Organizational Behaviour - an Introduction
Dr. M. P. Ganesh
Department of Liberal Arts
Indian Institute of Technology, Hyderabad

Lecture - 01
Introduction to Organizational Behaviour - Part 1

Warm welcome to all of you to this course on Organizational Behaviour. Today we are going to look at the first section of the introduction chapter. I am Dr. M P Ganesh; I am an associate professor in the Department of Liberal Arts, IIT Hyderabad. If you want to know more about me, you can click the link below and you can get to know about my professional background.

So, this is the outline of the entire first chapter. So, these are the topics which we are going to cover in this first chapter. In the first session on the first lecture today, we are going to look at the first point; which is how do we define organization, behaviour and organizational behaviour?

If you want to understand or if you want to define organizational behavior, we need to understand what is an organization? We need to define, what is an organization? Just go through this picture in this slide and take a minute and think what comes to your mind. So, words like collaboration, words like coordination, words like collective effort, words like arrangement of people; so these are some terms which might come to your mind, isn't it? In fact, these are the words which can be associated with the word organization.

So, in that case can you define, what is an organization? Just take a minute more and think and try to define, what is an organization? Because in our day to day life organizations play a very important role; we are part of an organization as a student or an employee, the kind of products which we use or the kind of services we get in our day to day life are made by organization or serve by organizations. So, organizations knowingly or unknowingly play a very important role in our day to day life.

So, just pause for a minute and think; how will you define an organization? Many people use this word organization as a group of people. A group of people is one term which can be used to define an organization. Some people use group of people coming together as a definition, and a better way to define is group of people coming together and trying to achieve something collectively.

So, in very simple words, organizations can be defined as group of people coming together to achieve a common goal. Many a times this is what I get as an answer when

we ask this question in my class, in my O B class. So, this is one simple way of defining what is an organization.

But let us look at an elaborate way of or a more precise way of defining what is an organization or understanding what is an organization. The word organization comes from the term organizing. So, if you are a management student, you would have heard of the five functions of management.

So, planning, organizing, leading, controlling, coordinating; these are considered to be the five functions of management and organizing is one important function of management. Also organizations involved in organizing or organizing is a key activity in any organization. So the major thing organizations do is, organizing things within them, so that they achieve something bigger.

So, what is organizing? Organizing is nothing, but arranging. So, what is arranged within an organization? One, people are arranged, people are given specific designations, task are defined; for each designation, people are assigned task or they are told what they have to do, tasks are distributed; three each of these designations also have a certain level of authority or power to execute those tasks.

So, in a very simple way of understanding organizing; organizing is arranging task, people and authority. So, organizations involve these three things in a very systematic manner. So, if you look at the second point in the slide; you will see it is defined as a deliberate arrangement of people to accomplish some specific purpose.

So, let us understand, what is deliberate arrangement? A deliberate arrangement is nothing but a very rational way of or very logical way of arranging all these things. So, in that sense it is not by random things happen. For example, let us say a family; is a family an organization, or not an organization? It is not an organization, because whatever happens within a family is not deliberately or consciously or very systematically defined beforehand.

So it all happens through a flow, isn't it? people in a family assume this is what they have to do, they understand each other without clearly prescribing, many a times clearly prescribing what is expected out of each other and they do their task. But in an organization, everything is like deliberately arranged; which means everything is like clearly written down, clearly defined, and planned beforehand.

So, in that sense, organizations are more systematic in nature compared to other social units like a family; organizations are more systematically driven or rationally driven. So, this is one way of defining an organization; but again there can be problems in this definition. For example, many a times organizations, even business organizations are not rigidly planned or defined in terms of what has to be done, in terms of task description or in terms of their goals and things like that.

So, we cannot use only this definition to understand what is an organization. An elaborate way of understanding what is an organization is the third point which is given in this slide, which is an organization is a "consciously coordinated social entity with an identifiable boundary that functions on a relatively continuous basis to achieve a common goal or set of goals".

So, I have underlined few terms in this definition; why I have underlined them is to, one; elaborate on what they mean, two; to critique those terminologies or to question whether these terminologies really defines an organization or not, ok. So, the first we will look at each of these terms and try to understand what they mean.

So, organization is a consciously coordinated social entity; consciously coordinated means a systematic or organization is something which adopts very systematic processes, very rational processes to run its day to day activities or to operate on a day to day basis.

To challenge whether organizations are consciously coordinated or not like I said earlier; take many cases of day to day activities in an organization; some of it is planned, some of it happens through mutual understanding between people. And especially when there are lot of other factors which change within the organization and outside the organization which is not predictable; many a times, consciously coordinating can be challenged.

There are lot of unplanned things which can also happen within the organization. For example, there are some organizations which are like very organic in nature; which means they do not plan for a long term, they actually evolve over a period of time. Whenever there is a new opportunity; the organization takes advantages of that opportunity and enters into that particular market, so the strategy is not clearly defined.

vis-à-vis some organizations are very mechanistic in nature; which means they are clearly defined in way of where they have to be in 5 years; what kind of markets they need to operate, what kind of businesses should they do; all those things are clearly defined.

So, it is not always true that organizations succeed when they are very mechanistic; in fact, many of the successful organizations are very organic in nature which evolved, they are not very consciously coordinated, they are very instinctively or are driven by gut feelings of their CEO's.

The term 'consciously coordinated', we need to   we cannot take it as a 100 percent way of defining an organization. The second word is social entity. So what is social entity? Social entity means, organizations are social groups or organizations have people.

The question is, let us say I give you a project as a class project, a course project; where I assign three, four members in a particular group and ask them to do a project.

So, in that sense they are also a social entity, they are also consciously coordinated; there is a plan involved, there is a structure involved and also there is a common goal like this definition.

Can we call this project group an organization? Many a times no, because this is a team, this is a work team. Why it is a work team? In fact, more specifically this is a project team, because one size of this group is small, two the goals are very time bound; which means after the project ends, this group may not exist.

So, the first idea of how many people should be there to define a group as organization vis-à-vis a team is a question mark. Usually when the size of the group is less than 8 or less than 10, they are called as team; when they are bigger, there are other names. So, usually people visualize organizations as entities which have 100 or 1000 people or 10000 people.

So, there are larger organizations with thousands of people. So, social entity means, there should be some number of people; at least some number of people as members of the organization. But again the question now is, the question of ideal size. We can challenge that idea.

For example, in recent times, smaller organizations are becoming more and more successful and more and more popular; for example, there are startups which have 2 or 3 people, which are also very successful.

There are organizations which operate on a very large scale, but number of people are relatively less compared to some big, some so called big organizations. So, size of an organization is again a question mark. Some people say at least one person should be there to call it as an organization, there are one person organizations also; maybe in future there might be organizations which may not even have people, the entire organization being operated by an algorithm. It can also happen.

It is in future and we do not know. So the point is that the idea of size can be questioned. The third term is 'identifiable boundary'; which means organization should have boundaries. For example, many of these groups, interest groups or groups which come together out of some common interest; they may not have very clear cut boundary, when I say boundary, it can be a physical boundary or it can be a social boundary or both.

Physical boundary is when there be a place from which they operate. For example, there is a fan club of a particular movie actor or a cinema star. So, this fan club may not be an organization; because many of them may be with scattered around different places, even though there is a common interest or a common goal, they might be scattered across various places.

So, in that sense, they may not have a physical boundary, ok. Social boundary is sense of belongingness. A sense of belongingness is difficult to quantify; because it is more

subjective in nature; it is more psychological in nature. Let us say if I am part of an organization as some as a formal member, let us say if I am part of IIT Hyderabad.

So, by being a formal member of IIT Hyderabad does not mean that I will have this sense of belongingness; but many a times organizations try to instigate or try to make that happen among its members. For example, organizations try to give uniforms to all the employees to make them feel they all are one and they are part of the organization; you also get an ID card which has a number which says, this is what your identity in this organization.

So, the sense of identity also plays a very important role in defining the boundary. So, the idea of boundary is also to differentiate who is an insider and who is an outsider. So, physical boundary, having a physical boundary which is a physical place to operate also defines who is an insider, who is an outsider; social boundary sense of belongingness also makes people feel whether they are part of the organization or they are not part of the organization.

So, organizations try to have these boundaries; one, to have a physical boundary, two, to inculcate sense of belongingness, so that there is a sense of being an insider versus somebody who is an outsider. So, this is the idea of boundary. But again it is possible to challenge this idea of boundary as part of the definition of organization; should all organizations have physical boundaries or in other words should organizations have a physical place from which they will operate.

In fact, in recent days more and more organizations are coming up with this new way of working which is co working; which means many people will work from home or people are dispersed across the globe, they may work from their own place.

But they are part of the organization; we call them virtual organizations, so that can also happen. Maybe in near future there may not be an office space, everybody is connected through internet and they may sit from different places and work as part of an organization which is virtual.

So, physical boundary, the idea of physical boundary is also becoming very vague nowadays. Two; social boundary, sense of belongingness; earlier organizations involved people working in that organization for many years. The sense of belongingness was

very strong, for example, being in IIT and I feel proud about being an IITian or even if I do not work in this organization anymore, if I retire from this organization, I would be proud to call myself an IITian.

And many a times people work in the same organization at one given point of time. But in recent days this way of working is also changing; for example, there is this idea of called temp workers.

Temp workers are workers who work for a short duration in a project; when they work in the project, they are part of the organization; but when they are not, once a project is over, they more like freelancers, they quit the organization and work in another project. Or there can be other ways of work working also; in extreme forms as a freelancer one might be working in different organizations at the same time.

So, where do my sense of belongingness exist or where will I consider to be what is my organization? So, the sense of social belongingness is also becoming very weak. So, the point I am trying to say is, the idea of boundary both physical and social is becoming more and more vague nowadays. We cannot use this definition as a strict way of defining, what is an organization.

So, even consciously coordinated cannot be a very rigid thing; social entity can be questioned, how many people should exist, and boundary can also be challenged. Now let us see 'continuous' as a way of defining an organization. Continuous means, organizations should be there for long duration.

When we say long duration, what do we mean by long duration? Like I said, there are huge social units which have big size or social units which have many people; but may not exist for longer period of time.

They work on a project and then they stop to exist, they cease to exist, so they are not organization. For example, a movie making group, let us say I am making a Hollywood movie which is like a huge budget and there are 500 to 1000 people working in this movie making unit. But after the movie is made, this particular unit does not exist in the same form; people move away to different projects.

So, can you call this as an organization? No, we cannot; but let us take another organization IIT, IIT Hyderabad let us say or IIT Madras or your organization, they exist for a very long period of time. But again the question is, when will you call this duration as a long duration? Is it 10 years, it is it 50 years or is it 100 years? We do not know.

Especially in recent years, the lifespan of the organization is becoming shorter, many organizations, they are there for 5 years, 10 years; they merge with some other organization or they become a newer organization or they are sold off, they do not exist anymore then. So, the lifespan of the organization is also becoming small. So, in that sense we cannot use a particular year or particular duration to say this is what we can call it as a 'continuous' basis. So, again it becomes difficult to define.

So, the last two terms goal and goals, when you say organization should have goals; the question of whose goals should be there? Because organizations have different stakeholders; for example, if you take an organization like your college or your education institution, there are multiple stakeholders, there are administrators which is administrative staff, there are teaching staff, there are students, there are other stakeholders like the temporary workers, there are many groups in an organization.

Each of those groups have different set of goals. When you say there are different people with different set of goals; what should be in the common goal? so the example which I gave was an educational institution. Let us take a business organization; what should be the goal of the business organization? can there be one goal or can there be few goals, where all of be stake holders agree?
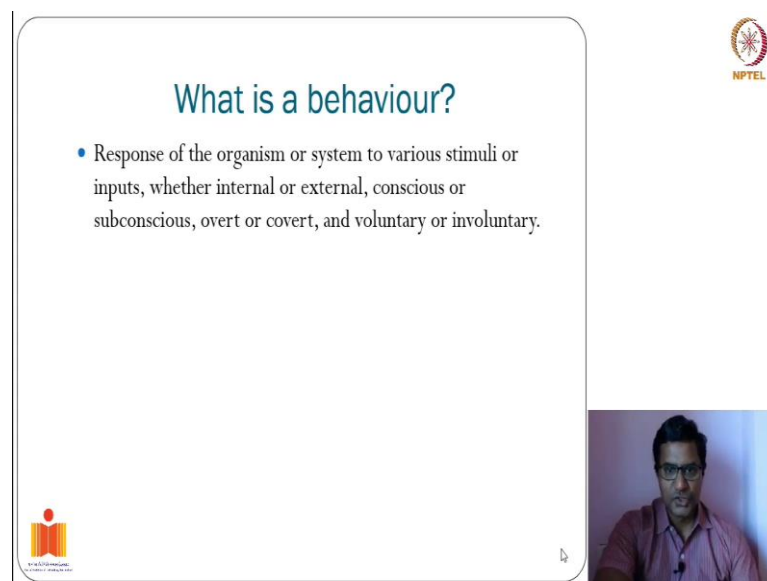
Again it is very difficult, for a business organization, profit can be a lone goal, but again as an employee is profit my only goal? profit can be the goal of the shareholders, but as an employee my goal is not necessarily that my company should make profit, it could be one of the goal. But for me a comfortable workplace, a secure job, opportunities to learn and grow can be my goals.

Similarly, in a business organization, consumers are stakeholders. What their goal or what they expect from the organization is not necessarily profit; for them it could be good products, value; something which gives them value, something which is useful for them, something which is safe to use and things like that.

So, this idea of an organization as collection of many groups makes it difficult to define one goal or fewer goals for the organization; in fact, that is what makes organizations an interesting unit of analysis.

For time being I will pause here and will summarize what we tried to do with this way of defining an organization. So, what we are trying to do here is, we are trying to question different way, different terminologies used to define organization. Why am I doing it? To make you think about organization as an entity is very difficult to define, and these definitions are changing over a period of time.

The newer forms of organizations are trying to break away from this classical way of defining, what is an organization; there are newer forms of organizations which come into existence. And that is what makes our job difficult as students or learners of organizational behavior; because there are different newer forms of organizations emerging.

Now the second part of organizational behavior; behaviour. So, what is behavior? In general, psychology is considered to be study of behavior. So, what is behavior? In a very simple way, behaviour is a response to a stimulus. So, for example, you are supposed to learn through what I am teaching or what I am lecturing; so learning is a behaviour or a response which happens because of the stimuli which you get, which is my lecture.

So, learning is a behaviour which is a response to a stimulus which is my lecture. Let us say your sneezing; is it a behavior? In a very technical sense it is a behavior; because there is a stimulus which is something like allergic or irritant which made you sneeze. But sneezing is an involuntary behavior, if you look at the definition, sneezing is an involuntary behavior; learning is a voluntary behaviour, you can choose to learn.

Behaviours can be overt or covert. Overt means visible behavior; for example, if you are bored because of this lecture, you might yawn which is very visible behaviour.

Covert behaviour is something which happens inside, you get bored, but you will not show; let us say if it is a face to face class, some of you may not yawn, you will switch off your mind, you will day dream. So, daydreaming is a covert behavior.

Behaviour can be conscious or subconscious. Conscious means you know what you are doing. For example, in classroom some students, when that the class is not interesting, they will do something else; they will look at the mobile phone, they will try to read something else or things like that, that is a conscious behavior. Subconscious means, for example, let us say in some classes people nod; when there is an interesting lecture people shake their head. They may not even know they are doing it; they are subconsciously doing it, without even being aware they do this. That is subconscious. So, behaviours can be conscious, behaviours can be subconscious; behaviours can be external, behaviours can be internal. For example, if you are hungry, your stomach makes noises, so that is internal; external is you feel irritated, so that is external.

So, behaviour is like the whole range of things we do; whether it is internal, external, consciously doing or unconsciously doing, you have control over what you are doing, you do not have control over you are doing, all these things are behaviours. But one necessity is, there should be a stimulus; there should be something which makes it happen. But again you may question should this stimulus be, whether the stimuli be internal or external?

It is again   depends; because there are some things which stimuli happens from within. for example, you are worried, you are scared; sometimes they may not be a real threat, sometimes they may not be a real cause for your worry, most of the things might be internal over thinking. So, stimuli can be internal also; the trigger to your behaviour can be internal as well as external.

So, this is what is behavior. So, behaviour is actually what we do as people; internal, external, conscious, unconscious, voluntary or involuntary.

So, what is organizational behavior? Organizational behaviour is understanding all these behaviours; may not necessarily sneezing, why people sneeze in organization, but what makes people motivated to work or what makes people perform better than others and things like that.

So, organizational behaviour is understanding human behaviour at work. When you say human behavior, it can be of many levels; it can be at individual level, which is like their motivation, attitude, perception and things like that. It can be interpersonal, interpersonal means between people; conflict, cooperation and things like that. Group dynamics, in more than two people; in groups and teams, is what kind of things happen within a team.

So, the unit of analysis and organizational behaviour can be individual; can be interpersonal between people or it can also be larger groups. So, in simple words organizational behaviour is nothing but systematically studying human behaviour in organizational settings. When you say systematically; it means using scientific methods, it is not like you watch people and make assumptions, it is not like through work experience you understand and you try to predict human behaviour.

So, I am not criticizing learning through experience; but systematic study means, in a very scientific way, in a very controlled way, in a very rational way we try to understand human behaviour. So, how does organizational behaviour do it? Through building lot of

research studies, through the findings of the research studies we also come up with newer theories; we also come up with models, conceptual and empirical models to understand human behavior.

So in fact, many of the theories which we are going to talk about in our course has very strong empirical studies or they are based out of many years of research. They are not just gut feeling assumptions but are based out of very strong research empirical systematic study.

So, this is what we are going to look at today and in fact I think we have fairly covered the idea of, or fairly covered the definition of organizational behavior. I will quickly summarize.

We looked at what is an organization, the definition of organization, the complexities of defining what is an organization. Why it is important to understand the complexities; because as organization students of organizational behaviour need to understand newer forms of organizations are emerging, and that we cannot generalize most or we cannot generalize one thing to all organization.

Two, we also looked at the definition of behavior; what is a behavior? Behaviour is a response to a stimulus; it can be internal, external, conscious, unconscious, voluntary or involuntary.

Three, what is organizational behavior? Understanding human behaviour in workplace, which can be at different levels; and also it is not like understanding behaviour through day to day experiences. Organizational behaviour is different, because it is a systematic field, which involves lot of theory building and empirical testing.

I will stop here, before we end this lecture; I would like to give you a small homework. Country; let us take this social group country. Using the definition which we saw what is an organization; will you classify country as an organization or something else? Because the idea of country is very complex. So, can you fit this social group country as an organization or something else?

So, just think; in the next lecture we will see why or why not countries are an organization. Have a good day.

Thank you.