadership, job satisfaction, individual decision making, performance appraisal, attitude measurement, employee selection, work design, stress etc. So, it heavily contributes or takes the contribution from psychology where you look people from a closer angle. You look into the personality; you look into the individual differences and tend to appreciate it. Again, you look into the social psychology angle, you look into the

social angle, all the behavioral change, how interventions can change attitude, what is the difference of what is the process of change in communication, what is happening in group decision making process, what are the different stages of that, communication, power, the quest for power, the power distance, every single cultural perspective, conflict, intergroup behaviour, all these aspects tend to make you to look into the unit of analysis from a group angle because you are more concerned with the social psychology angle. In psychology you are more focused on the individual perspective but in social psychology you are more looking into the group perspective.

Now comes the sociology angle where people are more concerned with organisational theory, organisational technology, the contributions are culture, the change. So basically, the unit of analysis becomes organisational system. It looks into a macroscopic viewpoint. It does not take the microscopic viewpoint of psychology. Sociology contributes heavily to organisational behaviour from a more of a macro angle which is organisational technology, organisational change, organisational culture.

It also comes or takes heavily from anthropology where you look into human-human interaction, comparative values, comparative attitudes, cross-cultural analysis, organisational culture specifically and even organisational environment and power. This is where individual specific comparison takes a back seat and organisational comparison comes into the front seat. So again, the unit of analysis becomes organisation system. That is how the study of organisational behaviour as a discipline has emerged over time.

Now comes organisational behaviour. Let us understand organisational behaviour in a very crisp and clear manner. It is a field of study that investigates the impact that individuals, groups and structures have on behaviour within the organisation. This is something which is very intriguing. Investigates impact of individuals which have seen individual behaviour, how it is creating differences, bringing out change in terms of the solutions that is required. We have also seen the environment of groups. What about the third element, the structure?

The structure also, the knowledge about structure also gives us an idea on how organisational behaviour is emerging. We know the person, let us assume we know person A. He is working in an organisation B, but we are unable to understand the organisational structure C. Then we are in a position not to actually establish the contribution of organisational behaviour, how organisational behaviour is actually getting affected within the knowledge scenario or within the organisational aspect. This is where structure also becomes relevant. It takes a macro aspect of macro viewpoint of organisational structure on behaviour within the organisation. For the purpose of applying such knowledge to us, predicting and improving an organisation effectiveness. What is the end result? What is the end goal? The end result is simple. I am studying the individual, I am studying the group and I am studying the structure for one simple reason

that how I can take my organisation from level A to level B, from orbit A to orbit B. How to increase the efficiency and effectiveness of the organisation. That is the core reason why I am actually involved and interested in studying in what individuals are, what or how they behave, what is their predisposition within the organisation, how they are evolving within the organisation, what is the learning pattern within the organisation, how they are emerging in different scenarios, how they are reacting to different stimuli, how they are coordinating or in terms of cooperation how they are, how groups are formed, what is the cohesion, what are the different stages that the organisation is displaying in terms of group formation, how is the team dynamics that is happening and what exactly is the structure of the organisation, how the structure is formed and how the structure is adding knowledge to your organisational effectiveness. So, all these three aspects, individuals, groups and organisational structure, how these three are contributing to organisation effectiveness makes the study of organisational behaviour all the more critical.

Let us come to small matrix which looks into the theoretical and applied angle as well as the macro and micro angle. In organisational theoretical and applied angle, we look into organisational development, which is more applied but on a macroscopic viewpoint. We look into organisation from a very large angle, we look it from a very macroscopic viewpoint that we do not consider individuals. When you are looking into organisational development the key is to look into the structure, the design of the organisation. Individuals are sure a part of it but the focus is mainly on the organisational structure which is more applied, which is more macroscopic in view. Now let us look into human resource management which goes hand in hand with OB. Many schools do not have even a distinction between OB and HR. They call it OB HR.

So basically, human resource management critically looks into the applied aspect but again as in case of OB it is more microscopic. It looks into individual, how the recruitment is happening for a particular individual for the organisation, how a particular individual is behaving during a training. All these aspects are certainly micro but they are more applied. OB on the other hand is more theoretical but before coming to that we are looking into a macroscopic viewpoint of organisational theory which is more theoretical but rather macroscopic.

Organisational behaviour on the other hand is highly theoretical but it is also microscopic.

So my concern is individuals, my concern is how individual will perform within a group. My concern is with respect to the group performance within an organisation. I am not so bothered about the macroscopic angle but as an organisational behaviour theorist I would like to look into the individuals, their predispositions, how they interact, how they mingle, how they act to responses.

Let us look into scenario where you are bringing in let us say Sheela, an individual who is coming to an organisation for the first day of her life. So, she sees the organisational structure, she sees that it is more of a hierarchy that is happening within the organisation but what makes her more comfortable is with respect to the work zone, with respect to the workplace there are individuals who are highly motivated, there are individuals who are more extrovert, more ready to help, more ready to help you out in your first day. So, this makes organisational behaviour all the more relevant. This makes the life of Sheela more critical, more enjoyable and not the organisational design in that context.

So, that completes our first lecture of organisational behaviour.

I would just like to summarise one thing. Every single individual is different. It takes all types of people to make the world. That said, organisational behaviour is something which is very critically understood from the behavioral point of view and behaviour cannot be easily understood because it could be random. That said, we cannot leave random behaviour stating that okay we cannot measure it. We have to use a systematic approach and systematic approach means that we are actually looking into the different available associations or relationship, we are trying to relate it with different causes and effects and how to predict it from the available scientific evidence.

Also, we look into evidence-based management which looks into the recent available scientific evidence. Based on that we tend to predict the behaviour. I also like you to recollect the example I gave in terms of COVID. Scientific, new scientific evidence coming into picture means that you have to take a decision based on the new available scientific evidence. So modern problems might require modern solutions. So basically, the evidence-based management becomes a second angle. That said, there is always an element, there is always an element of randomness and unpredictability that will come in human behaviour. That is where your gut feeling, your intuition will help you. So, a combination of these three things will help you to get to what is known as organizational behaviour.

See you with more details of organizational behaviour in the next class. Till then take care, goodbye.