

Organizational Behaviour
Prof. Susmita Mukhopadhyay
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur


Lecture - 2
Effectiveness in Organizations

Good morning. Welcome to the second lecture that is effectiveness in organizations. In the last lecture, we tried to understand what is organizational behaviour as a field of study? Now, we move on to the second chapter which is effectiveness in organizations.

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Objectives

- Understanding the models of Organizational Behaviour
- Understanding effectiveness in organizations- goal approach and systems theory approach
- Knowing the time dimension of effectiveness
- Knowing the criteria of effectiveness
- Knowing the limitations of Organizational Behaviour
- Knowing the key forces affecting Organizational Behaviour
- Understanding the continuing challenges of Organizational Behaviour.
- Developing competencies for facing the challenges.



This, the objective of this lecture will be to understand the different models of organizational behavior, understanding effectiveness in organizations; it has two approach: the goal approach and the systems theory approach, knowing the time dimensions of effectiveness, knowing the criteria of effectiveness, knowing the limitations of organizational behaviour, knowing the key forces affecting organizational behaviour, understanding the continuing challenges of organizational behaviour, and developing competencies for facing this challenges.


So, if we can see like this chapter, we will equi-pass better understanding when you cover at the end of this chapter; this, this is going to equi-pass in a better way to perform better by challenge; it will equi pass in a, to perform in a better way by understanding the forces which affect organizational behaviour, its limitations, what helps us to, what helps organization to become effective, and what competencies we can develop to face the

challenges faced by organizations while performing. So, we will start with the models of organizational behaviour.

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Models of Organizational Behaviour

Models of Organizational Behaviour constitute the belief system that dominates management's thought and affects management's actions in each organization. It is very important for the managers to recognize the nature, significance and effectiveness of their own models as well as the models of others around them.



So, what is a model? Models of organizational behaviour constitute of the belief system that dominates management's thoughts and affects management actions in each organization. So, we move, we means the managers sometimes move through their own predetermined mindset in their mind, like I believe that the nature of person is like this, so I will try to interact with this person in this this way or each organization have their own frame of reference- what they think about human beings the employees within that organization, what they need, how they perform, what they think and so on and so forth. These predetermined ideas, believe systems that dominates of managers or a management's thought processes, and as a result affects their action, these are called models of organizational behavior, and there are different models.

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Assumptions about Employees- Theory X and Theory Y by Mc Gregor (1957)

Exhibit taken from Organizational behaviour-Human behaviour at work by John W Newstrom, 12th edition, McGrawHill Publication, pp29.

THEORY X	THEORY Y
The typical person dislikes work and avoid it if possible	Work is as natural as play or rest .People are not inherently lazy. They have become that way as a result of experience
The typical person lacks responsibility, has little ambition and seeks security above all	People will exercise self direction and self control in the service of the objectives to which they are committed
Most people must be coerced, controlled, and threatened with punishment to get them to work	People have potential. Under proper condition they learn to accept and seek responsibility. They have imagination, ingenuity and creativity that can be applied to work
With these assumptions the managerial role is to coerce and control employees	With these assumptions the managerial role is to develop the potential in employees and help them release that potential toward common objectives.



First we see like assumptions about employees, way back in 1957 Mc Gregor gave two models which is we know as theory X and theory Y. Theory X tells, it is an idea which tells the typical person dislikes work and avoid it if possible. So, the management which moves with these idea in mind, like the theory X idea in mind, like the typical person dislikes work and avoid it if possible; the typical person lacks responsibility, has little ambition and seeks security above all; most people must be coerced, controlled, and threatened with punishment to get them to work; with these assumption the managerial role is to coerce and control employees.

So, what will happen? I take, I consider that the employees are such a lot of people like who have to be directed, who have to be pull, I like suppose pulled by the ears to do their certain jobs because they are lazy lot, they do not want to do, they do not want to perform, and always I have to be with them to monitor what they are doing; I have to direct them, and I have to coerce them, I have to punished them, I have to threaten them, so that out of fear they are going to perform. If that fear is not there, they are not going to perform. So, this is one way of looking into the, with, about the employees nature, and dealing with them.

Theory Y tells that work is as a natural, as natural as play or rest. People are not lazy. They have become that way as a result of experience. So, inherently people are good, if you observing them to be lazy now, it is may be as a result of such an experiences they have become that thing, and you have to find out the reason why people have become lazy, and they do not want to perform.

People will exercise self direction and self control in the service of the objectives to which they are committed. So, they will try to perform in their own way, they will try, apply their own thought process, try to think about what is going on, why they going to do these thing, what are the, how to do that thing in a better way.

People have potential. Under proper condition they learn to accept and seek responsibility. So, it is not that they do not want to take responsibility; under proper condition if there is a favorable condition provided, they can, they are eager to learn and accept and seek responsibilities. They have imagination, ingenuity and creativity that can be applied to work. With these assumptions the managerial role is to develop the potential in employees and help them release that potential towards common objectives.

So, if you see these are two opposite roles that you are telling. Like way if you move with this theory at X side idea in mind, we are assuming like employees have to be directed and they have to be controlled, they cannot think on their own, they do not want to perform. So, always as a manager I have to monitor and get things done through this people, as if they are left to themselves they are not going to perform.


Whereas, this tells like is to develop the potential in employees. This is very important. Everybody has a potential to develop, and the manager's role is not to monitor the employees, not to coerce the employees, but to help them develop their potential, so that they grow; help them release that and they grow, the employees develop. But again this word is very important, towards common objectives, the growth of the employee should be channelized towards the organizational development- it should be aligned with the organization's development.

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Five Models of Organizational Behaviour

Exhibit taken from Organizational behaviour-Human behaviour at work by John W Newstrom, 12th edition, McGrawHill Publication, pp30.

	Autocratic	Custodial	Supportive	Collegial	System
Basis of Model	Power	Economic resources	Leadership	Partnership	Trust, Community, Meaning
Managerial Orientation	Authority	Money	Support	Teamwork	Caring, compassion
Employee Orientation	Obedience	Security and benefits	Job performance	Responsible behaviour	Psychological ownership
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self discipline	Self motivation
Employee needs met	Subsistence	Security	Status and recognition	Self actualization	Wide range
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm	Passion and commitment to organizational goals.



The five models of organizational behaviour which tells about five styles of the organization. If you see, these five styles are listed as autocratic, custodial, supportive, collegial, and system. What is the, basis of this model is autocratic model depends on power; managerial orientation of this model is authority; employee orientation- it is needed that the employee, it is expected that the employee will obey the order given by the managers.

Employee psychological result is dependence on boss; employee needs are met is subsistence need, I want to survive. So, the basic minimum is provided by autocratic organization. As a result performance is minimum because I am always in a fear, like my supervisor and will come and tell me certain things- I may be like worst, I may be limit for doing certain things which my employer or the manager does not want.

Next is custodial. Basis of that model is taking care of the resources, economic resources. Managerial orientation is towards money; profit is what its guides the organization. Employee orientation is towards getting better security and benefits from the organization. Employee psychological result is dependence on the organization, because I want security and benefits, and it is the organization can only provide me that security and benefit; I depend on the organization.

Employee security met is met through this model. Performance result is passive cooperation; this word passive cooperation is important. I cooperate with the organization to get to reach its objective, but that cooperation is passive in nature; it is

not very enthusiastic because I am only concerned with the gains that I am getting from the organization in terms of security and benefits; and also, because the manager is concerned with the money, and have to control the resources in a better way.

Where we are discussing the supportive model of the organization, the basis of the model is the leadership style; where the managerial orientation is support to the employees; employee orientation is towards the job performance- I have to perform in a better way; psychological result is an able to participate in a group performance; the needs of the employees met through this are status and recognition- because I am performing I get recognition or a certain status in the roof; and performance result is awakened drives- like I know, like what I need from the organization, and I get certain recognition from the organization, I get a certain status from the organization, so this is awakened drives.

Next model is collegial model. Basis of that model is partnership. So, if we see, shift from leadership to partnership, team leadership still there is a power gap- I am the leader, I am the employer, employees are my follows, and there is shift in the, focus in the, shift in focusing the power. But when we are talking of partnership, the power is equally distributed among all the participants.

Managerial orientation is towards team work; employee orientation- because it is teamwork employee orientation is responsible behavior, why? I am responsible for my own behavior; psychological result is self discipline- because I am responsible, because it is a team work, because it is partnership, certain owners as given to me, then I have to be self disciplined because nobody is there just to monitor to me, then I have to self disciplined.

Employees needs met is self actualization. I, I know like what I want to do; there is a scope for creativity; I can try to do certain things in my own way without having the fear like what my manager or supervisor is going to tell me; so self actualization. Performance result is moderate enthusiasm because I am just getting the good feeling like, ok, I am doing this, I am, in a different way. So, I feel, I feel excited for moved into the certain level like I am doing it in the way that I want to do it. So, employees have that moderate enthusiasm.

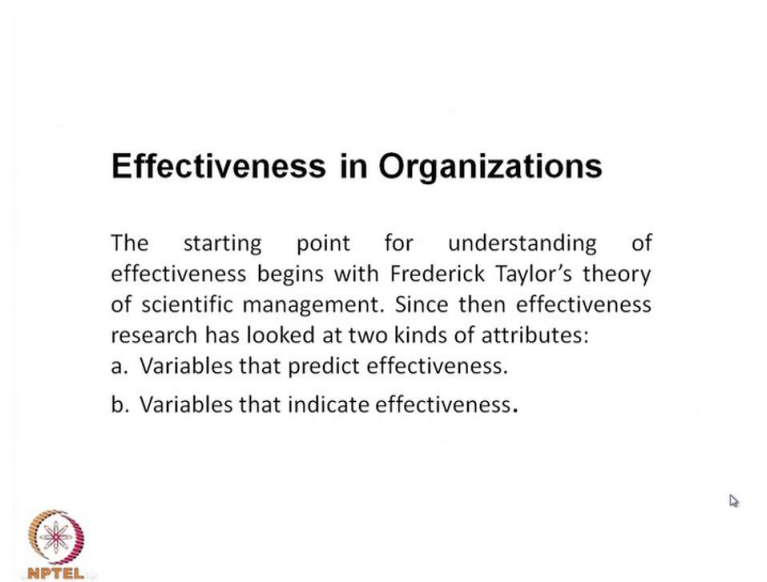
In the system model, the basis of the model is of course, trust on the employees. We work as a community and the meaning, it will worth at what we do, is very meaningful because the meaning of the job is being translated to us. Managerial orientation is caring,

compassion. So, I care for your development, I am compassionate towards you maybe the drawbacks and want you to or the employees to develop. Employee orientation is psychological ownership- I will own this part of the job that I am doing. So, I am the decision maker.

So, employee psychological result is self motivation. I am self motivated, I am impressively motivated to do, do that job. Employee needs met are wide range of needs starting from all that is mentioned on the left hand side- subsistence, security, status recognition, self actualization, all these needs are met when we are having the basic thing, that is basis of this model is trust.

Performance result is passion and commitment to organizational goals. This what passion is very important like whatever I do, I do it with full enthusiasm; I, I do it with full energy and commitment towards the organization goals; these will lead to what we call today like employee engagement which is very important; I, I perform not to the extent that I am asked to perform; I can, I voluntary do something extra for the organization because I love doing it; that is very important like passion.


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Effectiveness in Organizations

The starting point for understanding of effectiveness begins with Frederick Taylor's theory of scientific management. Since then effectiveness research has looked at two kinds of attributes:

- Variables that predict effectiveness.
- Variables that indicate effectiveness.



Effectiveness in organizations- so that we will try to start from, like Taylor's time; so these are two kinds of attributes like variables that predict effectiveness, and variables that indicate effectiveness, like what will, what are the variables that will help effectiveness to happen, and what are the variables if this is done means effectiveness is there. These are the two, like attributes of effectiveness.

And, under this we can try to list out various variables and may be one of you task over here; I have just left it like this here for you to find out, like what are the variables, like which is predict effectiveness and also variables that indicate effectiveness, parameters, the variables that indicate effectiveness.

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Ivancevich, Konopaske and Matteson in their book Organizational behavior and management -7th edition (TMH) have highlighted two approaches of studying effectiveness-the goal approach and the systems theory approach.

The Goal Approach

It assumes that organizations exist to accomplish goals which reflects purpose, rationality, and achievement. Several management practices (e.g., management by objectives) are based on the goal approach. However, the shortcomings of the goal approach are:

- a. Goal achievement for organizations with intangible outputs (e.g., a liberal arts college) may be difficult to measure.
- b. Goal conflict frequently occurs as organizations strive to achieve many goals (e.g., how can a company produce high quality products while minimizing production costs?).
- c. Organizational members rarely achieve consensus on a set of goals to pursue.
- d. Goal achievement does not guarantee organizational effectiveness. Despite shortcomings, the goal approach exerts a powerful influence on OB theory and management.



Now, as for as the approaches of effectiveness are concerned, there are two approaches in studying effectiveness: one is of course, the goal approach and the next is the systems theory approach. We will try to have a look into both these approaches.

In the goal approach, it assume that the organization exist to accomplish goals which reflects purpose, rationality, and achievement. But it has its drawbacks. This approach has its drawbacks like certain, for certain things, for certain types of organizations, the, whether you have achieved the goal or not is very difficult to measure because sometimes it is in intangible outputs. So, how to measure? What unit to measure? So that we will tell, ok, this much of goal if you have attended then, means you are effective. So, sometimes it is very difficult for organizations to measure it.

Next is sometimes goal conflict occurs because what, what person during the organization we see, may see like, this is my goal or this should be the organization's goal, other persons may not seen the same thing to be the organization's goal. So, and also two goals may be conflict in with each other, like if I want to produce high quality products then simultaneously I want to minimize the production cost, then maybe at certain point of time there will be a goal conflict between these two goals, like certain, if

you are going to produce high quality products sometimes production cost you, it is, it is high, you cannot just minimize it to that level. So, goal conflicts may occur.

And, how do you find out what is effectiveness? Organizational members really come to a consensus regarding what goals to pursue; there may be individual differences regarding like the goals of the organization and individual goals also. So, while you are going by the goal directed approach it is very difficult to zero down into a goal, like this is the goal of the organization.


And, goal achievement also does not grantee like you are effective, why? Maybe you have reached that goal, but you have made lots of poor stages. So, that, that is, that is exactly not permissible like. Goal achievement, any how you have achieved your goal, but in the process you have made numerous mistakes does not signify like you are very effective organization. So, due to the, these are the shortcomings rather of the goal approach.

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The Systems Theory Approach

It defines effectiveness in the broader context of the internal and external environment. It emphasizes that managers must deal with the internal and external aspects of organizational behavior and views the organization as one of many interdependent elements. The organization depends on the external environment for two kinds of inputs, which it transforms into outputs, and then releases in the hope that the external environment will accept them. These two inputs are:

- a. Human Inputs—employees and natural resources
- b. Non-human inputs (e.g., equipment, information, raw materials).



So, the systems theory approach, it tells like, it tells about the inter, it deals with the broader context of internal and external environment, and it shows that organization to be interdependence, there is a relationship of interdependence, and between the internal and external aspects of functional behaviour, and you have to keep in mind these aspects while you were talking of effectiveness.

The human inputs in the organization like organize, organization has human inputs-employees and natural resources, then from the external environment and non human

inputs also like equipment, information, raw materials from the outside environment. Now, all these interact together to define what is effectiveness, and challenges in each of these context differ. So, while we are trying to judge whether an organization is effective or not, we have to take into consideration the whole gamut of the relationship that the environment, that the organization is in, and then try to find out, in these context that the organization is performing; whether it is doing the right thing or not in a, in a better way. So, that will determine its effectiveness.


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An important aspect of the systems theory is the feedback. Feedback, or information that reflects the outcomes of an act or series of acts, enables the organization to adjust to environmental demands. (Feedback would include market research, financial reports, customer complaints, etc.)
Systems theory emphasizes two important considerations:

- An organization's ability to adapt to environmental demands;
- Management's ability to focus on the input-process-output cycle and maintain this three-part flows of activity.

The idea of the "learning organization," which evolves from the systems theory, suggests that organizations learn, adapt, and change by acquiring knowledge, distributing information, and interpreting information. Two types of learning are:

- Generative learning— learning how to learn.
- Facilitative learning—learning to learn through teaching.



And one of the important theory to determine the effective, one of the important aspect that are to determine effectiveness of the organization in the systems theory base is having a proper source of feedback and understanding the feedback at the right point of time, taking the feedback at the right point of time. So, for collecting this work, what is the mechanism, the more developed mechanism that the organization has for collecting feedback, go from internal and external environment, then and if the feedback is timely in nature then it helps us to connect the relationship of the different elements in a much proper way and take corrective actions. So, feedback is very important.

So, and flexibility of the environment, the organizations ability to adapt, adjust to environmental demands is also very important, it, for this organizational effectiveness when we discuss in the systems theory perspective. For that one of the primary things which is required is organization's ability and interest to learn certain things. So, the concept of learning organization is important while we are talking of effectiveness of the organization from systems perspective. That is one organization's ability to learn, adapt

and change, learn, adapt and change, how? By acquiring knowledge, distribution of information, and interpretation on those information that will connect from environment, both internal and external to the organizations.

So, and this learning is, how you do it is, learning. Just learning are two types of learning. It is more important to, rather than what you learn, it is more important to know how you learn it means, learning how to learn is very important; and how to learn through teaching that we will get from the environment. So, it is important, like the process of the learning is very important; how you get your information, how you interpret it, your cognitive ability to deserve for the knowledge that you get. These things are very important when you are talking of a learning organization.

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Time dimension of Organizational effectiveness


Systems theory is used to integrate organizational effectiveness and time.

The criteria of effectiveness are also time based like Short run (results of actions concluded in a year or less), Intermediate run (when effectiveness of individual, group or organization is considered for a longer period, perhaps five years) and Long run (for this the time frame is indefinite future).

Four Short run effectiveness criteria are quality, productivity, efficiency and satisfaction.

Three intermediate criteria are quality, adaptiveness, efficiency and satisfaction.

The two long run criteria are quality and survival.



When we are talking of organizational effectiveness then again there is a time dimension to it. So, it is a time based perspective, like whether we are talking of effectiveness in the short term, whether there is mid range for it or intermediate run, and whether it is for longer period, and which is indefinite, may be future perspective. So, and the criteria of effectiveness will differ based on for what time frame you are considering your effectiveness. If it is for the short term your concern will be the quality, productivity, efficiency and satisfaction. Then intermediate criteria are quality, adaptiveness, efficiency and satisfaction. So, if we see, like when you are talking of short run thing, it is a immediate result, and productivity and satisfaction with that result, quality this is very important, where it is inter, when the effectiveness criteria is of intermediate nature that means you are, at least there for you apply time for effectiveness for offering

individual group in the organization for, atleast for five years that adaptiveness with the environment is one of the important criteria of effectiveness.


And if it is for the long run means indefinite time, if you do not know how much, then two most important things are of course the quality of your what you do and your survival strategy which means more flexibility, more of learning organization, more of environmental scanning and learning, getting a proper feedback, these factors become much, much more important when you are talking of long term effectiveness, because survival strategy of an organization is very important.

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Criteria of Effectiveness

Effectiveness criteria must reflect the stage of the organization's life-cycle (which includes stages of growth, maturation and decline) and short, intermediate, and long-term perspectives.

1. **Quality**—overarching criteria of effectiveness that involves meeting customers' needs and expectations. Statistical Quality Control (SQC) and Total Quality Control (TQC) rank among the most used programs for building quality throughout organizations, as well as in their products and services.
2. **Productivity**—reflects the relationship between inputs and outputs. It excludes consideration of efficiency. Measures of productivity include profit, sales, market share, patients released, clients served.
3. **Efficiency**— it is the ratio of outputs to inputs. Efficiency focuses on the entire input-process-output cycle, emphasizing input and process. Measures of efficiency include rate of return on capital or assets, unit cost, scrappage and waste, downtime, occupancy rates and cost per patient/student/client etc.



And, if we see when we talking of criteria of effectiveness it must reflect, the criteria must reflects the stage of the organization's life cycle as, we told earlier like, whether it is for the long term, short term or intermediate terms; and first of course, is see the, one of the important criteria of course is, your quality; quality of, so that if, of you, whatever you are doing and how you are doing it, so that it meets the customer's needs and expectations. So, quality in your, through production in your products and services. Next is your productivity. So, productivity is again reflects the relationship between inputs and outputs. It excludes consideration of efficiency. So, like profit, sales, market share, patients released, clients served, etcetera. Efficiency- it is the ratio of input and output, means how you do certain things; and these are the certain scrap page and wastage, downtime, occupancy rates, these are the certain measures of efficiency. And productivity if you tell, it is like effectiveness and efficiency together leads to productivity.

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4. Satisfaction—the extent to which the organization meets employee needs. It recognizes the organization as a social system that must benefit its participants. Measures of satisfaction include turnover, absenteeism, and employee attitudes.
5. Adaptiveness—degree to which the organization can and does respond to internal and external changes. It relates to management's ability to sense environmental changes and changes within the organization. There are no specific, concrete measures of adaptiveness, but certain programs (e.g., employee training and career counseling) increase its capacity to deal with it.
6. Development—ability of the organization to increase its capacity to deal with environmental demands. It means that an organization must invest in itself to increase its chances of survival in the long run. Training programs and organizational development programs represent the organization's investment in survival.

An organization can be effective in the short run but the organization's adaptation with the external environment and its efforts for development at each of the lifecycle stages will ensure the survival of the organization in the long run—the ultimate criterion of organizational effectiveness in the long



Next is see, satisfaction- extent to which the organization meets employee needs. It recognizes the organization as a social system that must benefit its participants. Adaptiveness means the degree to which the organization can adapt to the internal and external changes. At, the more we can adapt in a better way, the more we can sense the environmental changes and take your collective measures, then which is helpful for the organization's moving, it become more effective.

Then development means how expand yourself, how your capabilities, capacities to, how you expand your certain deal with the environment explain the capacities for that learning is very important. Investment of the organization in different training program, so that you will become very equipped to answer the challenges faced by both the internal and external environment is very important. And these are, these are called investment for survival. An organization can be effective in the short run, but it is how it is going to adapt to the external environment; what effect does it take for the development each of the lifecycle stages, how it work effort it has taken for its growth of the employees and increasing the competency of the employees, so that they can face the challenges in a better way, will be the alternate criteria for effectiveness in the long run. Because if we are not equipped to face the challenges, if you are not able to stand the challenges in environment, if you are not able to adapt to the changes in the environment, that may be, you are not going to exist, you will just became a deformed thing.

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Limitations of Organizational Behaviour

The three major limitations of Organizational behaviour are:

Behavioural Bias- A narrow viewpoint that emphasizes satisfying employee experiences while overlooking the broader system of the organization in relation to all its public. Sound OB should recognize a social system in which many types of human needs are served in many ways.

The Law of diminishing returns- More of a good thing is not necessarily good. For any situation there is an optimum amount of desirable practice. Organizational effectiveness is achieved not by maximizing human variable but by combining all system variables together in a balanced way.

Unethical Manipulation of people- Knowledge and techniques can be used to manipulate people unethically.



We also have to understand the three major limitations of organizational behaviour because that we, that is connected with the effectiveness of the organization. Like we, as what we practitioners we maybe bias towards getting as more for the employees, like because it is individual, study of the individual behavior, their perception, motivation, values have to be given importance. In the organization, group functioning is very important; sometimes people become bias towards satisfying more of individual needs and developing people.

But some, this could, this mean it to bias in certain extent like we cannot overlook the organization's purpose and the context of the organization while we are, think, and we just cannot demand a game for individual development at the cost of organizations development. So, that is a sound of it should became a social system, and social system in which persons need can be satisfied to certain extend, keeping into consideration the environment that the organization is in.

So, a narrow view point, if we take a narrow view point of OB it emphasis satisfying employee experiences while overlooking the broader system of the organization in relation to all its public. It is not possible, because organization is providing the employees with certain, certain things, it may not be put enough, it may not be possible for the organization also to provide all those things. It may provide somethings less, what it may provide something more, which organization it cannot provide. So, it depends on the nature of the organization and the context it is in, like what it can, to what extend it can satisfy what type of the needs of the employees.

Law of diminishing returns- it is more of a good thing is not necessarily good. So, organizational effectiveness is achieved not by maximizing human variable, but by combining all systems variable together in a balanced way. This is important like, if you remember about the theory while we were discussing like we are talking of employee development, and while we are talking of theory, while growth and development of employee, but again there was a link to it along with organization's development.

Suppose I, as an, as an employee I want to go to a training program which I see somewhere a training program is going on, I come and tell I want to go to this training program. Now as a manager before sanctioning that person to go for that program we have to understand and principally if every feel that person to that attending that program, is it necessary for that organization? How much costly is it for that the organization? Can you bear that cost?

Costly in the sense of not only in terms of money, but also in terms of time, the replacement that you have to get for that person for the time for his away from the organization, all these things you have to take into mind to find out whether you can allow this person to go for that specific training program that he wants to go. That training program may enhance his competency, no doubt in it, but whether it is affordable by the organization, and various, based on different criteria that you have to consider, unethical manipulation of people.

So, techniques can be used to manipulate people unethically within the organizational. We will discuss this more when we are talking of misbehaviour within the organization and the political view in the organizations. So, how far if organizational politics is permissible within the organization, and when we have to be straightened just not let things happen. So, that we have to prevent, and knowledge and techniques. So, more that that is the important of studying misbehaviour in work place. We need to know like what could be the possible misbehaviours, what could be the possible unethical practices and how to prevent that things, so that the purpose of the employee and the purpose of the organization are aligned with each other.

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Key forces affecting organizations and continuing challenges

A complex set of four forces affects the nature of organizations today. They are:

- People
- Structure
- Technology
- Environment

Based on these four forces, the different challenges faced by the managers today are:

- Managing in a global environment
- Managing workforce diversity
- Managing Technological Innovation
- Managing ethical issues at work



The key forces affecting organizations are: first is of course, the people. Next is, why people? Because now we are working in a organization or working in a global environment. So, when, and they are different. The work force- there is a considerable change in the nature of the work force. People are of different age groups, they come from different backgrounds, they are of different nature, and they come from different cultural backgrounds, they come from different social backgrounds, and leading to what is called, they come from different regional areas also, leading to work force diversity, and this managing, it is very important.

Structure of the organization has changed a lot. So, from the bureaucratic structure till now the matrix organization to virtual organization, boundary less organization, so every new day newer experiments certain needed structure of the organization, along with those things OB also changes, the newly behaviour in that organization also changes based on the structure that changing.

Different technological innovations have, technology is also changing within the communication technologies becoming more advanced. So, different interaction technology may, is also changing. So, all these things will change the nature of interaction, the nature of communication of people with each other, it requires a different set of skills for the person to adjust to this technological innovations.

Environment- both inside and external environment to the organization is rapidly changing. And during rise to various ethical issues that within the environment and also

within the organization and also the outside the organization. So, demands of the environmental changing from the organization, concerns of the environment from the organization are changing, and so organization has to understand those demands, and answer accordingly. So, based on these forces the different challenging, these forces, the changing nature of these forces has different challenge for the managers. And these are first of its managing in a global environment. So, the skills, the mind setup required for managing in a global environment, the outlook, the model that you need to have, the predetermined idea that you need to have about your employees is quite different from the earlier years to now while you are functioning in the global environment and the functions of the management also changes, the concerns changes.

Next is managing workforce diversity. The human resource policies and practices is affected a lot while we are dealing with diverse workforce which cause different age and general and cultural diversity, and all those things. Because practices regarding perceptions while attitudes involving, you have to, the organization has to take care of all these factors, if they want the holistic development of the workforce.

Managing technological innovation being conversion to these innovations, if the ability to use this innovation for the proper functioning of the organization, is very important. So, training, a lot of learning is required in this field. Managing ethical issues at work- various ethical issues come up from different aspects within the organization or group, individual levels and group levels. And inter organizational ethical issues also come up and we have to understand what is the right way of doing things, keeping into consideration certain factors in mind.

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Value of OB in developing competencies for facing the challenges:

OB helps people attain the competencies (an interrelated set of abilities, behaviors, attitudes, and knowledge needed by an individual to be effective in most professional and managerial positions) needed to become effective employees, team leaders/members, or managers.

Seven Foundation Competencies are:

- Managing Self
- Managing Communication
- Managing Diversity
- Managing Ethics
- Managing Across Cultures
- Managing Teams
- Managing Change



So, what OB helps to do is to help people attain the competencies that is, what is the, competencies is interrelated set of abilities, behaviours, attitudes, and knowledge. So, it is not only ability, behaviour, attitude and knowledge separately, but it is a interrelation; mix of abilities, behaviours, attitudes and knowledge needed by the individual to be effective in a managerial position to, or to become an effective employees, team leaders, members or managers.

So, it helps to get that effectiveness or to attain the competencies because if you remember like earlier while we are discussing the basic OB model what I told is that, even if we are discussing one of the factors present, either of the individual, group or organizational level. So, you have to take into consideration all other factors present, either at the same or other levels, and think thing as a holistic concept before you try to decide a certain things. And the knowledge of OB helps people to attain those competencies means develop that area of looking into the factors not separately, but as a interrelated concept. Then, how it helps is by- first is, important thing of course, is OB is learning how to manage self. What happens, we take management as like if you ask anybody is what is management all about, you will get the straightway definition certain things done by a, through the others, but if you follow the first word of management that is management of self.

And, first competency which is being developed by the field of organizational behavior is of course, managing self, how? Because you come to know what about your perceptions, why you perceive certain things in certain way? What is your personality

pattern? What is your ability? What are your limitations? Why you believe in certain way? What do you like? What are your emotions? What are your knows? What are your attitudes? Why you do certain things? Why you behave in certain way? And you try to take corrective measures from some and try to develop in other aspects. And so it what at the end of the day you reach to, is managing your own self.

Next is managing communication. In that what happens? Like, what are the factors of communication? What leads to a better communication? What are the barriers of communication? If you get to know these things, what would happen is you get to communicate in a better way. Diversity is in your place, you cannot ignore that. What you have to understand, what is the nature of the diversity? How, we have to accept like people are different and they will have to respect that difference and formulate our policies, practices, so that we can better answer to the need of these diversity. Ethics in a workforce- again doing the right thing in a right way in the right context is very important. Like, sometimes we are in the decisional dilemmas. If there is a situation and we cannot deserve, should we be doing this things or should we be doing that thing, but it may be more profitable, the outcome is more profitable, but the process is that, not that much ok, but partly it is a loss of profit, but it is a, part is, the right to its ok part is, you do not have go to un fear means for that.

Then, which one is to choose like, should we take look to the end which is more profit, or go to the part which is not unfair. And managing, and this is just a broad example or broad like one line of decision making is that they told about ethics. But ethics is not that simple like. You come to dilemmas, presently solving this questions of dilemmas in very important situations are complex while taking ethical decisions, which may appear that in the short run, you are not taking a decision which is appearing to be profitable in terms of managerial gain for the organization. And there could be pressures from different concerns, concerned people or share holders and others, why you are deciding in this way because your decision is not leading to the profit, monetary profit of the organization. Then, you have to think of your short term and long term gain because if you remember that, and what is more important is long term survival rather than your short term focus on profitability. And organization surveys only when your greater society accepts you, the greater environment accepts you; it accepts you for your value system.

Managing across cultures- again there are host countries and they have their own cultures, their own values, so parent country. So, each values would give more importance to, and each culture will give more importance to, do you follow your culture and try to just practice it into other country or going to adapt certain things, certain practices of the country where you go to the business also. These are important issues for decision making.

Managing team- while you are talking of team performance, how do you reward a team? Do you reward an individual in the team, or you reward all the team members? What is your reward system? What is your way of motivating? What is your way of encouraging team members? These are important challenges. And the knowledge of OB, because it helps you to understand the team dynamics, helps you to develop competencies in this way back.

Managing change is another important issue. What type of change, is it a program change? Is it a non program change? Then, do you accept that change? Do you prepare yourself for that change? Or, first you face the change and then you try to take corrective measures? How do you communicate the change process to your employees? These are very important. So, that they can accept the change or they are means they also part of that change process, and change happens smoothly. These are certain important considerations, and competencies that the knowledge of OB helps to develop.

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- However the field of Organizational Behaviour faces two continuing challenges while doing this. These two continuing challenges are:
- Seeking quick fix- Tendency for business firms to have short time horizons for the expected payoff from behavioural programs.
- Varying environment-Failure of managers to recognize the impact of different environment and modifying the OB concepts accordingly.
- Management have to be conscious of these two challenges and overcome them so that the knowledge of OB can be utilized properly for increasing organizational effectiveness.



But again the field of OB is not without its own challenges. Because what happens is with these behavioral programs people try to gain a very quick fix- seeking quick fix is one of the challenges to, because they have short time horizons and they want immediate payoff from the behavioural programs which is sometimes not possible. Because, behavioral programs need its own time to show their results. If you sent a person to training today and tomorrow if you want that person to perform in a better way that is something really does not happen. And that is over expectation from the behavioural programs. Varying environment- and sometimes we do not understand whereas OB practitioners like environments move, for certain things are different, organizational environment is different, cultural environment is different, and we have to modify the concept of OB, so that it suits the environment that the organization is in.

So, that what practices is possible in western country need not be suitable to the Indian country, eastern countries, because they have their own values system, they have their own ways of looking into things which is quite different from the western world. So, what we have to do, the produce is that we try to adapt the concepts to the environment to where it is applicable. Adjust, not superimpose the concept of any different context. You have to take into consideration the contextual factors, you have to take into consideration the cultural factors before we try to adapt certain OB concepts in that particular organization.

Then, we have to be conscious of these two challenges, so that at the end of the day we can utilize the knowledge of OB in a better way. We learn about organizational factors; we learn about individual factors like perceptions, personality, attitudes, values, motivation, communication; we learn about group factors, leadership, trust, then conflict, power, whatever and organizational structure, design. But, at the end of the day you will have to take into consideration like, is it possible to apply whatever we have learnt in the way as it is what we have learnt, or it needs certain modifications, so that we can suite it.

We can like Taylor make it for the organization, where we want to apply it, because the nature of the organization is like this, this, this, this, or the constraints faced by the organization which is of a different nature like the service organization, manufacturing organization, for again virtual teams, and all these factors, if the principle may remain, but the application part, the practice part will have to be modified based on where you are applying the OB concept, so that, that will help you to get a better effectiveness for the organization.

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Questions

- What are the various models of Organizational Behaviour ? Discuss the similarities and differences among five models of organizational behavior.
- What is organizational effectiveness? Critically evaluate the goal approach and systems theory approach of defining effectiveness.
- Discuss the criteria of effectiveness with reference to the time dimension of effectiveness.
- Describe with examples the limitations of Organizational Behaviour
- What are the key forces affecting Organizational Behaviour?
- What are the continuing challenges of Organizational Behaviour? Describe how the seven competencies help in facing these challenges.



Followed by questions. So, what are the various models of organizational behavior? Discuss the similarities and differences among the five models of OB. What is organizational effectiveness? Critically evaluate the goal approach and systems theory approach of defining effectiveness. Discuss the criteria of effectiveness with reference to time dimension of effectiveness. Describe with examples the limitations of organizational behaviour. What are the key forces affecting organizational behavior? What are the continuing challenges of organizational behaviour? Describe how the seven competencies help in facing these challenges.

So, again you see, the questions that is being framed, if you are finding answers to these questions with a critical thinking mind that is very important; you have to think about the answers that you write to this questions, is not answers are not very simple straight forward; you have to link each other factors with each other before you find answers to these questions. And when you know like what are the limitations of OB? What are the forces affecting OB? How you can improve OB, in what way to apply the OB, so that it helps to increase individuals group and organizational effectiveness.

Maybe what you learnt at the end of this session is application of knowledge of OB in a better way for increasing overall holistic effectiveness of the organization policy, which is not only the organizational effectiveness, along with it the groups and individuals effectiveness also. But for that we have to keep open a very adaptive mind, the thinking mind like, the ways of knowing how to scan the environment, how to adapt to the changes first for environment and find proper answers for it.

Thank you.