

**[Academic Script]**

**Introduction to Organisational Behavior Part-2**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B.A., 4 <sup>th</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 402 Organisational Behavior
<b>Unit No. &amp; Title:</b>	Unit - 1 Introduction to Organisational Behavior
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Introduction to Organisational Behavior Part-2

## **Academic Script**

### **1. Introduction**

Hello friends, welcome back to one of the most interesting session wherein we will be discussing about organizational behavior. We have already discussed a bit basic wherein we talked about basics of organizations, various management roles, effective vs successful managerial activities and few of the challenges and opportunities of organizational behavior. In today's session we will be further discussing some more challenges and opportunities of organizational behavior. Apart from that we will also talk about the determinants of organizational behavior or the three basis on which OB lies that is people, organizational structure and technology....

In the previous session we have already talked about few challenges and opportunities of organizational behavior. Let us revise them first before moving to the next one.

Those were:

- Improving People Skills
- Improving Quality and Productivity and
- Managing Workforce Diversity

### **2. Responding to Globalization**

Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company's products or services are spreading across the nations using mass communication, internet, faster

transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

### **Implications for Managers:**

Globalization affects a managerial skills in at least two ways: i) an Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries. ii) Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

### **3. Empowering People**

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers

are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

### **Implications for Manager:**

The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

### **4. Coping with 'Temporariness'**

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yester years, there used to be a long period of stability and occasionally interrupted by short period of change, but at present the change process is an ongoing activity due to competitiveness in developing new products and services with better features.

Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

### **Implications for Manager:**

Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behavior will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

## **5. Stimulating Innovation and Change**

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

### **Implications for Managers:**

Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example – books are being sold only through internet. Internet selling an organization's employees can be the impetus for innovation and change; otherwise they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

## **6. Emergence of E-Organization**

E- Commerce:

It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet. In e-commerce, the following activities are being taken place quite often - the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate from US\$ 111 billion in 1999 to US\$ 1.3 trillion by 2003.

E-business:

It refers to the full breadth of activities included in a successful Internet based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains,

collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a 'virtual' business, finding skilled people to build and operate intranets and websites, and running the back room or the administrative side. E-business includes the creation of new markets and customers, but it's also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet.

Growth rate of e-business:

The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business. Later, there are millions of firms that are now selling anything over the Internet, but they are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions. Some companies are putting maximum effort in improving its internal efficiency and providing support to its wide-reaching dealer network and to on-line sellers by creating a shared and integrated network. The companies wanted to make creating

E-Organizations:

This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet.

Implications for Managers:

The employees must acquire skills, knowledge, attitudes in learning new technology, overcoming any resistance

## **7. Improving Ethical behavior**

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job? The ground rules governing the constituents of good ethical behavior has not been clearly defined. Differentiating right things from wrong behavior has become more blurred. Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products etc.

Implications for Managers:

Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

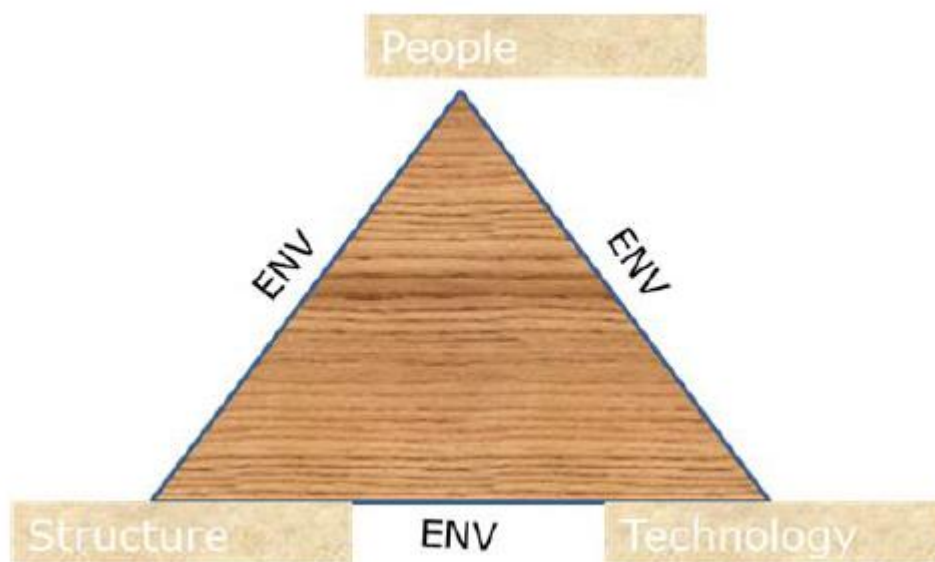


Thus these were the various challenges and opportunities of organizational behavior which we studied along with its implications for managers

## 8. Organizational behavior determinants

There are three major factors that affect OB. The working environment being the base for all three factors, they are also known as the determinants of OB. The three determinants are –

- People
- Structure
- Technology



### People

An organization consists of people with different traits, personality, skills, qualities, interests, background, beliefs, values and intelligence. In order to maintain a healthy environment, all the employees should be treated equally and be judged according to their work and other aspects that affects the firm.

Example – A company offers campus placement to trainees from different states like Orissa, Haryana, Arunachal Pradesh and

many more. However, during and after training, all trainees are examined only on the basis of their performance in the tasks assigned.

### **Organizational Structure**

Structure is the layout design of an organization. It is the construction and arrangement of relationships, strategies according to the organizational goal.

Example – Organizational structure defines the relation of a manager with employees and co-workers.

### **Technology**

Technology can be defined as the implementation of scientific knowledge for practical usage. It also provides the resources required by the people that affect their work and task performance in the right direction.

Example – Introduction of SAP, big data and other software in the market determines individual and organizational performance.

### **Environment**

All companies function within a given internal and external environment. Internal environment can be defined as the conditions, factors, and elements within an enterprise that influences the activities, choices made by the firm, and especially the behavior of the employees. While external environment can be defined as outside factors that affect the company's ability to operate. Some of them can be manipulated by the company's marketing, while others require the company to make adjustments.

Some examples of internal environment include employee morale, culture changes or issues, and some examples of

external environment include political factors, changes to the economy and the company itself

## 9. Summary

Thus with this we come to an end of the introduction to Organizational behavior. Let us try remembering all that we have learnt and hence summarize it. **Organizational behavior** is the study of both group and individual performance and activity within an organization. This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc. the introductory sessions took us in the ride of basic definition to management roles. The fields that contribute to Ob are psychology, sociology, social psychology, anthropology, and political science. Also differentiation between effective managerial and successful managerial activities was looked upon. The challenges and opportunities in organizational behavior included

- Improving People Skills
- Improving Quality and Productivity
- Managing Workforce Diversity
- Responding to Globalization
- Empowering People
- Coping with Temporariness
- Stimulating Innovation and Change
- Emergence of the e-organization
- Improving Ethical Behavior

And the three determinants of Ob which are people, structure and technology